



KUMPULAN FIMA BERHAD
(197201000167) (11817-V)

INSIDE

Manufacturing Division
Year of Challenge

Plantation Division
Taking Root

Bulking Division
Powering On

Food Division
Full Sail Ahead



Annual
Report 2020

STAYING RESILIENT

in the face of uncertainty



48th

ANNUAL GENERAL MEETING

Date **Time**
29 Sep 2020 3.00 p.m.

Broadcast Venue

Training Room
Kumpulan Fima Berhad
Suite 4.1, Level 4, Block C
Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur



We encourage you to visit our full Annual Report at <http://www.fima.com.my/annual-reports.html>. You will have the privilege to download, retrieve and view any pages of the Annual Report at your convenience.

Kumpulan Fima Berhad ("KFima") was incorporated by the Malaysian Government on 24th February 1972 under the name Fima Sdn Bhd. KFima's first business was canning of pineapples when Pineapple Cannery of Malaysia Sdn. Bhd. was incorporated as KFima's wholly-owned subsidiary. KFima was converted to a public company and changed its name to Kumpulan Fima Berhad. In 1981, KFima became the controlling shareholder of Fima Metal Box Berhad, now known as Fima Corporation Berhad ("FimaCorp"), a company listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

In 1991, KFima underwent a Management Buy-Out in line with the privatisation policy of the Malaysian Government. In 1996, KFima was listed on the Main Board of Bursa Malaysia. Today, KFima is a diversified group with businesses in Manufacturing, Plantation, Bulking and Food sectors.

OUR VALUES

- Accountability**
 - We make business decisions through vast experiences, good judgment, and ownership of outcomes
 - Committed and loyal to our clients and each other
- Ethics & integrity**
 - Honest and professional conduct in all interactions and through our commitment to managing our resources wisely
- Responsibility**
 - Integration of economic, social and environmental responsibility in all aspects and activities
- Safety**
 - Committed to providing a safe and healthy work environment for our employees and neighbours
- Passionate**
 - A strong commitment to delivering value to our customers and stakeholders
- Value creation**
 - We focus on building and generating sustainable value for all stakeholders



**STAYING
RESILIENT**
in the face of uncertainty

Inside This Report

Corporate Information 1

- 02 Notice of 48th Annual General Meeting
- 07 Statement Accompanying Notice of Annual General Meeting
- 08 Administrative Guide for the 48th Virtual AGM
- 11 Numbers At A Glance
- 12 Group Corporate Structure
- 13 Corporate Information
- 14 Financial Calendar
- 15 Our Board of Directors
- 18 Senior Management

Performance Review 2

- 21 Five Year Group Financial Highlights
- 22 Chairman's Statement
- 26 Management Discussion & Analysis

Segmental Report:

- 32 Manufacturing Division
- 36 Plantation Division
- 44 Bulking Division
- 48 Food Division



Financial Statements 5

- 118 Directors' Report
- 127 Statement by Directors
- 127 Statutory Declaration
- 128 Independent Auditors' Report
- 132 Statements of Comprehensive Income
- 134 Statements of Financial Position
- 136 Statements of Changes in Equity
- 139 Statements of Cash Flows
- 143 Notes to the Financial Statements



Sustainability Report 3

- 53 About This Report
- 55 Sustainability Highlights

Corporate Governance 4

- 88 Corporate Governance Overview Statement
- 103 Audit and Risk Committee Report
- 106 Statement on Risk Management and Internal Control
- 114 Additional Disclosure
- 116 Statement of Directors' Responsibilities

Other Information 6

- 220 Properties of the Group
- 230 Analysis of Shareholdings
- 234 Directory of Group Operation
 - Proxy Form



Notice of 48th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Eighth (48th) Annual General Meeting (“AGM”) of KUMPULAN FIMA BERHAD (“KFima” and/or “the Company”) will be held fully virtual at the Broadcast Venue at Training Room, Kumpulan Fima Berhad, Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur on Tuesday, 29 September 2020 at 3.00 p.m. for the following purposes:

ORDINARY BUSINESS

2

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2020 and the Directors’ and Auditors’ Reports thereon.
2. To re-elect the following Directors who retire by rotation in accordance with Article 102 of the Company’s Constitution and who, being eligible, offer themselves for re-election:
 - (i) Encik Azizan bin Mohd Noor
 - (ii) Puan Rozana Zeti binti Basir
3. To approve the payment of Directors’ fees for the Non-Executive Directors of the Company for the ensuing financial year.
4. To approve the increase in fees payable to the Audit and Risk Committee members (excluding the Committee Chairman) from 1 April 2020 until the conclusion of the next AGM of the Company.
5. To approve the payment of Directors’ fees for the Non-Executive Directors who sit on the Boards of subsidiary companies from 30 September 2020 until the conclusion of the next AGM of the Company.
6. To approve the payment of Directors’ remuneration (excluding Directors’ fees) to the Non-Executive Directors from 30 September 2020 until the conclusion of the next AGM of the Company.
7. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company and to authorize the Directors to fix their remuneration.

● Please refer to Note A

● Resolution 1

● Resolution 2

● Resolution 3

● Resolution 4

● Resolution 5

● Resolution 6

● Resolution 7

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:

8. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

● Resolution 8

"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 set out in Section 2.4 Part A of the Company's Circular/Statement to Shareholders dated 28 August 2020 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 party 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 the earlier;

AND THAT the Board of Directors of the Company be and is hereby empowered and authorized to complete and do all such acts and things (including executing such documents under the common seal in accordance with the provisions of the Company's Constitution, as may be required) as they may consider expedient or necessary to give effect to the proposed mandate."

9. PROPOSED RENEWAL OF THE AUTHORITY FOR SHARES BUY-BACK

● Resolution 9

"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 and paid-up 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 authorized 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 authorized 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."

10. CONTINUATION IN OFFICE AS INDEPENDENT DIRECTORS

- (i) "THAT approval be and is hereby given to Encik Azizan bin Mohd Noor who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company."
- (ii) "THAT approval be and is hereby given to Dato' Rosman bin Abdullah who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company."

● Resolution 10

● Resolution 11

11. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

BY ORDER OF THE BOARD

JASMIN BINTI HOOD (SSM PC No. 201908001455) (LS 0009071)

FADZIL BIN AZAHA (SSM PC No. 201908001530) (CA 20995)

Company Secretaries

Kuala Lumpur
28 August 2020

(I) Note A

The Audited Financial Statements is for discussion only as it does not require shareholders' approval pursuant to the provision of Section 340(1)(a) of the Act. Hence, it is not put forward for voting.

(II) Resolutions 1 and 2

Article 102 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company provided always that all Directors, shall retire from office at least once in every three (3) years, but shall be eligible for re-election at the AGM. A Director retiring at a meeting shall retain office until the close of the meeting whether adjourned or not.

The Board endorsed that the Directors who retire in accordance with Article 102 of the Company's Constitution are eligible to stand for re-election.

The profiles of the retiring Directors are set out in Our Board of Directors section of the Company's Annual Report 2020.

(III) Resolutions 3, 4, 5 and 6

Section 230(1) of the Act provides amongst others, that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 48th AGM of the Company on the following payments to Directors in four (4) separate resolutions as below:

- **Resolution 3** on payment of Directors' fees for the ensuing financial year.
- **Resolution 4** on the increase in fees payable to the Audit and Risk Committee members (excluding the Committee Chairman) from 1 April 2020 until the conclusion of the next AGM of the Company.
- **Resolution 5** on payment of Directors' fees for the Non-Executive Directors ("NEDs") who sit on the Board of Directors of subsidiary companies from 30 September 2020 until the conclusion of the next AGM of the Company.
- **Resolution 6** on payment of Directors' remuneration from 30 September 2020 until the conclusion of the next AGM of the Company.

Ordinary Resolutions 3, 5 and 6 comprises fees, allowances and other benefits payable to the Non-Executive Chairman, NEDs and Board Committees, including fees and allowances payable to them by the subsidiaries. Payment of the said fees, allowances and other benefits referred to herein will be made by the Company as and when incurred.

Ordinary Resolution 4 relates specifically on the increase in fees payable to members of the Audit and Risk Committee (excluding the Committee Chairman) from RM7,500 per annum to RM10,000 per annum. The Board is of the view that it was fair for the Audit and Risk Committee member's fees to be reviewed having taken into account various

considerations and to reflect the additional roles of the Audit and Risk Committee in assisting the Board to meet its oversight responsibilities in relation to the Group's risk management and sustainability policies and practices.

Other fees payable to the NEDs remain unchanged. The Group Managing Director does not receive any Directors' fees and meeting allowances.

Company

	Fee (per annum)		Meeting Allowance (per meeting)	Benefits
	Existing	Proposed Revision (Ordinary Resolution 4)		

Board

Chairman	RM90,000	Maintain existing fee. No revision proposed	RM2,000	Medical coverage and other claimable benefits
Member	RM60,000	Maintain existing fee. No revision proposed	RM2,000	

Committees

Chairman of Audit and Risk Committee	RM15,000	Maintain existing fee. No revision proposed	RM2,000	N/A
Member of Audit and Risk Committee	RM7,500	RM10,000	RM2,000	N/A
Member of Nomination and Remuneration Committee	N/A	N/A	RM2,000	N/A
Member of Group Sustainability Committee	N/A	N/A	RM2,000	N/A
Member of Risk Steering Committee	N/A	N/A	RM2,000	N/A

Subsidiaries

Subsidiary	Position Held	Fee Type	Amount
International Food Corporation Limited	Chairman	Director's fee – per annum	RM18,000
		Meeting allowance – per meeting	RM1,000
Fima Bulking Services Berhad	Chairman	Director's fee – per annum	RM18,000
		Meeting allowance – per meeting	RM1,000

In determining the estimated amount of remuneration payable for the NEDs, various factors, including the number of scheduled meetings for the Board, Board Committees and Board of subsidiaries as well as the number of NEDs involved in these meetings were considered.

(IV) Resolution 7

The Board had at its meeting held on 24 July 2020 approved the recommendation by the Audit and Risk Committee on the re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company.

(V) EXPLANATORY NOTES ON SPECIAL BUSINESS

(a) Resolution 8

The proposed Ordinary Resolution 8, if passed, will empower the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business 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.

Further information on the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is set out in Part A of the Circular/Statement to Shareholders dated 28 August 2020 which is circulated together with the Company's Annual Report 2020 and is also available under the 'Investors' section of the Company's website.

(b) Resolution 9

The proposed Ordinary Resolution 9, if passed, will renew the authority granted by the shareholders at the last AGM. The renewed authority will allow the Company to purchase its own shares of up to 10% of its prevailing ordinary issued and paid-up share capital at any time. The renewed authority, unless revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever occurs first.

Further information on the Proposed Renewal of Shares Buy-Back Authority is set out in the Part B of Circular/Statement to Shareholders dated 28 August 2020 which is circulated together with the Company's Annual Report 2020 and is also available on 'Investors' section of the Company's website.

(c) Resolutions 10 and 11

The following Directors were appointed as Independent Non-Executive Directors of the Company and have reached the cumulative nine (9) years term limit as recommended by Malaysian Code on Corporate Governance:

<u>Directors</u>	<u>Appointed on</u>
Encik Azizan bin Mohd Noor	2 April 2003
Dato' Rosman bin Abdullah	5 May 2004

The Nomination and Remuneration Committee and the Board, through the annual assessment carried out for the financial year ended 31 March 2020, concluded that the above Directors remain independent and recommended them to continue to act as Independent Non-Executive Directors based on the following justifications:

- Have fulfilled the criteria as an Independent Director as defined in the Bursa Listing Requirements, and therefore is able to bring independent and objective judgement to the Board;
- Have provided effective check and balance in the proceedings of the Board and the Board Committees;
- Have provided objectivity in decision making through unbiased and independent views as well as advice and judgement, to the Board;
- Have contributed sufficient time and effort and attended all Board and Committees meetings for an informed and balanced decision making; and
- Have exercised due care during their tenure as Independent Non-Executive Director of the Company and carried out professional duties in the interest of the Company and shareholders.

Notes:

A. Virtual AGM

1. The 48th AGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities (collectively referred as "48th Virtual AGM"). Kindly refer to the procedures provided in the Administrative Guide for the 48th Virtual AGM in order to register, participate and vote remotely.
2. The broadcast venue of the 48th Virtual AGM which is the main venue of the meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 that requires the Chairman of the meeting to be present at the main venue of the meeting. No shareholders/proxies/corporate representatives should be physically present nor admitted at the broadcast venue on the day of the 48th Virtual AGM of the Company.

B. Appointment of Proxy(ies)

1. Only members registered in the General Meeting Record of Depositors as at 22 September 2020 shall be entitled to participate in the 48th Virtual AGM or appoint proxy(ies) to participate and/or vote on their behalf.
2. A member of the Company who is entitled to participate and vote at the 48th Virtual AGM, may appoint up to 2 proxies by specifying the proportion of his shareholding to be represented by each proxy. A proxy may not be a member of the Company.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. The instrument appointing a proxy must be deposited at the Company's Share Registrar's office in the following manner:
 - (a) by electronic means through the Boardroom Smart Investor Online Portal at www.boardroomlimited.my by lodging in and selecting "E-PROXY LODGEMENT" not less than 48 hours before the time of holding the meeting or adjournment thereof; or
 - (b) by hand or post to Boardroom Share Registrars Sdn Bhd ("Boardroom Share Registrars"), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time of holding the meeting or adjournment thereof. Boardroom Share Registrars will provide a box at the ground floor of its office building to facilitate drop-off of proxy forms.
5. If the appointer is a corporation, the proxy form or certificate of appointment of corporate representative must be deposited by hand or post to Boardroom Share Registrars' office not less than 48 hours before the time of holding the meeting or adjournment thereof. Alternatively, the proxy form or certificate of appointment of corporate representative may also be send to Boardroom Share Registrars via email at BSR.Helpdesk@boardroomlimited.com.
6. If you have submitted your proxy form prior to the 48th Virtual AGM and subsequently, decide to participate in the 48th Virtual AGM yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of your proxy(ies) 48 hours before the 48th Virtual AGM. Your proxy(ies) on revocation would not be allowed to participate in the 48th Virtual AGM. In such event, you should advise your proxy(ies) accordingly.
7. The voting at the 48th Virtual AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the poll results.

Statement Accompanying Notice of Annual General Meeting

1. The Directors who are retiring pursuant to Article 102 of the Company's Constitution and seeking re-election are:
 - a. Encik Azizan bin Mohd Noor
 - b. Puan Rozana Zeti binti Basir
2. The Directors who are continuing to act as Independent Non-Executive Director are:
 - a. Encik Azizan bin Mohd Noor
 - b. Dato' Rosman bin Abdullah

The profiles of the above Directors are set out in Our Board of Directors section of this Annual Report.

Administrative Guide for the 48th Virtual AGM

Meeting Day and Date	: Tuesday, 29 September 2020
Meeting Platform	: https://web.lumiagm.com/
Registration	: Virtual Meeting via Remote Participation and Electronic Voting ("RPEV") Facilities
Commencement of Meeting	: 3.00 p.m.
Broadcast Venue	: Training Room, Kumpulan Fima Berhad, Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur

1. Virtual Meeting

- 1.1 In line with the Government's initiative to curb the spread of the COVID-19 and the restriction on mass gathering post Movement Control Order, the Company has decided to convene the 48th AGM of the Company fully virtual and entirely via RPEV facilities (collectively referred as "48th Virtual AGM").
- 1.2 The main and only venue for the 48th Virtual AGM is the broadcast venue which is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 that requires the Chairman of the Meeting to be present at the main venue of the meeting. No shareholders/proxies/corporate representatives should be physically present nor admitted at the broadcast venue on the day of the 48th Virtual AGM.
- 1.3 Shareholders can participate in our 48th Virtual AGM by registering online via the Boardroom Smart Investor Portal at www.boardroomlimited.my.
- 1.4 With the RPEV facilities, you may exercise your right as a shareholder of the Company to participate and pose questions to the Board and vote at the 48th Virtual AGM, safely from your home.
- 1.5 Kindly ensure the stability of the internet connectivity throughout the 48th Virtual AGM proceedings is maintained as the quality of the live webcast and online remote voting are dependent on the bandwidth and stability of the internet connection of the participants.
- 1.6 No recording or photography of the meeting proceedings is allowed.

2. Entitlement to Participate and Vote

- 2.1 Only members whose names appear in the Record of Depositors as at 22 September 2020 shall be entitled to participate in the 48th Virtual AGM or appoint proxies to register and vote on their behalf by returning the proxy form which is enclosed in the Company's Annual Report 2020 and can also be downloaded from www.fima.com.my/agm.html.

3. Lodgement of Proxy Form

- 3.1 If you are unable to participate the 48th Virtual AGM and wish to appoint the Chairman of the Meeting as your proxy to vote on your behalf, please deposit your proxy form at the Share Registrar's office, Boardroom Share Registrars Sdn Bhd ("Boardroom Share Registrars") 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time of holding the meeting or adjournment thereof. Any alteration to the proxy form must be initialled.
- 3.2 Boardroom Share Registrars will also provide a box at the ground floor of its office building to facilitate drop-off of proxy forms.
- 3.3 The proxy appointment may also be lodged electronically via Boardroom Smart Investor Online Portal at www.boardroomlimited.my, which is free and available to all individual shareholders, not less than 48 hours before the time of holding the 48th Virtual AGM in accordance with the steps below:

Step 1 – Register Online with Boardroom Smart Investor Portal (for first time registration only)

Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 on eProxy Lodgement.

- a. Access website <https://boardroomlimited.my>.
- b. Click <<Login>> and click <<Register>> to sign up as a user.
- c. Complete registration and upload softcopy of MyKad/Identification Card (front and back in JPG/PNG format only) or Passport (in JPG/PNG format only).
- d. Please enter a valid email address and wait for Boardroom Share Registrars' email verification.
- e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

Step 2 – eProxy Lodgement

- a. Login to <https://boardroomlimited.my> using your user ID and password above.
 - b. Go to "eProxy Lodgement" and browse the Meeting List for "KFIMA 48th Virtual AGM". Click "Apply".
 - c. Read the terms & conditions and confirm Declaration.
 - d. Enter the CDS account number and the total number of securities held.
 - e. Select your proxy – either the Chairman of the Meeting or individual named proxy(ies) and enter the required particulars of your proxy(ies).
 - f. Indicate your voting instructions – For, Against or Abstain, otherwise your proxy will decide your vote.
 - g. Review and confirm your proxy appointment.
 - h. Click submit.
 - i. Download or print the eProxy form acknowledgement.
- 3.4 If you wish to participate in the 48th Virtual AGM yourself, please do not submit any proxy form for the 48th Virtual AGM. You will not be allowed to participate in the 48th Virtual AGM together with a proxy appointed by you.
- 3.5 If you have submitted your proxy form prior to the 48th Virtual AGM and subsequently, decide to participate in the 48th Virtual AGM yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of your proxy(ies) 48 hours before the 48th Virtual AGM. Your proxy(ies) on revocation would not be allowed to participate in the 48th Virtual AGM. In such event, you should advise your proxy(ies) accordingly.

4. Corporate Shareholder

- 4.1 Corporate shareholders who require their corporate representative to participate and vote at the 48th Virtual AGM must deposit their proxy form or certificate of appointment of corporate representative to the Boardroom Share Registrars' office not less than 48 hours before the time of holding the 48th Virtual AGM. Alternatively, the proxy form or certificate of appointment of corporate representative may also be send to Boardroom Share Registrars via email at BSR.Helpdesk@boardroomlimited.com.

5. Voting Procedures

- 5.1 The voting will be conducted by poll in accordance with Paragraph 8.29A of Bursa Listing Requirements.
- 5.2 The Company has appointed Boardroom Share Registrars as the Poll Administrator to conduct the poll by way of electronic voting ("e-Voting") and Boardroom Corporate Services Sdn Bhd as Scrutineers to verify the poll results.
- 5.3 During the 48th Virtual AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules. The voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.
- 5.4 For the purpose of the 48th Virtual AGM, e-Voting will be carried out using personal smart mobile phones, tablets, personal computers or laptops.
- 5.5 The Scrutineers will verify the poll result reports upon closing of the poll session by the Chairman. Thereafter, the Chairman will announce and declare whether the resolutions put to vote were successfully carried or not.

6. Remote Participation and Electronic Voting

- 6.1 Please note that all members including **(i) individual members; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominee** shall use the RPEV facilities to participate and vote remotely at the 48th Virtual AGM.
- 6.2 If you wish to participate in the 48th Virtual AGM, you will be able to view a live webcast of the 48th Virtual AGM, ask questions and submit your votes in real time whilst the 48th Virtual AGM is in progress.
- 6.3 Kindly follow the steps below on how to request for login ID and password and usage of the RPEV facilities:

BEFORE 48TH VIRTUAL AGM

Procedures

Actions

1. Register Online with Boardroom Smart Investor Portal **(for first time registration only)**

Note: If you have already signed up with Boardroom Smart Investor Portal, you are not required to register again. You may proceed to Step 2 – Submit Request for Remote Participation User ID and Password.

- a. Access website www.boardroomlimited.my.
- b. Click <<Login>> and click <<Register>> to sign up as a user.
- c. Complete registration and upload softcopy of MyKad/Identification Card (front and back in JPG/PNG format only) or Passport (in JPG/PNG format only).
- d. Please enter a valid email address and wait for Boardroom Share Registrars' email verification.
- e. Your registration will be verified and approved within one (1) business day and an email notification will be provided.

2. Submit Request for Remote Participation User ID and Password

*Note: Registration for remote access will be open on **28 August 2020**. Please note that the **closing time to submit your request** is not less than 48 hours before the time of holding the 48th Virtual AGM or no later than 3.00 p.m. on 27 September 2020.*

Individual Members

- Login to www.boardroomlimited.my using your user ID and password.
- Select "Virtual Meeting" from main menu and select the correct Corporate Event "KFIMA 48th Virtual AGM".
- Enter your CDS account.
- Read and agree to the terms & condition and thereafter submit your request.

Corporate Members

- Write in to BSR.Helpdesk@boardroomlimited.com by providing the name of member, CDS account number accompanied with the certificate of appointment of corporate representative or proxy form to submit the request.
- Please provide a copy of Corporate Representative's MyKad/Identification Card (front and back) or Passport as well as his/her email address.

Authorised Nominee and Exempt Authorised Nominee

- Write in to BSR.Helpdesk@boardroomlimited.com by providing the name of member, CDS account number accompanied with the proxy form to submit the request.
- Please provide a copy of proxy holder's MyKad/Identification Card (front and back) or Passport as well as his/her email address.

3. Email Notification

- a. You will receive a notification from Boardroom Share Registrars that your request has been received and is being verified.
- b. Upon system verification against the General Meeting Record of Depositors as at 22 September 2020, you will receive an email from Boardroom Share Registrars either approving or rejecting your registration for remote participation.
- c. If your registration is approved, you will receive your remote access user ID and password in the same email from Boardroom Share Registrars.

ON THE DAY OF THE 48TH VIRTUAL AGM

Procedures

Actions

1. Login to Virtual Meeting Platform

- a. The Virtual Meeting portal will be open for login an hour (1 hour) before the commencement of the 48th Virtual AGM at 2.00 p.m. on 29 September 2020.
- b. The Meeting Platform can be accessed via one of the following:
 - Free **Lumi AGM** application which is downloadable from Apple App Store or Google Play Store;
 - Launch **Lumi AGM** by scanning the QR Code provided in the email notification after successful registration; or
 - Access to **Lumi AGM** via <https://web.lumiagm.com/>.
- c. Enter the Meeting ID No. and sign in with the user ID and password provided in the confirmation email from Boardroom Share Registrars.

ON THE DAY OF THE 48TH VIRTUAL AGM

Procedures

Actions

2. Participate

Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition.

- a. If you would like to view live webcast, select the broadcast icon.
- b. If you would like to ask a question during the 48th Virtual AGM, select the messaging icon.
- c. Type your message within the chat box, click the send button once completed.
- d. The Chairman/Board of Directors will endeavour their best to respond to the questions submitted by the shareholders/proxies which are related to the resolutions to be tabled at the 48th Virtual AGM, as well as financial performance/prospect of the Company.

3. Voting

- a. Once the 48th Virtual AGM is open for voting, the polling icon will appear with the resolutions and your voting choices.
- b. To vote, simply select your voting direction from the options provided.
- c. A confirmation message will appear to show your vote has been received.
- d. To change your vote, simply select another voting direction.
- e. If you wish to cancel your vote, please press "Cancel".

4. End of Participation

- a. Upon the announcement by the Chairman on the closure of 48th Virtual AGM, the live webcast will end and the messaging window will be disabled.
- b. You can now logout from the meeting platform.

7. No Door Gifts

7.1 There will be no distribution of door gifts or vouchers for the participation at this 48th Virtual AGM.

8. Enquiries

8.1 The Company welcomes questions and views from shareholders on the AGM resolutions and Annual Report 2020 to be raised at the 48th Virtual AGM.

8.2 Please email your questions to AGM.helpdesk@fima.com.my no later than 3.00 p.m. on Monday, 21 September 2020. We will endeavour to provide responses to the queries during the 48th Virtual AGM session.

8.3 If you have any enquiry prior to the 48th Virtual AGM or if you wish to request for technical assistance to participate in the fully virtual meeting, please contact Boardroom Share Registrars during office hours from 9.00 a.m. to 5.00 p.m. (Mondays to Fridays):

Boardroom Share Registrars Sdn Bhd
(Registration No. 199601006647/378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

General Line : 03-7890 4700
Fax No. : 03-7890 4670

Puan Nur Amalina Ab Aziz (03-7890 4742)
Nur.Amalina@boardroomlimited.com

Puan Rozleen Monzali (03-7890 4739)
Rozleen.Monzali@boardroomlimited.com

Members are reminded to monitor the Company's website and announcements for any changes to the arrangements of the 48th Virtual AGM.

Annual Report 2020

We strongly recommend you to download the digital version of the documents taking into consideration of the carbon footprints arising from the production and delivery of the documents. The Annual Report 2020 and Corporate Governance Report 2020 can be downloaded from the Company's website. Please access the online softcopy through your device by scanning this QR code.



Numbers At A Glance

Revenue

RM500.90mil

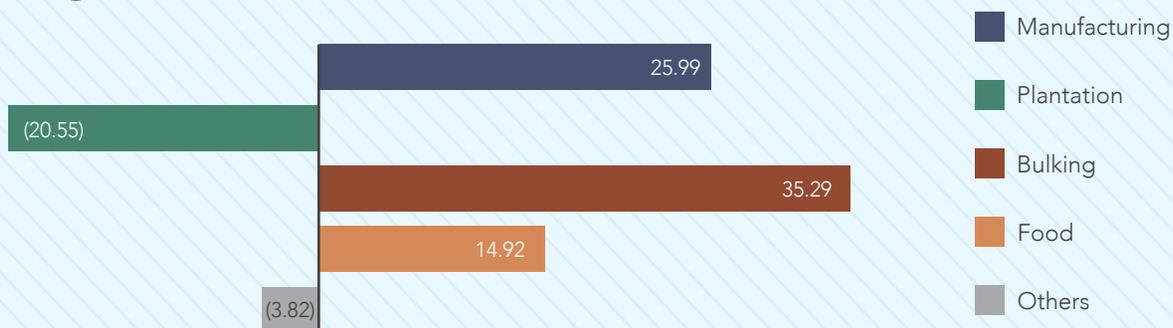
FYE2019 RM469.47mil

Profit Before Tax

RM51.83mil

FYE2019 RM114.89mil

Segmental Profit Before Tax (RM Million)



Employee Breakdown by Gender

62.7%



37.3%



Total Employees

3,266

FYE2019 3,178

Corporate Information

BOARD OF DIRECTORS

Dato' Idris bin Kechot
Chairman / Independent
Non-Executive Director

Dato' Roslan bin Hamir
Group Managing Director/
Non-Independent Executive
Director

Azizan bin Mohd Noor
Senior Independent
Non-Executive Director

Dato' Rosman bin Abdullah
Independent
Non-Executive Director

Rozana Zeti binti Basir
Non-Independent
Non-Executive Director

Rozilawati binti Haji Basir
Non-Independent
Non-Executive Director

Datuk Anuar bin Ahmad
Independent Non-Executive
Director

AUDIT AND RISK COMMITTEE

Azizan bin Mohd Noor
Chairman
Dato' Rosman bin Abdullah
Member
Datuk Anuar bin Ahmad
Member

NOMINATION AND REMUNERATION COMMITTEE

Dato' Rosman bin Abdullah
Chairman
Azizan bin Mohd Noor
Member
Rozilawati binti Haji Basir
Member
Datuk Anuar bin Ahmad
Member

COMPANY SECRETARIES

Jasmin binti Hood
LS 0009071
SSM PC No. 201908001455

Fadzil bin Azaha
CA 20995
SSM PC No. 201908001530

REGISTERED OFFICE

Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Tel : +603-2092 1211
Fax : +603-2092 5923
E-mail : info@fima.com.my
Website : www.fima.com.my

PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor
Tel : +603-7890 4700
Fax : +603-7890 4670

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : KFIMA
Stock Code : 6491
Sector : Industrial Products
& Services
Sub-Sector : Diversified Industrials

AUDITORS

Messrs. Ernst & Young PLT



BULKING Division

Bulk handling and storage of various types of liquid and semi-liquid products; as well as transportation and forwarding services

100%
Fima Bulking Services Berhad

100%
Fima Logistics Sdn. Bhd.

100%
Fima Liquid Bulking Sdn. Bhd.

100%
Fimachem Sdn. Bhd.

100%
Fima Palmbulk Services Sdn. Bhd.

100%
Fima Freight Forwarders Sdn. Bhd.

100%
Fima Butterworth Installation Sdn. Bhd. (formerly known as Boustead Oil Bulking Sdn. Bhd.)



FOOD Division

Manufacture and distribution of canned fish including food packaging

38%
Marushin Canneries (Malaysia) Sdn. Bhd. (Associate Company)

100%
Fima Instanco Sdn. Bhd.

100%
Fima Mr-Juicy Sdn. Bhd.

78%
International Food Corporation Limited (PNG Incorporated Company)

100%
IFC Marketing & Distribution Limited (PNG Incorporated Company)



PLANTATION Division

Oil palm and pineapple cultivation including oil palm production and processing

100%
Pineapple Cannery of Malaysia Sdn. Bhd.

100%
Ladang Fima Sdn. Bhd.

80%
Victoria Square Plantation Sdn. Bhd.

65%
Amgreen Gain Sdn. Bhd.

85%
Fima-TLP Feedlot Sdn. Bhd.

100%
FCB Plantation Holdings Sdn. Bhd.

80%
PT Nunukan Jaya Lestari (Indonesia Incorporated Company)

100%
Next Oasis Sdn. Bhd.

100%
Etika Gangsa Sdn. Bhd.

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Group Corporate Structure

OPERATION Division



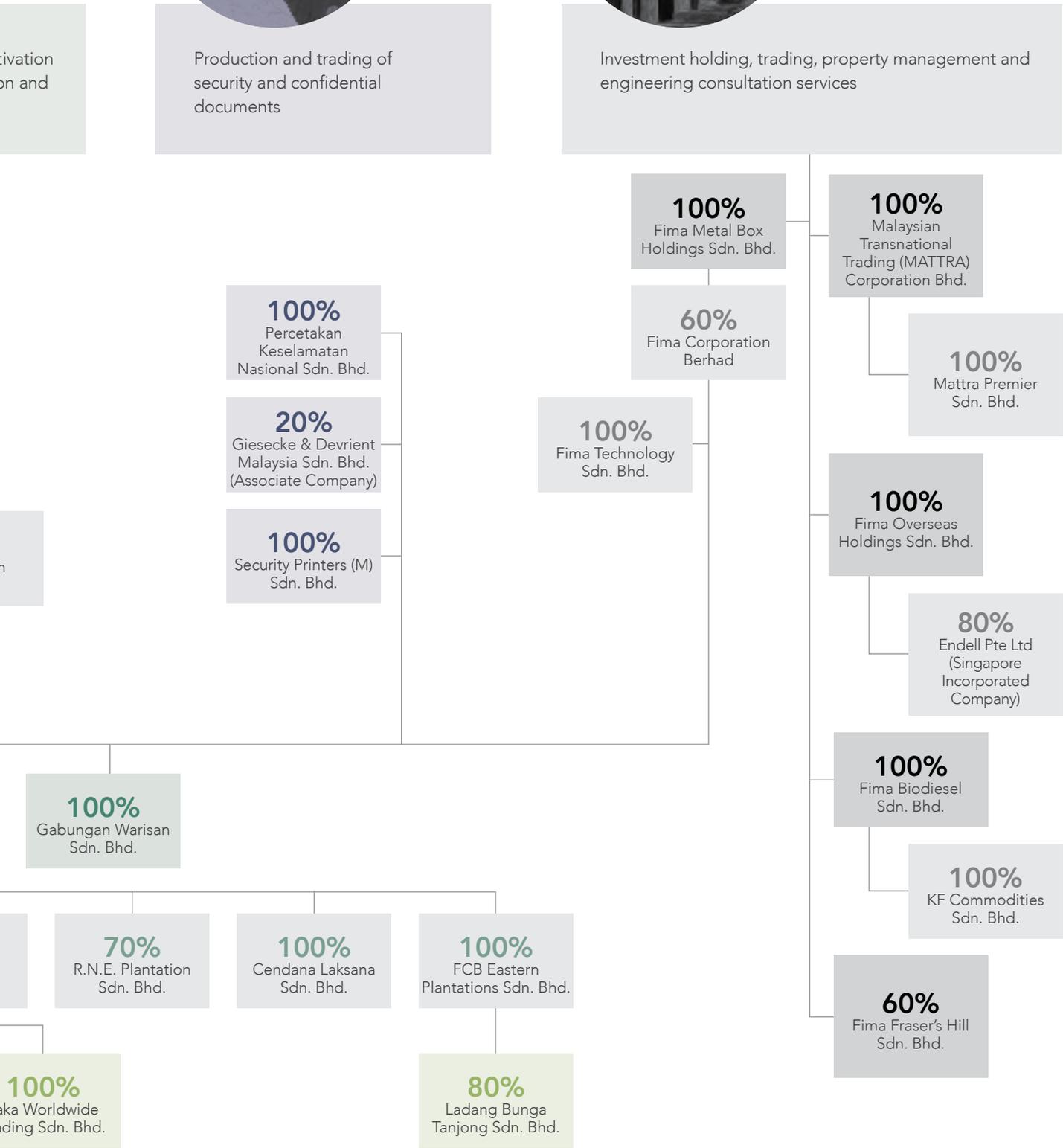
MANUFACTURING Division

Production and trading of security and confidential documents



OTHERS

Investment holding, trading, property management and engineering consultation services



Financial Calendar

1st

First Quarter Announced
27 AUGUST 2019

2nd

Second Quarter Announced
26 NOVEMBER 2019

3rd

Third Quarter Announced
28 FEBRUARY 2020

4th

Fourth Quarter Announced
23 JUNE 2020



ANNUAL REPORT

Issued 28 August 2020

ANNUAL GENERAL MEETING

To be held 29 September 2020

INTERIM DIVIDEND

Announced
23 June 2020

Entitlement date
28 August 2020

Payment date
14 September 2020

Our Board of Directors

No. of board meeting attended



Dato' Idris Bin Kechot 5/5

Dato' Roslan Bin Hamir 5/5



Dato' Idris Bin Kechot

Malaysian / 65 / Male
Chairman / Independent Non-Executive Director

Date of Appointment:
3 May 2019

Date of Last Re-election:
28 August 2019 (pursuant to Article 84 of the Company's Constitution)

Academic / Professional Qualification(s):

- Masters, Business Administration specialising in Finance, University of Stirling, United Kingdom
- Degree, Bachelor of Science Degree in Agribusiness, Universiti Putra Malaysia
- Accelerated Development Programme, London Business School, United Kingdom

Past Appointment(s):

- Investment Analyst, Corporate Research Department, Permodalan Nasional Berhad (PNB) (1983-1988)
- Senior Vice President, Head of Investment Division, PNB (1988-2004)
- Deputy President-Unit Trust, PNB (2004-2014)
- Executive Director of Amanah Harta Tanah, PNB (2010-2015)
- Deputy President & Group Chief Operating Officer, Asset Management, PNB (2014-2018)

Present Directorship(s) of Public and Listed Companies:

- Chairman, Chemical Company of Malaysia Berhad
- Independent Non-Executive Director, Malayan Banking Berhad

Membership of Board Committee(s):
NIL



Dato' Roslan Bin Hamir

Malaysian / 53 / Male
Group Managing Director / Non-Independent Executive Director

Date of Appointment:
11 October 2002

Date of Last Re-election:
28 August 2019

Academic / Professional Qualification(s):

- Bachelor of Arts (Honours) in Accounting and Finance
- Graduate, Association of Chartered Certified Accountants (ACCA)

Past Appointment(s):

- Auditor, Messrs. Ernst & Young (1993-1997)
- Senior Vice President, Corporate Services, Kumpulan Fima Berhad (1998-1999)

Present Directorship(s) of Public and Listed Companies:

- Managing Director, Fima Corporation Berhad
- Chairman and Director, Narborough Plantations Plc
- Director, Fima Bulking Services Berhad (non-listed)
- Director, Malaysian Transnational Trading (MATTRA) Corporation Bhd (non-listed)

Membership of Board Committee(s):
NIL

NOTES:

- Securities holdings in the Company:**
Please refer to Disclosure of Directors' Interests in the Financial Statements.
- Family relationship with any director and/or major shareholder of the Company:**
None of the Directors have family relationship with any other Directors and/or major shareholders of the Company except for Puan Rozana Zeti bt Basir and Puan Rozilawati bt Haji Basir.
 - Puan Rozana Zeti bt Basir is the sister of Puan Rozilawati bt Haji Basir and Dr. Roshayati bt Basir. Puan Rozana and Dr. Roshayati are both major shareholders and directors of BHR Enterprise Sdn Bhd.
 - Puan Rozilawati bt Haji Basir is the sister of Puan Rozana Zeti bt Basir and Dr. Roshayati bt Basir. Puan Rozana and Dr. Roshayati are both major shareholders and directors of BHR Enterprise Sdn Bhd.
 - BHR Enterprise Sdn Bhd is a major shareholder of the Company.
- Convictions for Offences:**
None of the Directors have any conviction for offences within the past five (5) years other than traffic offences (if any) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
- Attendance of Board Meetings:**
The attendance of the Directors at Board Meetings held during the financial year ended 31 March 2020 is disclosed in the Corporate Governance Overview Statement.

Our Board of Directors

No. of board meeting attended



Azizan Bin Mohd Noor	5/5
Dato' Rosman Bin Abdullah	5/5
Rozana Zeti Binti Basir	5/5
Rozilawati Binti Haji Basir	5/5
Datuk Anuar Bin Ahmad	5/5



Azizan Bin Mohd Noor

Malaysian / 79 / Male
Senior Independent
Non-Executive Director

Date of Appointment:
2 April 2003

Date of Last Re-election:
23 August 2017

Academic / Professional Qualification(s):

- Member, Institute of Chartered Accountants, England & Wales (ICAEW)
- Member, Malaysian Institute of Accountants (MIA)
- Member, Malaysian Institute of Certified Public Accountants (MICPA)

Past Appointment(s):

- Senior Auditor, Azman, Wong, Salleh & Co., Chartered Accountants (1972-1973)
- Chief Internal Auditor, Bank Bumiputra Malaysia Berhad (1973-1976)
- Senior Partner, Anuarul, Azizan, Chew & Co., Chartered Accountants (1976-2000)
- Independent Non-Executive Director, Malakoff Berhad (2001-2006)
- Independent Non-Executive Director, Commerce Asset Holding Berhad (now known as CIMB Group Holdings Berhad) (2002-2005)
- Independent Non-Executive Director, Bumiputra Commerce Finance Berhad (2002-2005)
- Independent Non-Executive Director, Amal Assurance Berhad (now known as CIMB Aviva Assurance Berhad) (2002-2005)
- Independent Non-Executive Director, Multicode Electronics Industries Berhad (2005-2009)

Present Directorship(s) of Public and Listed Companies:

- Chairman, Fima Bulking Services Berhad (non-listed)

Membership of Board Committee(s):

- Audit and Risk Committee (Chairman)
- Nomination and Remuneration Committee



Dato' Rosman Bin Abdullah

Malaysian / 53 / Male
Independent Non-Executive Director

Date of Appointment:
5 May 2004

Date of Last Re-election:
30 August 2018

Academic / Professional Qualification(s):

- Bachelor of Commerce (Accounting) Degree, Australian National University
- Advanced Management Programme, Oxford University
- Member, Malaysian Institute of Accountants (MIA)
- Member, Australian Society of Certified Practising Accountants

Past Appointment(s):

- Auditor and Financial Advisor, Arthur Andersen & Co. (1989-1997)
- Executive Director, Malaysia Airports Holdings Berhad (1997-2003)
- Corporate Affairs Director, PECD Berhad (2003-2006)
- Group Chief Executive Officer, PECD Berhad (2006-2009)
- Independent Non-Executive Director, Hume Industries Berhad (2006-2018)
- Chief Executive Officer, Syarikat Air Negeri Sembilan Sdn. Bhd. (2009-2012)
- Executive Chairman, Putrajaya Perdana Berhad (2012-2015)

Present Directorship(s) of Public and Listed Companies:

- Group Managing Director, Putrajaya Perdana Berhad (non-listed)

Membership of Board Committee(s):

- Nomination and Remuneration Committee (Chairman)
- Audit and Risk Committee

NOTES:

- Securities holdings in the Company:**
Please refer to Disclosure of Directors' Interests in the Financial Statements.
- Family relationship with any director and/or major shareholder of the Company:**
None of the Directors have family relationship with any other Directors and/or major shareholders of the Company except for Puan Rozana Zeti bt Basir and Puan Rozilawati bt Haji Basir.
 - Puan Rozana Zeti bt Basir is the sister of Puan Rozilawati bt Haji Basir and Dr Roshayati bt Basir. Puan Rozana and Dr. Roshayati are both major shareholders and directors of BHR Enterprise Sdn Bhd.
 - Puan Rozilawati bt Haji Basir is the sister of Puan Rozana Zeti bt Basir and Dr. Roshayati bt Basir. Puan Rozana and Dr. Roshayati are both major shareholders and directors of BHR Enterprise Sdn Bhd.
 - BHR Enterprise Sdn Bhd is a major shareholder of the Company.
- Convictions for Offences:**
None of the Directors have any conviction for offences within the past five (5) years other than traffic offences (if any) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
- Attendance of Board Meetings:**
The attendance of the Directors at Board Meetings held during the financial year ended 31 March 2020 is disclosed in the Corporate Governance Overview Statement.

Our Board of Directors



Rozana Zeti Binti Basir

Malaysian / 45 / Female
Non-Independent Non-Executive Director

Date of Appointment:
30 March 2004

Date of Last Re-election:
30 August 2018

Academic / Professional Qualification(s):

- Bachelor of Arts in Fashion Marketing, American College, London

Past Appointment(s):

- Visual Merchandising Executive, Metro Jaya Bhd (1998-2000)
- Corporate Services Executive, Kumpulan Fima Berhad (2000-2001)

Present Directorship(s) of Public and Listed Companies:
NIL

Membership of Board Committee(s):
NIL



Rozilawati Binti Haji Basir

Malaysian / 49 / Female
Non-Independent Non-Executive Director

Date of Appointment:
26 November 2009

Date of Last Re-election:
28 August 2019

Academic / Professional Qualification(s):

- B.A (Hons) Degree Social Sciences majoring in Law, University of Hertfordshire, United Kingdom
- Masters in Business Administration in International Business, University of Bristol, United Kingdom

Past Appointment(s):

- Research & Analyst Assistant, Capitalcorp Securities Malaysia Sdn. Bhd. (1994-1995)
- Corporate Services Executive, Kumpulan Fima Berhad (1996-1997)
- Executive Director, Business Development, Nationwide Express Courier Services Berhad ("NECSB") (2000-2003)
- Chief Executive Officer, NECSB (2003-2010)
- Chairman and Director, NECSB (2010-2014)
- Managing Director, Nationwide Express Holdings Berhad (2014-2018)

Present Directorship(s) of Public and Listed Companies:

- Independent Non-Executive Director, Serba Dinamik Holdings Berhad

Membership of Board Committee(s):

- Nomination and Remuneration Committee



Datuk Anuar Bin Ahmad

Malaysian / 66 / Male
Independent Non-Executive Director

Date of Appointment:
3 May 2019

Date of Last Re-election:
28 August 2019 (pursuant to Article 84 of the Company's Constitution)

Academic / Professional Qualification(s):

- Bachelor of Science (Econs), London School of Economics and Political Science, University of London, United Kingdom
- Advanced Management Program, Harvard Business School, United States of America

Past Appointment(s):

- Joined Petronas and has held various senior managerial and leadership positions in marketing, trading, corporate planning and human resource management until his retirement where his last position held was the Executive Vice President of Gas and Power Business (1977-2014)
- Managing Director/Chief Executive Officer, Petronas Dagangan Berhad (1998-2002)
- Member of Petronas Management Committee and member of Petronas Board (2002-2014)
- Chairman, Petronas Dagangan Berhad (2005-2010)
- Chairman, Petronas Gas Berhad (2010-2014)

Present Directorship(s) of Public and Listed Companies:

- Independent Non-Executive Director, Petronas Dagangan Berhad
- Independent Non-Executive Director, ENRA Group Berhad
- Independent Non-Executive Director, Nylex (Malaysia) Berhad
- Independent Non-Executive Director, Chemical Company of Malaysia Berhad

Membership of Board Committee(s):

- Audit and Risk Committee
- Nomination and Remuneration Committee (Appointed on 24 June 2020)

Senior Management



DZAKWAN BIN MANSORI

Executive Director, Sales
Percetakan Keselamatan Nasional Sdn. Bhd.

Malaysian | 58 | Male

He joined Fima Securities Sdn. Bhd., a stock-broking arm of KFima in 1997 as Vice President of Institutional Business. His last position was Vice President of Finance and Operations before moving to PKN in 2001 to head the Planning and Purchasing Division. In 2005, he was promoted as Director of Sales and subsequently, appointed to the Board as Executive Director, Sales on 25 August 2014.

He started his career in 1984 with Bank Kerjasama Rakyat Berhad and later moved to New Straits Times as Assistant Accountant in 1985. He left in June 1987 to pursue his degree and joined Coopers & Lybrand Management Consultant Berhad upon completion in July 1990. He later joined CIMB Securities Berhad and K & N Kenanga Berhad.

He is presently a Board member of Malaysian Transnational Trading (MATTRA) Corporation Berhad (non-listed).



FADZIL BIN AZAHA

Chief Financial Officer / Company Secretary

Malaysian | 43 | Male

He joined the Group in January 2016 as General Manager, Group Finance & Treasury to oversee both the compliance and commercial aspects of the finance functions of the Group such as financial reporting, budgeting and corporate matters. He was re-designated as Chief Financial Officer on 1 October 2017 and appointed as Company Secretary on the same day. He sits on the Board of several of the Group's subsidiaries.

He has 21 years of working experience in accounting, finance, treasury, auditing and corporate advisory. Prior to joining the Group, he was a Senior Manager (Assurance and Business Advisory) of Ernst & Young, Malaysia.

Senior Management



IRMAN BIN ABDUL SHUKOR
Director, Strategy & Business Development

Malaysian | 45 | Male

He joined the Company in January 2018 as Director, Strategy & Business Development to oversee the overall Group business development strategies. He sits on the Board of several of the Group's subsidiaries.

Prior to joining the Company, he was a Director of Business Development of Halim Mazmin Group since 2015. Between 1999 until 2015, he has held diverse positions in various organizations such as United Overseas Bank, Wira Emas Sdn. Bhd. (Albukhary Group), DRB-HICOM Berhad, Permata Trans Offshore Sdn. Bhd. and Al Rayan Ventures (Qatar), specializing in corporate banking, business development, corporate finance and advisory, and other financial and consultancy related works.



ALI BIN KHAMIS
Senior General Manager
Fima Bulking Services Berhad

Malaysian | 51 | Male

He joined Fima Biodiesel Sdn. Bhd. in 2007 as Project and Manufacturing Manager during which time he supervised the construction, commissioning and operation of the biodiesel plant. He is currently the Senior General Manager, Fima Bulking Services Berhad, a position he has held since April 2018 and is responsible for overseeing the overall business operations of the Bulking Division.

He has over 20 years' of experience in manufacturing and engineering of palm oil and oleo-chemicals industries having held positions with Felda Procter & Gamble Oleochemicals Sdn. Bhd., Akzo Nobel Oleochemicals Sdn. Bhd. and Vance Bioenergy Sdn. Bhd.. He is a registered Safety and Health Officer from Department of Safety and Health.



JASMIN BINTI HOOD
Senior General Manager, Group Secretarial & Legal / Company Secretary

Malaysian | 47 | Female

She joined KFima on 2 January 2008 and was appointed as Company Secretary in the same year. She is currently Company Secretary to KFima's Group subsidiaries including its listed subsidiary FimaCorp and for all Board Committees of KFima and FimaCorp. She has over 20 years' experience in legal, corporate secretarial and compliance roles having served in organisations including Golden Hope Plantations Berhad, Bursa Malaysia Berhad and Hong Leong Finance Berhad.

She sits on the Board of several of the Group's subsidiaries. She is also an affiliate of Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

Senior Management



MOHD ADIZURAIMIN BIN MOHD AFFANDI

Senior Plantation Controller
Fima Corporation Berhad

Malaysian | 48 | Male

He joined KFima as an Estate Manager in 2008 after having spent 9 years with Kumpulan Guthrie Berhad. He was promoted to Senior Estate Manager and served PTNJL for 4 years until 2014 before returning to Malaysia to assume his present role. As Senior Plantation Controller, he is responsible for overseeing the Group's estates operations in Malaysia and Indonesia. He sits on the Board of several of the Group's subsidiaries.



AHMAD FAISAL BIN HAMDAN

Chief Executive Officer
International Food Corporation Limited

Malaysian | 46 | Male

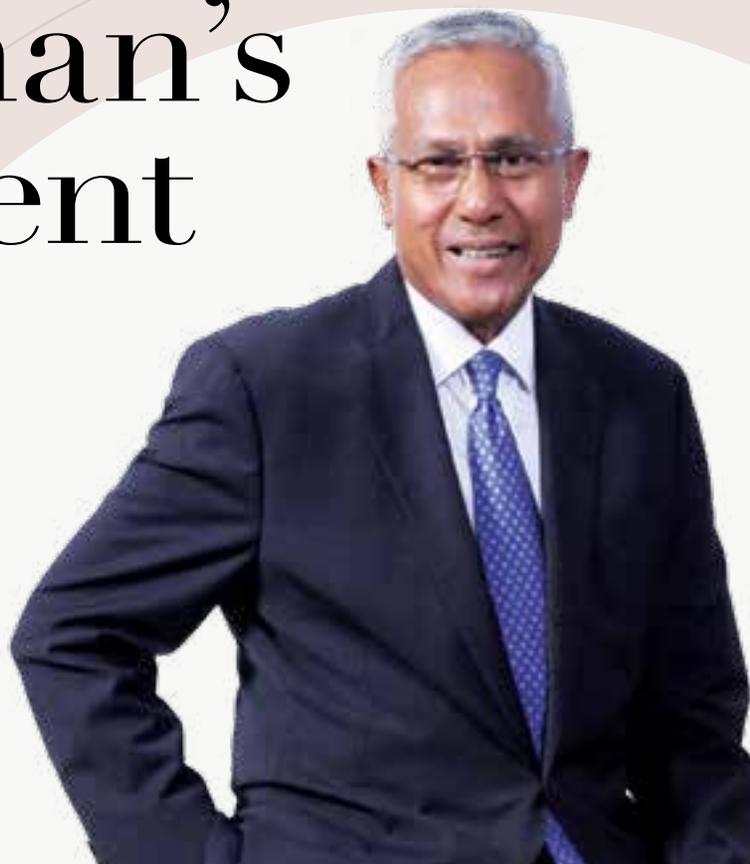
He joined International Food Corporation Limited (IFC), the Group's subsidiary in Papua New Guinea as Finance Manager in 2002. He then returned to the Head Office to lead the Group Internal Audit Department in 2007, a position he held until 2015. In 2015, he returned to IFC as Chief Operating Officer and was subsequently promoted as IFC's Chief Executive Officer in 2019.

He started his career as a Finance Executive with UniAsia Insurance Berhad from 1998 until 2002. He has 22 years of working experiences in accounting, finance and auditing.

5 Year Group Financial Highlights

Financial Year Ended 31 March (RM'000)	FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
REVENUE	541.11	547.21	482.46	469.47	500.90
PROFIT					
Profit before taxation	111.67	84.67	78.14	114.89	51.83
Income tax expenses	31.67	34.24	31.50	29.68	24.36
Non-controlling interests	23.27	20.59	16.76	25.37	(1.75)
Profit after taxation and non-controlling interest	56.73	29.84	30.41	59.84	29.21
ASSETS AND LIABILITIES					
Total assets	1,185.66	1,224.28	1,171.76	1,233.90	1,253.51
Total liabilities	186.38	197.87	171.84	176.94	214.84
Non-controlling interests	250.99	257.70	244.84	253.81	236.90
Shareholders' funds	748.30	768.70	755.08	803.15	801.77
EARNINGS AND DIVIDEND					
Earnings per share (sen)					
Basic	20.51	10.70	10.59	21.25	10.40
Diluted	20.31	10.70	10.59	21.25	10.40
Gross dividend per share (sen)	9.00	9.00	9.00	9.00	9.00
Net dividend per share (sen)	9.00	9.00	9.00	9.00	9.00
SHARE PRICES					
Transacted price per share (RM)					
Highest	2.04	1.99	1.96	1.76	1.73
Lowest	1.72	1.69	1.56	1.41	1.21

Chairman's Statement



Dato' Idris bin Kechot

Dear Shareholders,

For FYE2020, Group revenue increased 6.7% to RM500.90 million (FYE2019: RM469.47 million). However, profit before tax ("PBT") declined 54.9% to RM51.83 million compared to RM114.89 million last year. The reduction in PBT was due to impairment losses recorded on property, plant and equipment ("PPE") and right-of-use ("ROU") assets in PT Nunukan Jaya Lestari ("PTNJL") amounting to RM17.79 million against write back of impairment losses amounting RM23.63 million recorded in FYE2019. Without these impairment losses, the Group's PBT would be RM69.62 million, 23.7% lower than last year.

Earnings per share and net assets per share stood at 10.40 sen and RM2.84, respectively, from 21.25 sen and RM2.85 respectively, the year before.

Net cash generated from operating activities for the year was RM82.20 million (FYE2019: RM52.78 million), and we ended the year with a strong

In the context of the tough economic environment, I believe the position taken by the Board for the FYE2020 was appropriate and responsible.

balance sheet and cash of RM295.92 million (inclusive of short-term cash investments). Our capital expenditures for FYE2020 totalled RM32.60 million (FYE2019: RM40.47 million).

The financial year ended 31 March 2020 ("FYE2020") saw many profound, unsettling events. The domestic economy continues to feel the impacts of volatile commodity prices, subdued investor and consumer sentiments on the back of continuing US-China trade tensions and sharper-than-expected slowdowns in major economies. All these are further compounded by global

spread of the Covid-19 pandemic, raising anxiety that the world economy could tip into an outright recession.

In the context of the tough economic environment, I believe the position taken by the Board for the FYE2020 was appropriate and responsible. Our strategy was simply to focus on what we can control, to ensure that all of our investments and acquisitions are operating optimally, to generate healthy cash flows and sustaining the strength of our balance sheet.

Revenue	FYE2019	FYE2020
	RM Million	RM Million
Manufacturing	134.78	134.00
Plantation	118.34	123.38
Bulking	81.15	106.66
Food	130.32	131.69
Others	4.88	5.17
Group Results	469.47	500.90

PBT	FYE2019	FYE2020
	RM Million	RM Million
Manufacturing	30.56	25.99
Plantation	32.81	(20.55)
Bulking	43.13	35.29
Food	8.33	14.92
Others (including Associated Companies)	0.06	(3.82)
Group PBT	114.89	51.83

Manufacturing division's weaker performance was impacted by a combination of market dynamics namely, the continuous secular declines in volumes as well as changes in order patterns for certain product segments. Further, strong competition within the security printing industry has served to further increase pressure on the division's profit margins.

Plantation division's results were impacted by several factors. In addition to the impairment losses on PPE and ROU assets noted earlier, PTNJJL could not effect any crude palm kernel oil ("CPKO") sales in the first three quarters of FYE2020 due to regulatory issues related to the plant's operating licence thus resulting in an acute 73.6% decline in the quantity of CPKO sold year-on-year. Moreover, operating costs were higher due primarily to costs incurred towards the development of the Group's Malaysian estates which are mainly in the early stages of development. Partially offsetting these negative factors were the favourable increase in the volume of FFB harvested by the Group's Malaysian estates. The Group's crop is rising as more areas attain maturity. This is a consequence of the development of our estates in Kelantan and Terengganu in the last few years which we hope would be further augmented by the acquisition or development of new plantation assets.

On 27 November 2019, it was announced that the judicial review application by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan



Nasional ("BPN") against PTNJJL, was allowed by the Mahkamah Agung vide its written decision which was received by PTNJJL's solicitors on 27 November 2019 ("the Decision"). Subsequently on 28 November 2019, PTNJJL filed a civil suit in the Pengadilan Negeri Jakarta Selatan against BPN and PT Adindo Hutani Lestari. The President of Indonesia and Menteri Lingkungan Hidup dan Kehutanan Republik Indonesia been named as co-defendants in the said suit. PTNJJL is seeking legal recognition of its rights over land title Hak Guna Usaha No. 01/Nunukan Barat ("HGU") and to restrain the local authorities from issuing any new licences or approvals to any parties on or within the HGU. PTNJJL is also seeking an order from the court to stay the enforcement of the Ministerial Order dated 25 July 2016 pending full and final determination of the matter by the Indonesian courts.

On 23 January 2020, PTNJJL had filed an application at the Jakarta State Administrative Court (or Pengadilan Tata Usaha Negara Jakarta) for judicial review and reversal of the Decision. The suits are still ongoing at the time of writing and as such I am not at liberty to provide any further commentary on the details of them other than to assure you that the Board is giving this matter its fullest

attention and that PTNJJL will continue to vigorously defend its position.

Our Bulking division achieved solid performance in FYE2020, having enjoyed good capacity utilization and higher throughputs on the back of new product portfolio and expanded capacity. The division is now proceeding with plans to expand the capacity of its terminal in North Port, Port Klang, by a further 20,440 cbm thus ensuring that they are well placed to respond to growing demand in the near future. Meanwhile, our biodiesel segment's performance came in below expectations as the plant has yet to achieve optimal utilisation rate due to some restarting issues.

Food division's revenue improved by 1.1% compared to last year. PBT increased significantly y-o-y mainly attributable to stronger sales generated from higher margin products coupled with lower direct costs and higher net forex gains. The division has made notable progress in driving efficiency gains and cost savings across their supply chain through various initiatives undertaken during the year. The division has also successfully expanded into new product categories, creating potential for market share gains and enhanced earnings in the longer term.

A more detailed review of the results and the operating performance for the year of each of the Group's business divisions is presented on pages 32 to 51 of this Annual Report.

Dividend

After having considered the Group's current liquidity position, future growth requirements and the resulting cash flow outlook, the Board had approved single-tier interim dividend of 9.0 sen for FYE2020 which will be paid on 14 September 2020.

Governance

With new regulations coming into force with which we must comply, and an ever-more challenging economic environment within which to operate, my Board colleagues and I will continue to ensure we provide the governance framework and rigour to all that we do.

During the year, we had strengthened certain governance processes following a comprehensive review of the Group's integrity infrastructure. The exercise not only entailed a review of the Board charter and the Committees' terms of reference, but also all Group policies and anti-bribery framework. This is to ensure that our stewardship practices remain relevant and effective to the ongoing performance of the Group.



In November 2019, Encik Nazaruddin bin Mohd Hadri, retired from his position as Group Chief Operating Officer of Fima Corporation Berhad. He has been invaluable to the Group for the last 17 years and his contributions will no doubt leave a lasting impact. We wish him all the best.

Sustainability

Sustainability continues to be a focus for the Group. Given the diversified nature of the Group, our businesses have varying focus areas within their industries, which are monitored and addressed at the individual business levels as appropriate.

The health and well-being of our employees and communities remain our first priority. In response to the Covid-19 pandemic, we have implemented a number of revised business processes to protect our employees with a strong focus on protective equipment including masks, gloves, sanitizers and implementing additional controls to ensure that all interactions are done in a safe manner.

The Group donated 68,000 face masks to various hospitals and government agencies which are then distributed to their frontline and enforcement personnel. On behalf of the Board, I

wish to recognise and commend the relevant authorities for the aggressive and proactive efforts undertaken to flatten the curve and contain the spread of Covid-19 in the country. In the same way, we salute the many selfless frontliners and essential workers that are helping our country through this unprecedented time.

PTNJJL in Indonesia carried out cleaning and disinfection at its workers housing complex and other public areas such as halls, mosques and clinics. Meanwhile the Group management team had rallied together by combining their time and resources to mobilise care packages comprising of essential food items to our non-executive employees (both local and foreign) and to over 2,000 poor families nationwide. I am heartened by the thoughtful acts shown by our team members. It is more important than ever for us to continue to support our fellow colleagues and local communities during this unprecedented time of need.

We have also continued our efforts to reduce our water and energy consumption and accelerate renewable energy installations. I am also happy to report that during the year, all our estates have achieved Malaysian Sustainability Palm Oil accreditations while Fima Biodiesel Sdn. Bhd. obtained the MSPO Supply Chain Certification Standard.

Further information on our corporate responsibility and sustainability initiatives together with a review of their progress can be found in the sustainability section of this Annual Report.

Prospects

Against the backdrop of growing uncertainty over the duration and overall impact of the Covid-19 outbreak, World Bank's GDP growth forecast for Malaysia in 2020 has been significantly lowered from 4.5% to -0.1% while Bank Negara Malaysia has revised Malaysia's GDP projection to be between -2.0% to 0.5% in 2020*. Premised on these forecasts, we can expect trading conditions will remain difficult for some time.

(*Source: Economic and Monetary Review 2019 – April 2020, BNM, IMF and World Bank)





The Malaysian Government has also announced several relief measures including a moratorium on repayment of loans and wage subsidy programmes for eligible industries. Where relevant, our Group companies have applied for such relief measures which will help ease their financial position further. We are hopeful that with the stimulus package that the Government has put in place, businesses will be able to tide through and provide a boost to the recovery process after the peak of the outbreak.

In the face of these challenges, resilience is a vital necessity. And, if there ever was a time to emphasise on this point, it is that balance sheet matters. As noted earlier, our balance sheet and cash generation are strong while gearing remains low. This gives us the capacity to not only pursue our growth aspirations, but also to withstand adverse business conditions and hedge any potential downside risks.

Our primary focus for this current financial year will be, firstly, to adapt to the ongoing secular challenges

and manage the economic fallout of Covid-19 in our manufacturing division. In the case of the latter, rapid contraction of air travel and stringent border controls have resulted in a significant reduction in demand for travel documents. We are also anticipating some decline in other segments with orders for certain products being deferred or cancelled.

With regard to plantation, the immediate focus will be to realise improved returns on our greenfield assets which we had acquired in recent years. We expect our FFB volumes to improve due to the young age profile of the palms at our Malaysian estates, although ongoing development expenditure and volatile commodity prices may impact the division's overall earnings.

We expect our bulking and food businesses to deliver further growth through investments, improvement in their customer offerings and market expansion, together with a focus on cost and efficiencies. Focus will also be given to improve the biodiesel plant's operational efficiencies and production capacity.

In the face of these challenges, resilience is a vital necessity. And, if there ever was a time to emphasise on this point, it is that balance sheet matters.

Notwithstanding the challenges I have described, we will continue to future-proof and review the Group's structure to ensure we have the right platform from which to pursue continued growth and meet the challenges of an ever-evolving, uncertain world. Agility remains important across our businesses and we will therefore continually strive to refine and develop a model that can preserve and create value, generate sustainable returns as well as position us for ongoing organic and acquisitive growth opportunities. Our business fundamentals remain strong despite the macroeconomic challenges and uncertainties associated with Covid-19. We will continue to make decisions and manage the business for the long-term. And having the financial strength, flexibility and access to adequate capital to support our long-term growth plans are all key to our long-term success. In this regard the Board will continue to oversee the task of striking the right balance between maximising opportunities on the one hand and maintaining appropriate risk controls on the other.

Appreciation & Acknowledgement

I would like to conclude by thanking the Board for their guidance and support to me during the year. I would also like to thank our employees, suppliers, business partners and other stakeholders for their efforts and contribution in the past year and to you, our shareholders, for your continued support and confidence.

Thank you.

DATO' IDRIS BIN KECHOT
Chairman



Management Discussion & Analysis

The Group's principal activities are organised in four divisions: manufacturing, plantation, bulking and food. The businesses are spread across Malaysia, Indonesia, and Papua New Guinea. The Group currently employs 3,266 people.

The purpose of this review is to highlight and provide brief insights on key financial and operating information at Group level. A more detailed explanation on operating performance is covered under the respective business segment reports.



Dato' Roslan bin Hamir
Group Managing Director

GROUP STRATEGIC OVERVIEW

OUR KEY PERFORMANCE OBJECTIVES

KFima Group remains focused on providing sustainable value to our shareholders through **3** core performance objectives:

**Profitable
Revenue Growth**

**Solid Returns on
Capital Employed**

**Strong
Cash Generation**

HOW WE DO IT

These objectives are enabled and supported by the following strategic drivers which provide a competitive advantage to the Company and act as a guideline to direct strategy formulation and implementation by the businesses within the Group

Our 4 strategic drivers

Maintain Prudent Financial Profile

Strengthen Core Businesses

Leverage on Market Opportunities

Establish Strong Pillars For Future Growth

MAINTAIN PRUDENT FINANCIAL PROFILE

What it means

- Drive strong cash generation
- Employ diligent monitoring of both operating and capital costs
- Capacity to accommodate growth

STRENGTHEN CORE BUSINESSES

What it means

- Drive margin improvement by enhancing cost and production efficiency
- Grow market share through expansion of existing operations, products & services and entry into new markets

LEVERAGE ON MARKET OPPORTUNITIES

What it means

- Seek new market opportunities by leveraging on our industry knowledge & expertise to provide competitive advantage amid changing market and customer demands

ESTABLISH STRONG PILLARS FOR FUTURE GROWTH

What it means

- Explore partnerships and investments in select new engines for growth
- Develop people to grow the talent pool
- Strong and good governance

Our 3 sustainability values that support these objectives and strategic drivers:

Environmental
Environmental & Social Responsibility in our Supply Chain

Social
Building Trusting Relationships with Stakeholders

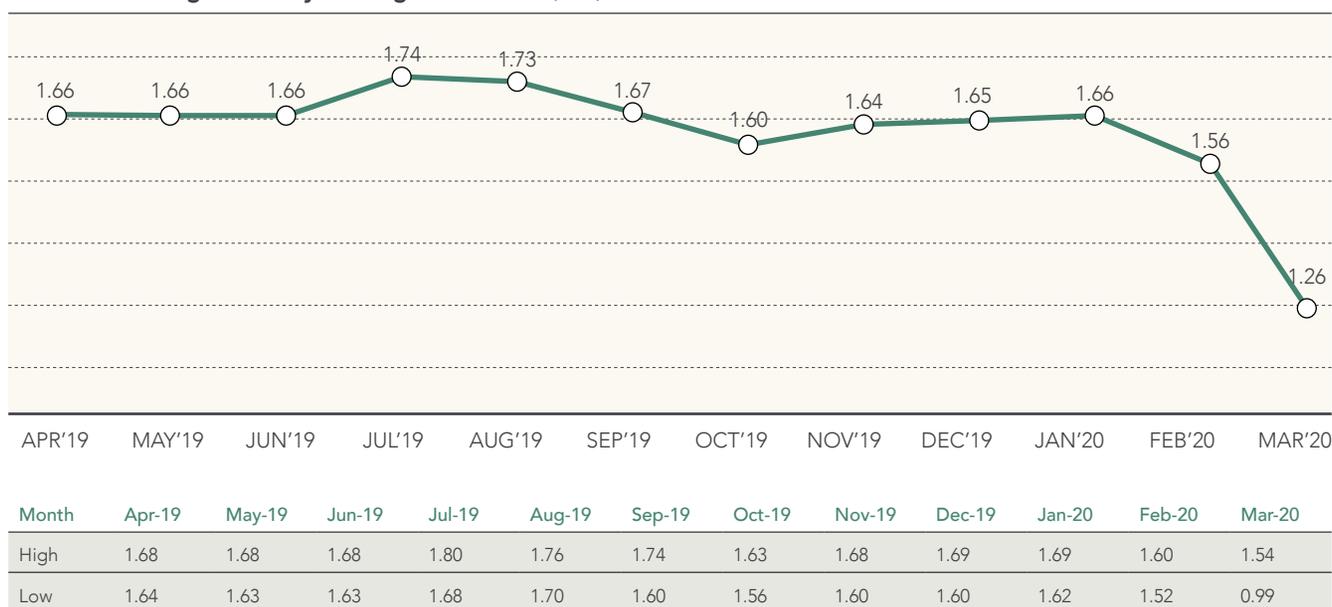
Health, Safety & Development of our Employees and Communities

Governance
Governance & Responsible Business Practices

Operational & Resource Efficiency

Key Financial Analysis

One Year Average Monthly Closing Share Price (RM)



During the year under review, the highest and lowest monthly share price transacted was RM1.80 and RM0.99 respectively. The highest monthly share volume transacted was in March 2020 with total volume of 1.73 million shares.

Key Financial Highlights

		FYE2019	FYE2020	Change %
Revenue	RM Million	469.47	500.90	6.7
Cost of Sales ("COS")	RM Million	278.85	329.56	18.2
Gross Profit	RM Million	190.62	171.34	(10.1)
Gross Profit Margin	%	40.6	34.2	(6.4)
Earnings Before Interest And Taxation ("EBIT")	RM Million	116.81	56.32	(51.8)
Profit Before Tax ("PBT")	RM Million	114.89	51.83	(54.9)
PBT (Excluding Impairment Losses/Write Back)	RM Million	91.26	69.62	(23.7)
Profit After Tax ("PAT")	RM Million	85.21	27.47	(67.8)
Profit Attributable to Equity Holders of the Company	RM Million	59.84	29.21	(51.2)
Return on Shareholders' Equity ("ROE")	%	8.1	2.6	(5.4)
Return on Capital Employed ("ROCE")	%	10.5	5.0	(5.5)
Total returns to shareholders				
- Gross dividend per share	sen	9.00	*9.00	-
Net Cash Flow (used in)/Generated from Operating Activities	RM Million	52.78	82.20	(55.3)
Total Asset	RM Million	1,233.90	1,253.51	1.6
Total Liabilities	RM Million	176.94	214.84	21.4
Capital Employed	RM Million	1,115.69	1,132.64	1.5
Retained Earnings	RM Million	433.56	437.36	0.9

*Interim single-tier dividend of 9.0 sen which is payable on 14 September 2020.

Revenue

	FYE2019	Contribution	FYE2020	Contribution	Variance	
	RM Million	%	RM Million	%	RM Million	%
Manufacturing	134.78	28.7	134.00	26.8	(0.78)	(0.6)
Plantation	118.34	25.2	123.38	24.6	5.04	4.3
Bulking	81.15	17.3	106.67	21.3	25.52	31.4
Food	130.32	27.8	131.69	26.3	1.37	1.1
Other	4.88	1.0	5.16	1.0	0.28	5.7
Group Results	469.47	100.0	500.90	100.0	31.43	6.7

The Group generated revenue of RM500.90 million compared to RM469.47 million recorded last year, representing an increase of 6.7% mainly attributable to improvements in contributions from the Bulking, Plantation, and Food divisions.

Bulking division's revenue surged by 31.4% y-o-y to RM106.67 million compared to RM81.15 million in the prior year attributed to higher throughputs achieved for most products segments as well as contributions from biodiesel which generated revenue of RM24.57 million in its first full year of operation.

Despite the lower volumes of CPO and CPKO sold in FYE2020, Plantation division's revenue improved by 4.3% to RM123.38 million compared to RM118.34 million recorded last year. In addition, CPO and CPKO prices realised also improved y-o-y by 7.9% and 7.5% respectively. Average CPO (CIF, net of duty) selling price was RM2,073 per MT (FYE2019: 1,921 per MT) while the average CPKO price achieved was RM3,242 per MT (FYE2019: RM3,015 per MT). The improved performance was partially offset by lower overall FFB production during the year.

Food division's revenue improved by 1.1% to RM131.69 million from RM130.32 million recorded in the previous year on the back of improved sales in the canned tuna segments. However, it was offset by reduced volumes for tuna loins, fish meal and canned mackerel.

Manufacturing division's revenue declined by 0.6% to RM134.00 million from RM134.78 million achieved last year, impacted by the declines in volumes as well as changes in order patterns for certain product segments.

Profitability

	FYE2019	Contribution	FYE2020	Contribution	Variance	
	RM Million	%	RM Million	%	RM Million	%
Manufacturing	30.56	26.6	25.99	50.1	(4.57)	(15.0)
Plantation	32.81	28.6	(20.55)	(39.6)	(53.36)	(162.6)
Bulking	43.13	37.5	35.29	68.1	(7.84)	(18.2)
Food	8.33	7.3	14.92	28.8	6.59	79.1
Other	(0.87)	(0.8)	(5.78)	(11.2)	(4.91)	562.8
Associated Companies	0.93	0.8	1.96	3.8	1.03	110.8
Group Results	114.89	100.0	51.83	100.0	(63.06)	(54.0)

The Group's Profit Before Tax ("PBT") declined by 54.9% (RM63.06 million) y-o-y to RM51.83 million primarily due to impairment losses on plant, property and equipment ("PPE") and right-of-use ("ROU") assets in a subsidiary, PT Nunukan Jaya Lestari amounting to RM17.79 million against write back of impairment losses amounting RM23.63 million recorded in FYE2019. Except for Food segment, contributions from other business segments also lower y-o-y. Without the impairment, the Group's PBT would be RM69.62 million, 23.7% lower than last year.

Bulking division posted lower PBT by 18.2% or RM7.84 million to RM35.29 million mainly due to pre-tax losses from the biodiesel operation.

Plantation division recorded a loss of RM20.55 million compared to PBT of RM32.81 million previous year primarily due to impairment losses on PPE and ROU assets of RM17.79 million.

On the back of unfavourable sales mix, lower sales volumes and contraction in margins on certain product segments, Manufacturing division's PBT decreased by RM4.57 million or 15.0% to RM25.99 million compared to the same corresponding period last year.

Food division's PBT improved due to better revenue contributions from our PNG subsidiary, International Food Corporation Ltd. During the year, PBT improved by RM6.59 million to RM14.92 million compared to RM8.33 million posted in the preceding year as the result of lower direct costs and write back of impairment loss on receivables, as well as net gain on forex of RM1.79 million (FYE2019: RM0.68 million).

Shareholders' Funds
stood at **RM801.77 million**



RM14.92
million

(FYE2019: RM8.33 million)

Food division PBT improved due to better revenue contributions from our PNG subsidiary, International Food Corporation Ltd.



RM329.56
million

(FYE2019: RM278.85 million)

Cost of Sales amounted to RM329.56 million, up 18.2% compared to previous year primarily due to the higher maintenance and cultivation expenditure recorded by the **Plantation division**.



RM1.25
billion

(FYE2019: RM1.23 billion)

Total assets grew 1.6% to RM1.25 billion largely because of ROU assets recognised by Bulking division and higher trade and other receivables which was partially offset by the decrease in inventories.

The Group's **Gross Profit** declined by 10.1% y-o-y to RM171.34 million from RM190.62 million in FYE2019. Correspondingly, **gross profit margin** decreased to 34.2% as compared to 40.6% in FYE2019 due to higher cost of sales.

Cost of Sales amounted to RM329.56 million, up 18.2% compared to previous year primarily due to the higher maintenance and cultivation expenditure recorded by the Plantation division. Meanwhile, Bulking division also recorded higher cost of sales against last year with the addition of business volumes from the biodiesel segment.

Share of Results of Associates totalled RM1.96 million as compared to RM3.73 million last year on the back of lower revenue from Giesecke & Devrient Malaysia Sdn Bhd ("G&D"). G&D posted a revenue of RM166.83 million (FYE2019: RM184.28 million) and PBT of RM10.69 million (FYE2019: RM17.67 million).

On the back of lower profits, **PAT** was RM27.47 million compared to RM85.21 million in the prior year. Taxation expenses for the period decreased to RM24.36 million from RM29.68 million.

Profit Attributable to Equity Holders of the Company amounted to RM29.21 million, 51.2% lower than RM59.84 million recorded in FYE2019. Basic earnings per share decreased to 10.40 sen based on weighted average of 280.97 million shares (FYE2019: 21.25 sen based on 281.63 million shares).

Total assets grew 1.6% to RM1.25 billion largely because of the ROU assets recognised by Bulking division (in applying the requirements of new MFRS16) and higher trade and other receivables which was partially offset by the decrease in inventories. The decrease in inventories was largely in Manufacturing and Food divisions.

Shareholders' Funds stood at RM801.77 million, representing a decrease of RM1.38 million or 0.2% over the previous financial year, in line with the decrease in the Group's retained earnings.

The Group's Retained Earnings FYE2020 stood at RM437.36 million against RM433.56 million in the previous financial year due to the variance between the dividend payments of RM25.30 million (FYE2019: RM25.35 million) against the profit attributable to the equity holders of the Company of RM29.21 million (FYE2019: RM59.84 million).

The Group recorded **ROE** of 2.6% based on shareholders' equity of RM1,038.67 million (FYE2019: RM1,056.96 million) compared to 8.1% recorded in the previous year consistent with the decrease in PAT.

Capital employed is the total amount of capital utilised to generate profits. ROCE during FYE2020 decreased to 5.0% from 10.5% registered in the previous year.

Liquidity and Capital Resources

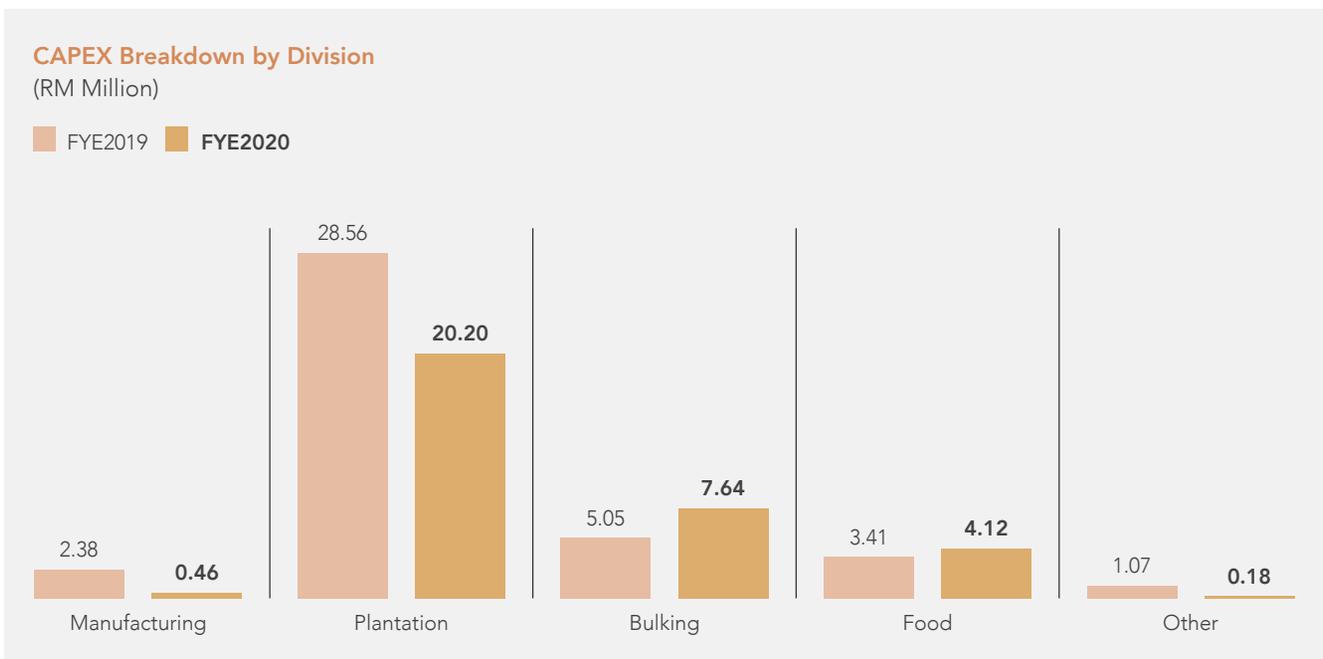
The Group's financial position remained sound with **Cash and Bank Balances** and **Short-Term Cash Investments** totalling RM295.92 million (FYE2019: RM290.32 million), 1.9% higher than the previous year.

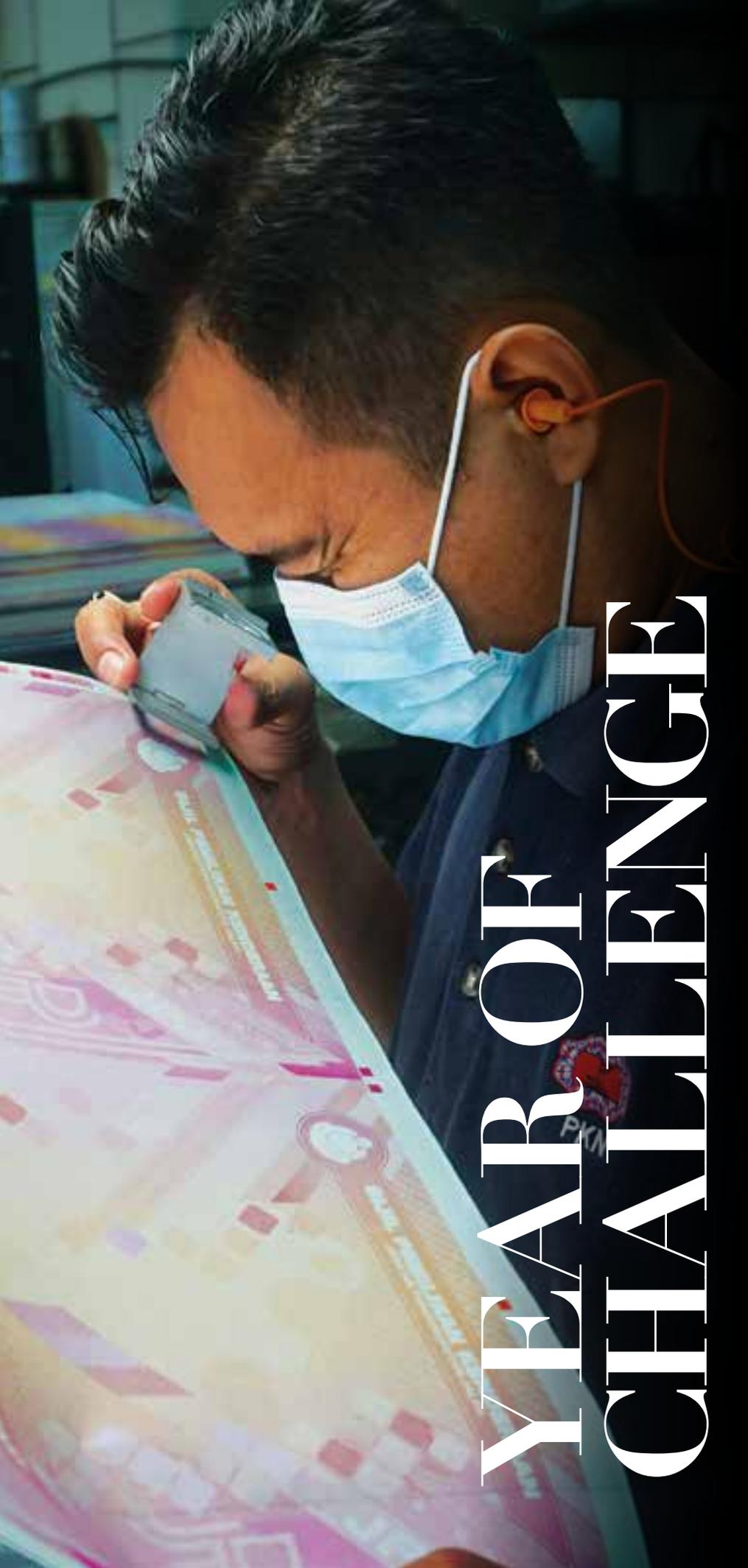
During the year, **Total Liabilities** increased to RM214.84 million from RM176.94 million while total equity reduced to RM1.04 billion from RM1.06 billion, resulting in an increase in the group's gearing ratio to 0.21 times.

The Group continue to generate strong cash flow in FYE2020 despite the reduction in revenue. **Net Cash Flow Generated from Operating Activities** provided net cash flow surplus of RM82.20 million compared to RM52.78 million in prior year.

Capital Expenditure ("CAPEX")

The Group's CAPEX of RM32.60 million (FYE2019: RM40.47 million) was incurred to meet ongoing CAPEX commitments during the year. Notably, Plantation division accounted for 61.5% of the Group's total CAPEX spend which was largely utilised towards plantation development works, new planting, construction of workers quarters and purchase/replacements of fixed assets. Sources of funds for CAPEX during the year were generated internally.





YEAR OF CHALLENGE

MANUFACTURING DIVISION

The Division produces a wide range of products and services which include transport and travel documents, licenses and other security and confidential documents for the local and overseas markets.

REVENUE

RM134.00 Million

0.6% Decrease Y-o-Y

(FYE2019: RM134.78 Million)

PROFIT BEFORE TAX

RM25.99 Million

15.0% Decrease Y-o-Y

(FYE2019: RM30.56 Million)

FYE2020 KEY FOCUS AREAS



Revenue for FYE2020 was RM134.00 million which represents a marginal y-o-y decrease of 0.6% from RM134.78 million achieved in the previous year. Revenue performance was undermined by a combination of secular declines in volumes as well as changes in order patterns for certain product segments. The travel and transport documents segments, which have cumulatively generated RM110.99 million representing a combined y-o-y revenue growth of 3.4% remains the leading contributor to the division's revenue at 70.4%. The stamps, postal & banking documents subsegments have also delivered notable improvements with revenue growing 11.4% from last year thereby offsetting the decline in other product segments.

Profit before tax declined 15.0% y-o-y to RM25.99 million mainly attributable to the less favourable sales mix. Heightened competition within the security printing industry and general economic conditions have served to further increase pressure on the division's profit margins.

The share of results of our associate company Giesecke & Devrient Malaysia Sdn Bhd was down from RM3.73 million last year to RM1.96 million.



We have continued to maintain discipline in capital expenditure (“CAPEX”) spending. The division spent RM0.46 million on CAPEX compared to RM2.38 million last year, which are primarily restricted to assets needed to meet or maintain the division’s operational requirements.

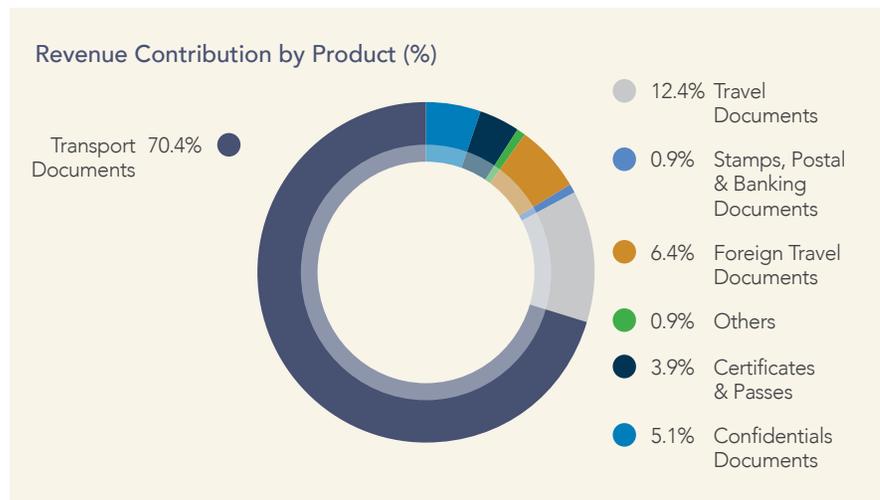
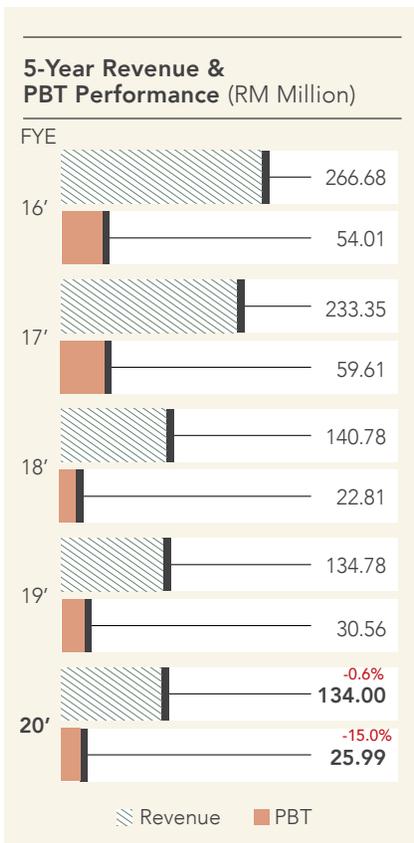


The division’s trade receivables increased by RM17.56 million or 25.2% y-o-y to RM87.28 million. Despite this increase, we are of view that there is no material credit risk exposure and that the receivables are collectable given that the division’s receivables are primarily with government authorities/agencies and customers with whom the division has had a long-term relationship.

We have continued to maintain discipline in capital expenditure (“CAPEX”) spending. The division spent RM0.46 million on CAPEX compared to RM2.38 million last year, which are primarily restricted to assets needed to meet or maintain the division’s operational requirements.

OUTLOOK

As noted earlier, increased competition in the security documents industry has placed pressure on the division’s margins. The emphasis this year would therefore be to maintain our core markets and adapt to the ongoing secular challenges. Pleasingly, there have been some new business wins and contract renewals in the certificates and passes subsegments in this current financial year which we hope will help us maintain or grow earnings.



The ability to identify and capitalize on these needs and technological changes is key to improving the division's positioning in a competitive, ever evolving market.



SPECIFIC BUSINESS CHALLENGES

- Megatrends / digital disruptions
- Margins under pressure – high costs of doing business
- Economic cycles & impact on governments' infrastructure spend



CUSTOMER NEEDS

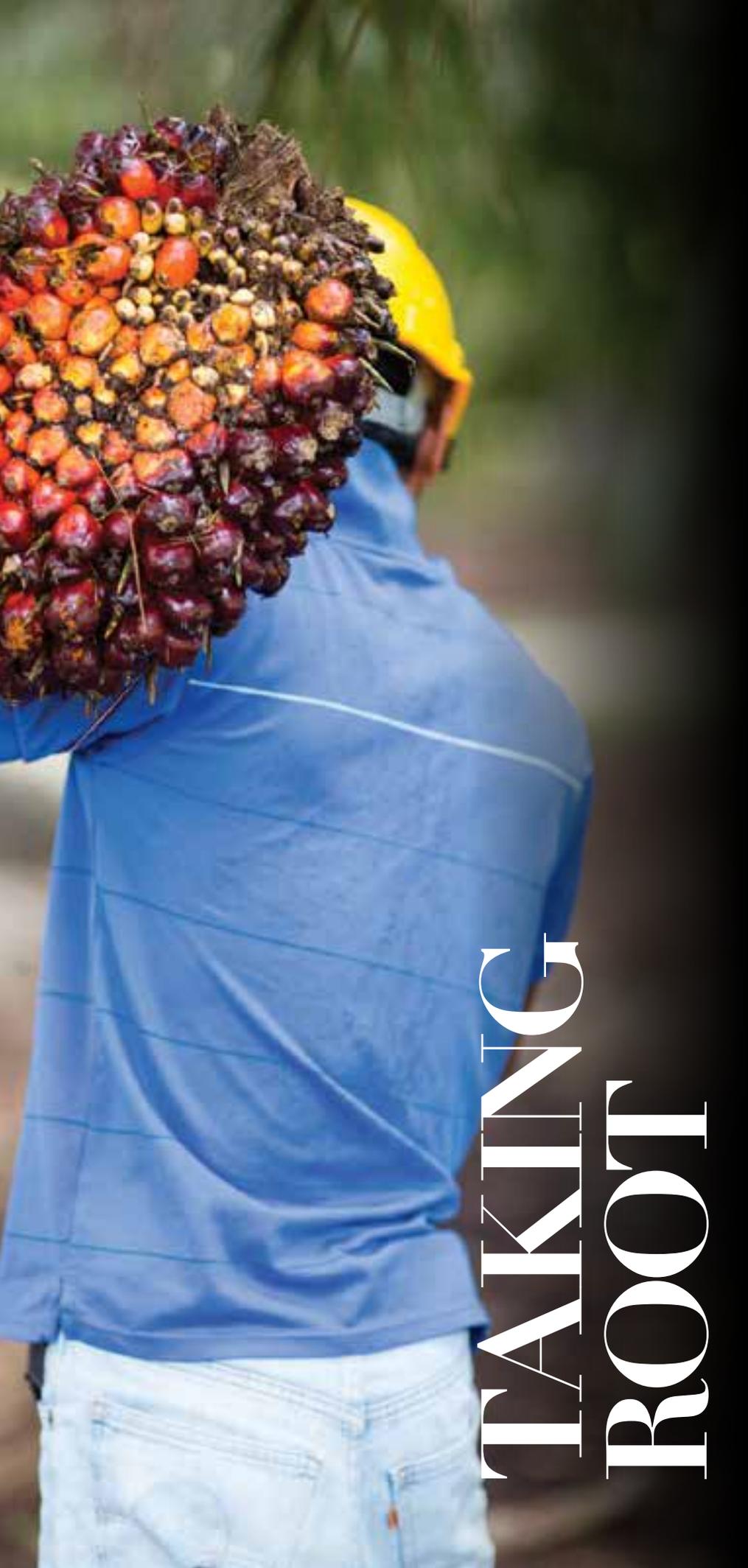
- Solutions, not just products
- Reduced cost & increased productivity
- Supply security & resilience
- A trusted and reliable service provider

At the same time, we have to manage the economic fallout of Covid-19. As a result of the rapid contraction of air travel and stringent border controls the world over, we have seen a reduction in demand for travel documents. We are also anticipating declines in other segments with orders for certain products being deferred or cancelled. Although we are unable to predict the extent and duration of declines at this point, we do expect margin pressures in this current financial year as we lose some of our economies of scale.

Building organizational capabilities and digital competencies will also be a focal point in this current financial year as we position and shift our business towards developing

integrated end-to-end, next-generation solutions and services that can open up new market opportunities and enhance our competitiveness. This new capability will be developed in concert with technological advancements and emerging customer needs demanding more personalized, seamless and secure solutions. The ability to identify and capitalize on these needs and technological changes is key to improving the division's positioning in a competitive, ever-evolving market.





TAKING ROOT

PLANTATION DIVISION

The Group owns and operates 14 estates in Malaysia and Indonesia of which 14,573 and 144 hectares have been planted with oil palm and pineapple respectively. The Group also owns a 60 MT/HR palm oil mill in Indonesia.

REVENUE

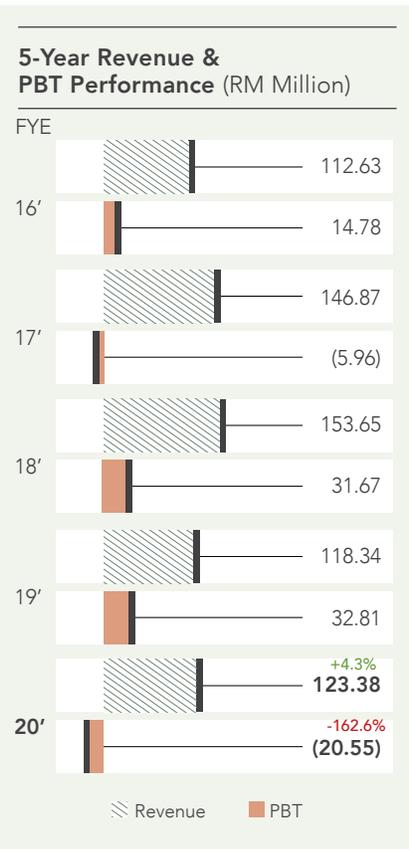
RM123.38 Million

4.3% Increase Y-o-Y
(FYE2019: RM118.34 Million)

LOSS BEFORE TAX

RM20.55 Million

162.6% Decrease Y-o-Y
(FYE2019: PBT of RM32.81 Million)



FYE2020 KEY FOCUS AREAS

Improve operational cost efficiency and effectiveness through stringent monitoring, increased usage of ICT and mechanisation

Improve accessibility to facilitate mechanisation and speedier crop evacuation

Replanting programme using high yielding oil palm planting materials

Accreditation for all Malaysian estates (100% certification achieved for Malaysia Sustainable Palm Oil) ("MSPO")

The Plantation division recorded a loss before tax of RM20.55 million against revenue of RM123.38 million. The division was impacted by the recognition of impairment losses on property, plant and equipment ("PPE") and right-of-use ("ROU") assets in the Group's Indonesian subsidiary, PT Nunukan Jaya Lestari ("PTNJL") amounting to RM17.79 million. The impairment arose following the decision made by the Mahkamah Agung allowing the judicial review application by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional ("BPN") against PTNJL.

Excluding the impairment, the division would have reported a loss before tax of RM2.76 million compared to RM9.18 million recorded last year. Factors weighing down profitability were the lower CPKO sales, higher administrative and upkeep and cultivation, despite the higher average CPO and CPKO prices realized during the year of RM2,073 (FYE2019: RM1,921) and RM3,242 (FYE2019: RM3,015) per MT, respectively.

Plantation Division : Taking Root

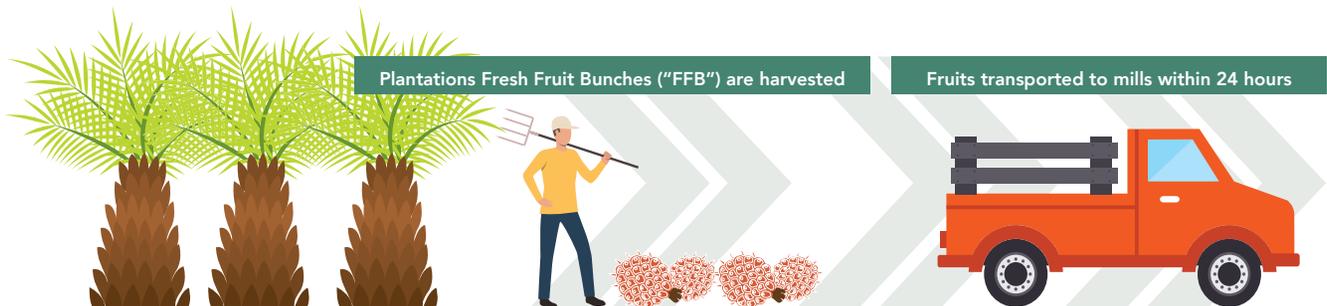


Total fresh fruit bunch (“FFB”) production in FYE2020 declined marginally by 0.3% y-o-y to 198,334 MT from last year’s 198,910 MT. Average yield fell to 15.82 MT per mature hectare (FYE2019: 19.33 MT) on the back of the higher percentage of new areas attaining maturity in our Malaysian estates. 41.5% (FYE2019: 29.3%) of the Group’s total matured areas are now made up of palms with an age profile of between 4-9 years. Low crop production patterns in PTNJL had also contributed to the decline in the Group’s average yields. Purchase of third-party crops also reduced to 40,237 MT from 49,902 MT.

CPO production declined by 14.7% y-o-y to 40,934 MT (FYE2019: 47,966 MT) while CPKO production declined significantly by 76.7% to 1,035 MT from the 4,434 MT produced last year. In line with the decline in FFB production and lower third-party crop purchased, PTNJL could not produce nor effect any CPKO sales in the first three quarters of FYE2020 due to issues related to the plant’s operating license. The average CPO and CPKO price recorded last year improved to RM2,073 (FYE2019: RM1,921 per MT) and RM3,242 (FYE2019: RM3,015) per MT, respectively. The Group’s average oil extraction (“OER”) was 21.68% compared to 22.34% registered in the last financial year.



Our Value Chain





On 23 January 2020 we also had announced that PTNJL had filed an application at the Jakarta State Administrative Court (or Pengadilan Tata Usaha Negara Jakarta) for judicial review and reversal of the Decision. The suits are still ongoing at the time of writing.

Malaysia

FFB production from our Malaysian estates continued their favourable uptrend, recording a y-o-y increase of 45.5% from 34,140 MT achieved last year to 49,686 MT.

Ladang Cendana, Kemaman, Terengganu

Ladang Cendana's FFB production increased four-fold y-o-y to 4,111 MT (FYE2019: 1,147MT). The increase in FFB production is in tandem with the increase in the estate's mature area from 117 hectares to 491 hectares. The resultant effect of road upgrades, drain desilting works at low-lying areas and adoption of agricultural protocols which in turn led to more efficient crop evacuation, had also contributed to the increase in FFB production.

1,295 palms had been damaged by crop-raiding elephants during the year. To tackle this issue, the estate together with 8 other estates from nearby localities facilitated the establishment of a task force aimed at finding workable solutions for managing conflicts with elephants which include, among others, monitoring elephant movements and restoring wildlife corridors on a more coordinated basis.

ESTATE OPERATIONS

Indonesia

The Group's Indonesian subsidiary, PTNJL FFB production declined to 148,637 MT compared to last year's 164,770 MT. Purchases of third-party crops also declined to 40,257 MT from 49,902 MT registered last year. The decrease of FFB production experienced by PTNJL was in tandem with the general industry trend (both in Indonesia and Malaysia) as growers were impacted by low crop production patterns, culminating in a decline in yield per mature hectare from 25.98 MT last year to 23.58 MT in FYE2020.

On 27 November 2019, we had announced that the judicial review application by the Menteri Agraria dan BPN against PTNJL, was allowed

by the Mahkamah Agung vide its written decision which was received by PTNJL's solicitors on 27 November 2019 ("the Decision"). Subsequently on 28 November 2019, PTNJL filed a civil suit in the Pengadilan Negeri Jakarta Selatan against BPN and PT Adindo Hutani Lestari. The President Republik Indonesia and Menteri Lingkungan Hidup dan Kehutanan Republik Indonesia been named as co-defendants in the said suit. PTNJL is seeking legal recognition of its rights over land title Hak Guna Usaha No. 01/ Nunukan Barat ("HGU") and to restrain the local authorities from issuing any new licences or approvals to any parties on or within the HGU. PTNJL is also seeking an order from the court to stay the enforcement of the Ministerial Order dated 25 July 2016 pending full and final determination of the matter by the Indonesian courts.



Plantation Division : Taking Root

All these factors have been and will continue to be taken into account when planning the estate's land usage to ensure that incidences of crop-raiding and damage are minimised to the extent possible.

The estate had also successfully installed solar panels to generate power supply to their workers quarters and office complex. To-date, there has been a satisfactory reduction in the estate's electricity consumption, with an average 605.23 kWh saved per month, thus reducing the estate's average CO₂e emissions by 0.79 tonnes.

Ladang Bunga Tanjung, Jeli, Kelantan

Area under cultivation totalled 1,162 hectares, of which 437 hectares have been rehabilitated. During the year, FFB production totalled 3,376 MT, at an average yield per hectare of 7.72 MT. Replanting works have been somewhat delayed with only 90% (or 724 hectares) of the planned programme completed during the year due to labour shortage and adverse weather conditions. Replanting works on the remaining 79 hectares are currently underway and expected to be completed in this current financial year. Meanwhile the construction of 6 new quarters which can comfortably accommodate 48 workers have been completed.

Given that the estate will be fully cultivated in this current financial year, management's focus will be on bringing the field's agronomic standards to the highest levels and maximizing yields.

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

Ladang Dabong has fully completed planting and development works on 194 hectares. In addition, the estate has started scout-harvesting on 84.4 hectares.

Meanwhile, Ladang Aring recorded more than 100% increase in its FFB yield to 14.35 MT/ha. Ladang Aring has again encountered incidences of elephants raiding its crops resulting in damage to approximately 1,323 young palms. This figure is significantly lower than 13,672 palms that were damaged last year. The trenches and fencing that have been dug up/built coupled with increased field guarding actions have so far been effective in preventing elephants from entering into the estate. Be that as it may, all damaged palms have to be replaced and in turn will inevitably cause delays before they can be harvested.

Ladang Sg. Siput, Perak

We have recently obtained the relevant permissions and approvals to commence development at our greenfield estate in Sg. Siput, Perak measuring 2,000 hectares. Implicit in these approvals is the requirement to abide by riparian buffer zones, water catchment and forest conservation areas. We hope to start and complete the first phase of the plantation development works in this current financial year.

Ladang Amgreen, Sarawak

FFB production increased by 66% to 23,447 MT (FYE2019: 14,122 MT) due to the increase in mature area from 1,648 hectares to 4,271 hectares. Despite the increase in FFB production and mature areas, the average yield for year 2020 decreased to 5.49 MT per mature hectare (FYE2019: 8.57 MT per mature hectare) as a result of the heavy flooding which occurred in December 2019 which saw 90% of the palms in an area measuring 500 hectares submerged underwater. Although none of the palms had suffered any permanent damage, we estimate that it will take approximately 6 months for the palms to fully recover. Premature frond desiccation found in some of the mature palms had further aggravated crop yields.



For this current financial year, utmost attention would be placed on improving drainage and soil conditions of the affected fields as well as to improve the monitoring and surveillance on pest and disease incidence to ensure healthy growth of oil palms at all stages which in turn would improve crop yields. On this note, management has initiated field trials with treatments that could help reduce or overcome the incidence of frond desiccation at susceptible areas. Rain gauges have been installed at several locations to collect data about rainfall. The data collected can provide point observations of precipitation of each location and help us predict potential flood conditions thereat in the future. Focus will also be given towards strengthening the estate's operational efficiency through mechanisation especially in harvesting and collecting FFB in areas. The bin system adopted last year has yielded positive results in ensuring that the quality of the crops are preserved and to some extent have helped reduce reliance on manual labour.

Ladang Kota Tinggi, Ladang Ayer Baloi and Ladang Ayer Hitam, Johor

As at 31 March 2020, the mature areas of our 3 Johor estates have expanded to 1,016 hectares from 981 hectares. FFB production amounted to 18,708 MT, a slight decrease from the 18,427 MT achieved last year, while average yield per mature hectare was 20.18 MT compared to 20.56 MT recorded last year. Ladang Ayer Hitam was the best performer, having achieved average yields of 25.68 MT per mature hectare.

For this current financial year, the estates will continue to place emphasis on improving the estates' productivity and operational efficiencies by adopting mechanisation for certain targeted processes as the shortage of workers continue to be a challenge for the estates.



PINEAPPLE

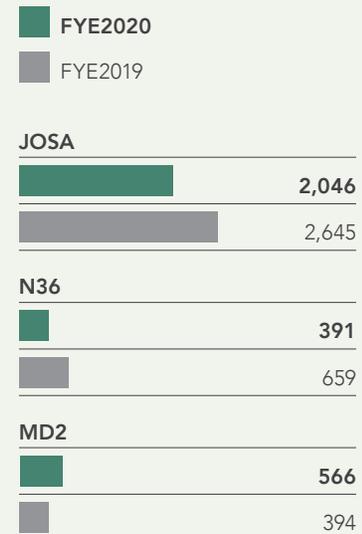
144 hectares or 356 acres were cultivated and harvested with pineapple at our estates in Johor during the year. Pineapples have a growing cycle of between 15-18 months, and require re-cultivation after 1 or 2 harvests. Pineapple production in FYE2020 amounted to 3,003 MT compared to the 3,698 MT produced last year. 3 types of pineapple cultivars are grown at our estates – Josapine, MD2 and N36. 68.1% of pineapples cultivated during the year were of the Josapine variant.

We have mechanized our plastic mulching and fertiliser applications which are utilized during the land preparation exercises. This allows for greater efficiency of labour and fertilizer use.

Pineapple Segment Revenue
(RM Million)



Pineapple Production (MT)



Palm Oil in Numbers

No. 1 in Productivity

Oil palm has the highest yield per hectare among the vegetable oil seed crops. It uses 7% of the world's oil farming land and accounts for 32% of production
Source: Oil World, 2016



2X the Oil

2 different oils can be produced - crude palm oil from the palm mesocarp and crude kernel oil from the palm kernel



Employment

The industry supports over **3 million jobs** including 650,000 smallholders in Malaysia



4.0 Continuous Innovation

Industrial Revolution **4.0** technologies such as Internet of Things, Blockchain, Big Data and Drone applications are actively applied in its management systems



Palm Oil contains ZERO transfat and high in tocotrienol



Source: MPOC

CAPITAL EXPENDITURE ("CAPEX")

The division's CAPEX spend in FYE2020 totalled RM20.20 million compared to RM28.56 million in FYE2019. This was primarily incurred on replanting and new plantings of oil palm, construction of staff and workers quarters, infrastructure upgrading works and purchase of equipment and vehicles.

Infrastructure at all our new developments have been designed to facilitate infield mechanisation. 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. Rollout of the upgraded IT system across all our Malaysian estates which commenced in 2018 has been completed during the year. The new IT system would provide the Group's head office more visibility and control of the estates' operations.

Sustainability Standards Certification

All of our developed Malaysian estates have successfully attained MSPO certification. Selected employees have been sent for training to ensure that we have the necessary competencies to maintain and support our MSPO certification. However, the Indonesian Sustainable Palm Oil ("ISPO") audit on

PTNJL remains status quo from last year as authorities await a definitive outcome of the ongoing legal suit pertaining to PTNJL's HGU before the ISPO certification process can be resumed.

OUTLOOK

The palm oil industry continues to be challenging in light of geopolitical uncertainties, protectionist policies namely and in particular, the EU resolution to ban palm-related biodiesel by January 2021, as well as the impact of the prolonged Covid-19 pandemic on the demand for palm oil products and overall global economic growth. The division could also potentially be faced with labour supply uncertainties if the country's borders continue to be closed due to the pandemic for extended periods. On this note, we are aware that we have to step up our already on-going mechanisation and automation initiatives to further reduce our dependency on manual/foreign labour, drive productivity and cost efficiency.

While more areas are expected to attain maturity in this current financial year, we expect the division's earnings to continue experiencing pressures in the near term as a result of the required expenditure in developing our Malaysian estates. Nevertheless, we believe that on balance, this sector will continue to benefit from the growing demand given

that palm oil is a significant and versatile raw material for both food and non-food (i.e. oleochemicals and biofuel) industries and is confident of its sustainable growth over the long-term. Further, expanding the Group's plantation landbank has been and remains the long-standing objective of the Group. As such we continue to see significant opportunities to grow the division through acquisitions as the Group's strong capital structure continues to provide us with the flexibility to invest for future growth.

MALAYSIA PALM OIL TRADE STATISTICS APRIL 2019 TO MARCH 2020

Year	Export (MT)	Import (MT)
April	1,654,499	62,112
May	1,715,719	61,789
June	1,397,140	101,250
July	1,486,485	40,069
August	1,736,300	51,055
September	1,409,089	71,112
October	1,641,973	85,034
November	1,405,638	74,684
December	1,396,157	123,029
January	1,213,539	85,033
February	1,082,417	66,735
March	1,184,702	79,216

Source: MPOC

PLANTATION STATISTICS

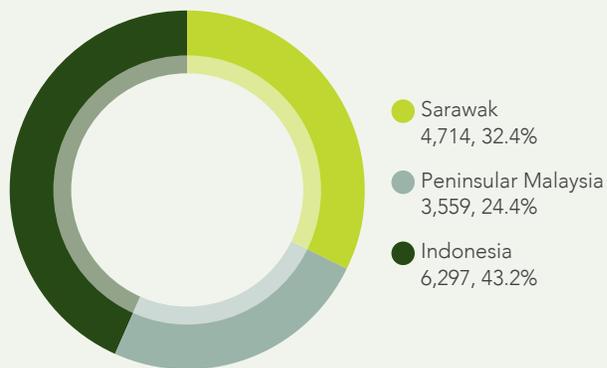
Palm Age Profile (HA)

Year	FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
> 19 years	-	-	-	124	124
10 – 18	6,154	6,214	6,206	6,647	7,214
4 – 9	1,594	1,502	1,913	2,808	5,195
	7,748	7,716	8,119	9,579	12,533
Rehab	-	-	566	-	-
Immature	4,798	5,491	5,271	4,660	2,037
Total Planted Area	12,546	13,207	13,956	14,239	14,570

Total FFB (MT)

Year	FYE2016	FYE2017	FYE2018	FYE2019	FYE2020
FFB Production	164,738	149,753	198,644	198,910	198,323
FFB Purchased	53,198	51,853	60,460	49,902	40,257
	217,936	201,606	259,104	248,812	238,590

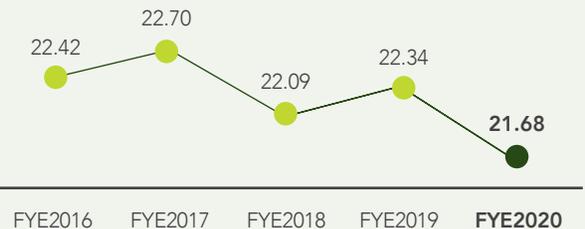
Oil Palm Planted Area (HA)



Yield Per Hectare (MT)



Oil Extraction Rate (%)



CPO Production (MT)



Average CPO Price Realised (RM/MT)





POWERING ON

BULKING DIVISION

The Bulking Division operates five liquid bulk terminals of which three are located in North Port in Port Klang and two in Butterworth.

Presently, these terminals have 275 tanks with a combined storage tank capacity of 278,790 MT and can handle a wide range of liquid cargoes ranging from palm oil products to latex concentrates, oleochemicals to specialty oils, as well as petroleum products, industrial chemicals and technical fats.

These terminals also provide storage facilities for import and export, transshipment, containerization, local dispatch, heating, nitrogen blanketing and drumming of liquid products. Other services provided by the Bulking Division include customs declaration, freight forwarding, break-bulking, trucking and related logistics businesses.

BIODIESEL

Fima Biodiesel Sdn Bhd own and operate a 60,000 MT/per annum biodiesel plant located in North Port in Port Klang. The plant which produces sustainable biodiesel is accredited with MSPO Supply Chain Certification Standard and is ISCC-EU compliant.

REVENUE

RM106.67 Million

31.4% Increase Y-o-Y
(FYE2019: RM81.15 Million)

PROFIT BEFORE TAX

RM35.29 Million

18.2% Decrease Y-o-Y
(FYE2019: RM43.13 Million)

FYE2020 KEY FOCUS AREAS

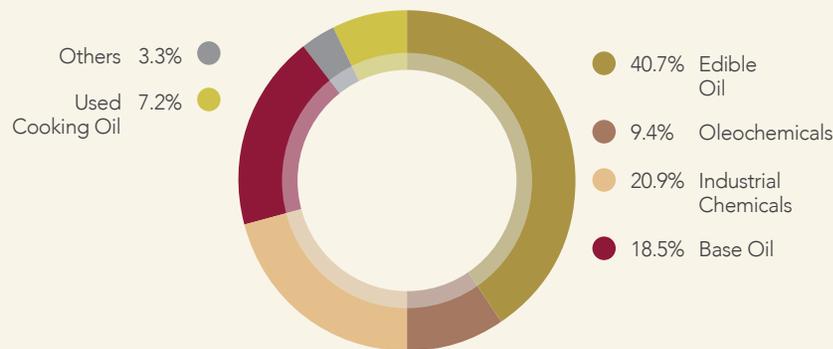
Capacity Expansion

Customer Growth

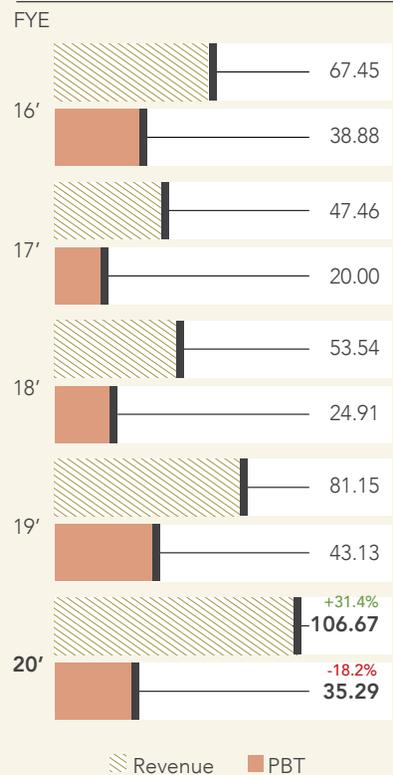
Handling of New Products

Accreditations and Value Chain Transparency

Revenue Contribution by Product (%)



5-Year Revenue & PBT Performance (RM Million)



BULKING

Revenue increased to an all-time high of RM82.09 million while profit before tax ("PBT") decreased slightly to RM41.76 million. For FYE2020, the division is the leading contributor of the Group's PBT at 80.6%.

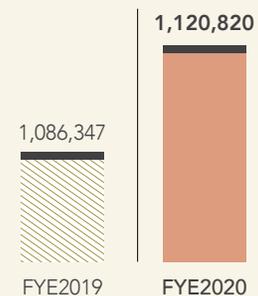
Throughput grew 3.2% year-on-year ("y-o-y") led by strong growth particularly in the edible oils, industrial chemicals and used cooking oil ("UCO") product segments. The increase in edible oils throughput particularly at our Butterworth terminals was supported by the high levels of CPO inventories while the increasing volumes for UCO, which was driven by strong customer growth, had more than offset the decline in base oil and technical

fats at our Port Klang terminals. Further, performance of our freight-forwarding and haulage subsidiaries continue to remain healthy, with volume and revenue contributions from this segment increasing 13.1% and 36.0% respectively, y-o-y.

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Average tank utilisation rate was 95% led by higher volumes achieved in the edible oils, industrial chemicals and UCO segments. This increase was also underpinned by the higher proportion of long-term contracts secured by our terminals in North Port, Port Klang, compared to spot contracts. Moreover, the negative impact of Covid-19 on our operations has been relatively modest in FYE2020 as our industry is considered as an essential service

Product Throughput (MT)

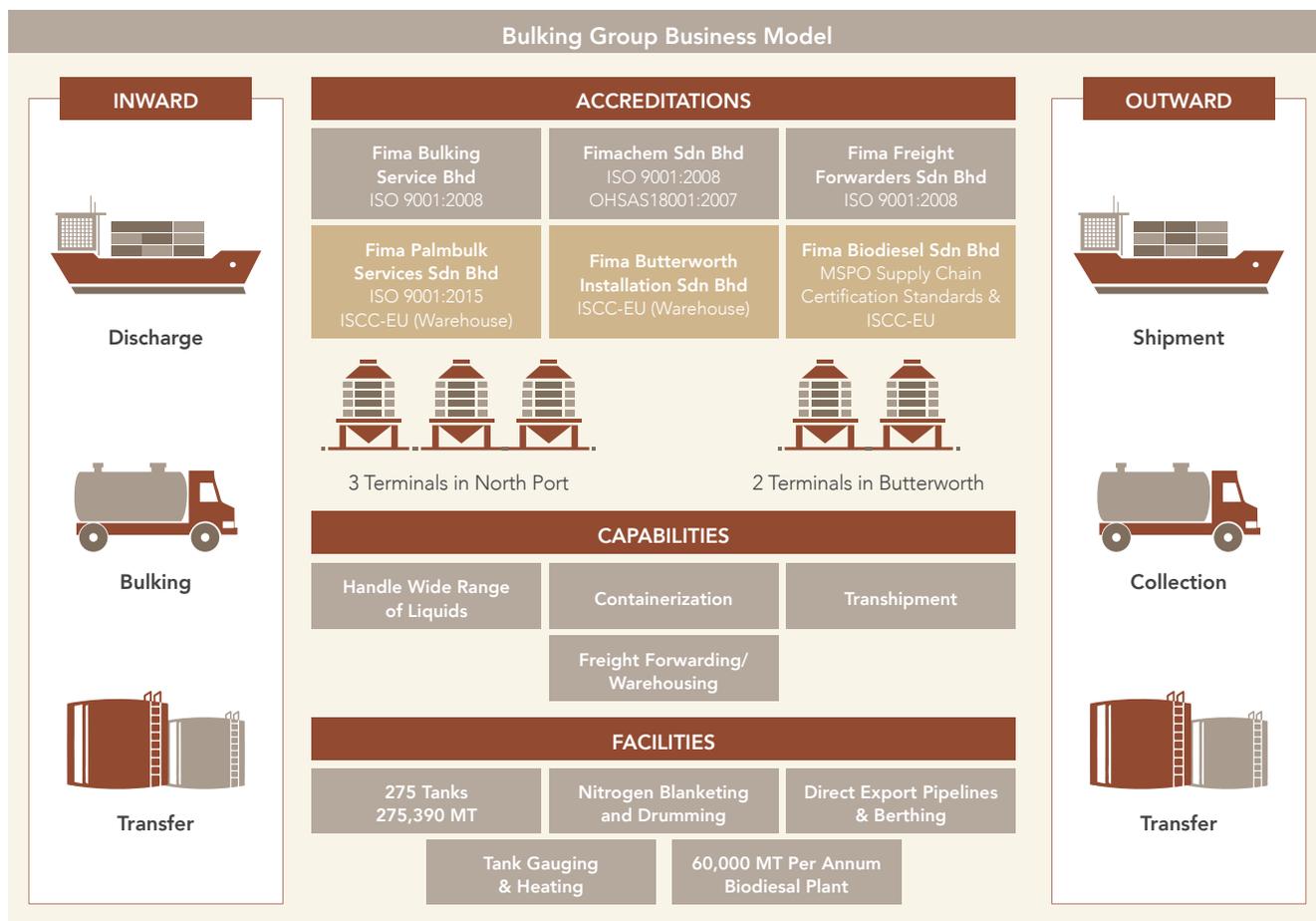


Bulking Division : Powering On

Year	Throughput Breakdown (MT)
Edible Oil	498,597
Oleochemicals	66,938
Technical Fats	9,658
Industrial Chemicals	239,385
Base Oil	150,880
Latex	8,508
Used Cooking Oil	77,821
Transportation	69,033
Total	1,120,820



Bulking Group Business Model



and was thus permitted to operate during the Movement Control Order period subject to our compliance with certain strict conditions imposed by the government.

During the year under review, we completed the construction of 4 new storage tanks with a combined capacity of 2,800 MT (or 3,340 cbm) at our terminal in North Port, Port Klang and all have been brought into service during the year. We are now proceeding with plans to expand the capacity of our Port Klang terminals by a further 17,783 MT (or 20,440 cbm). Site establishment works will commence once relevant approvals have been obtained. We expect that the project will be completed by the end of this current financial year. Increasing our capacity not only improves land utilization of our terminal but enables us to add more new products to our portfolio and handle significantly more volume over the long term and this bodes well for longer-term stability.

Our capital expenditure for FYE2020 totalled RM4.08 million, with the majority allocated to the construction of the 4 new tanks referred to earlier while the remainder was spent towards maintenance and replacement of existing handling equipment, plant and machinery.

Rollout of the new tank farm inventory management system across our terminals, which commenced last year is expected to be completed in this current financial year. The solution will replace the existing software and will provide a common platform for all our terminals thereby enhancing internal controls, improving our global reporting and analysis capabilities leading to improved productivity and cross-functional efficiencies. In addition, our customers would be able to access real-time information on the movement and volumes of their stocks.

BIODIESEL

In its first full year of operations, Fima Biodiesel Sdn Bhd ("FBiodiesel") recorded revenue of RM24.58 million and a loss before tax of RM6.47 million. As is common with any revival of idled facilities, the plant had been operating below its optimal utilisation rate due to some restarting issues. So for this current financial year, we are stepping up efforts to improve the plant's operational efficiencies and production capacity. Once this is achieved, we would be in a position to progressively scale up production and lock in more offtake contracts. At the moment, production is adequately backed by supply contracts and toll processing arrangements with third parties. There is also a ready market for the glycerin generated from biodiesel production. On a separate note, we are happy to report that the plant had obtained the MSPO Supply Chain Certification Standard. This validates FBiodiesel's position as a producer of sustainable biodiesel and reinforces our commitment to maximise economic and environmental benefits by adopting sustainable practices into our operations while simultaneously providing transparency to our customers.

FBiodiesel's capital expenditure for FYE2020 totaled RM3.57 million, which are largely expended on repair and maintenance of the plant and machinery as well as upgrading of the water treatment plant.

We expect the biodiesel market to remain stable in this current financial year as the government's biodiesel regulations and mandates are expected to continue supporting demand. On the other hand, and as the impact of Covid-19 comes into view, we are seeing some customers deferring delivery of the contracted volumes as many are adjusting their strategies on the back of the

supply-demand shock in the oil markets caused by the sudden massive decline in consumption.

For the longer term, our underlying view on biodiesel remains positive as we foresee that demand for sustainable energy will increase. Although currently only 4% of energy for transport, for example, comes from renewables, the International Energy Agency has projected that renewables are expected to grow significantly over the next five years¹.

OUTLOOK

As noted earlier, the negative impact of Covid-19 on the division has been modest in FYE2020 and our operations have held up well in the face of the slowdown in economic activities. We are cautiously optimistic on market improvements in this current financial year, though we note the potential risk posed by the pandemic outbreak on both operations and demand for our services. A lot will depend on the pace, timing and geographical distribution of the market recoveries.

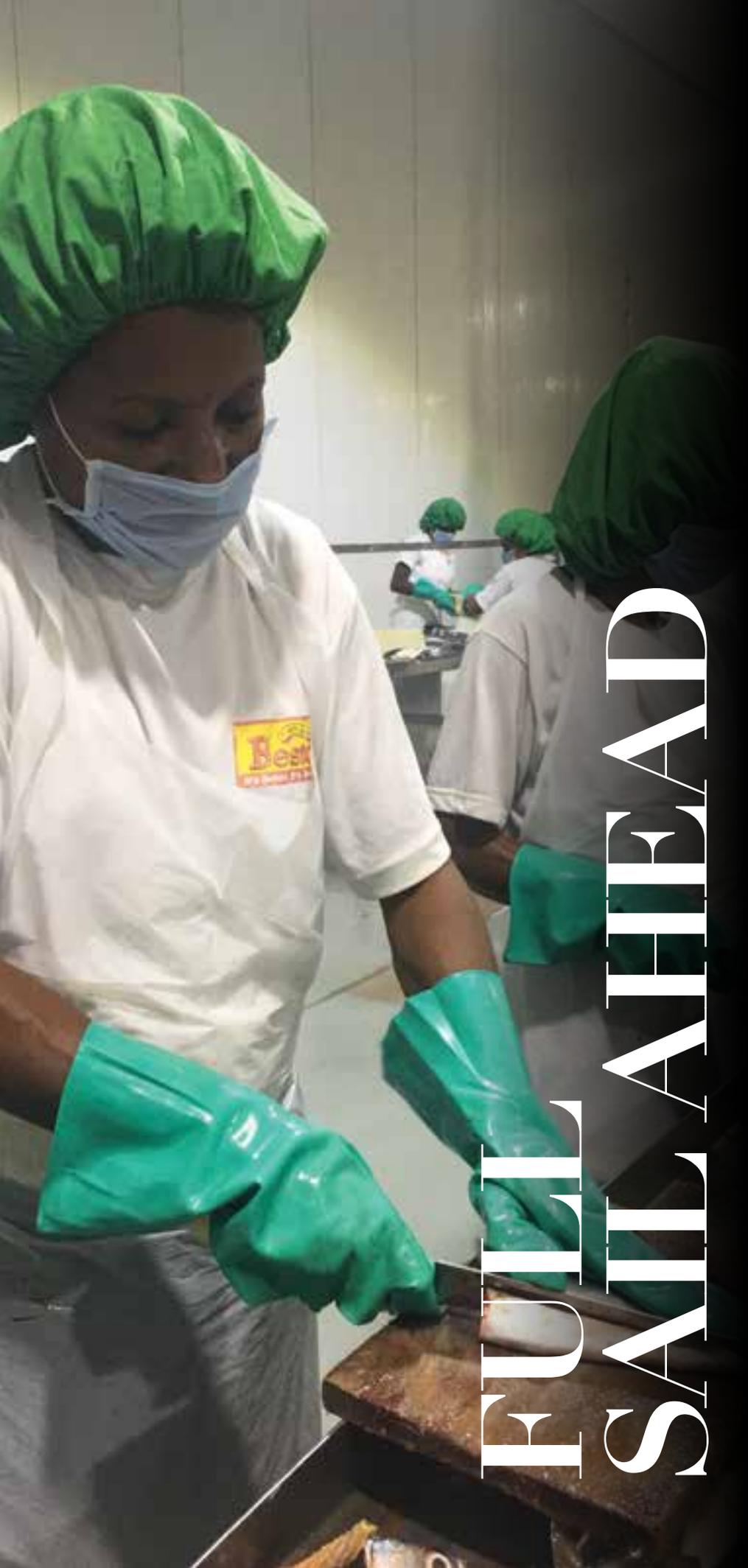
We are seeing continued strong demand for storage of UCO and believe that we will be able to retain some of those volumes in this current financial year. Based on current market trends, we also expect transshipment activities to remain robust. In contrast, demand for storage of edible oils is anticipated to slow down on the back of the forecasted decline in palm oil stock levels².

For this current financial year, our emphasis will be to drive organic growth through further improvements in customer offerings and by unlocking synergies within our existing asset portfolio.

We completed the construction of 4 new storage tanks with a combined capacity of 2,800 MT (or 3,340 cbm) at our terminal in North Port, Port Klang



- 1 Source: International Energy Agency – Renewables 2019 (Market analysis and forecasts to 2024).
- 2 Stock levels of oil palm expected to be lower in the range of 1.94 million to 2.19 million. Source : Dr Sathia Varga, Palm Oil Analytics



FULLTANHERAD

FOOD DIVISION

MANUFACTURE & DISTRIBUTION OF CANNED FISH

The Group's involvement is via its subsidiary in Papua New Guinea ("PNG"), International Food Corporation Limited ("IFC") which manufactures and distributes canned mackerel, canned tuna and frozen tuna loins for both export and domestic markets.

Canned mackerel and tuna under IFC's own "Besta", "Besta McFlakes", "BestaChoice" and "BestaWhite" brands are produced primarily for the PNG and Solomon Island market while frozen tuna loins and private label canned tuna are exported to the European Union.

The Group's associated company, Marushin Canneries (M) Sdn. Bhd. manufactures and markets canned sardine, tuna and mackerel in Malaysia under the brand name "KING CUP".

FOOD PACKAGING

KFima Group's 100% owned subsidiary, Fima Instanco Sdn. Bhd. ("FISB") whose principal activities are trading of products under its own "Instanco" and "Farmtree" brands. FISB also provides contract packing services of powdered beverages and condiments for third parties.

REVENUE

RM131.69 Million

1.1% Increase Y-o-Y
(FYE2019: RM130.32 Million)

PROFIT BEFORE TAX

RM14.92 Million

79.1% Increase Y-o-Y
(FYE2019: RM8.33 Million)

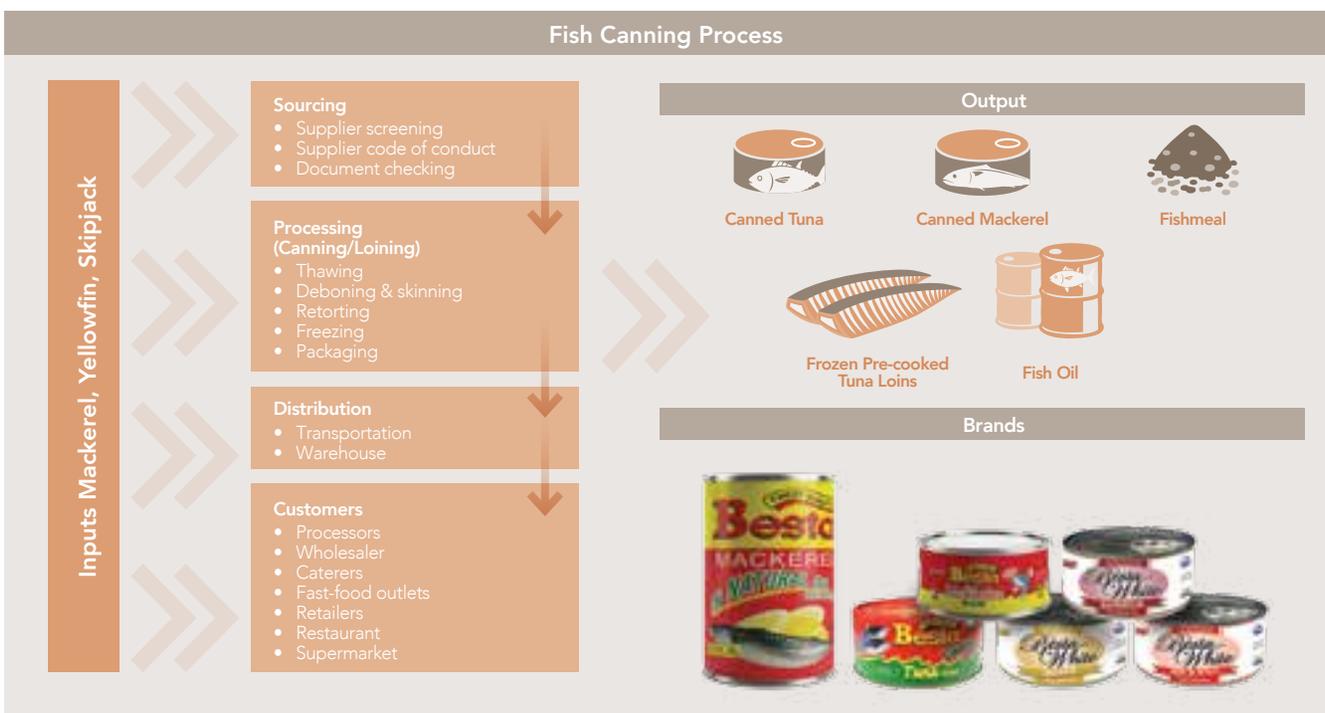
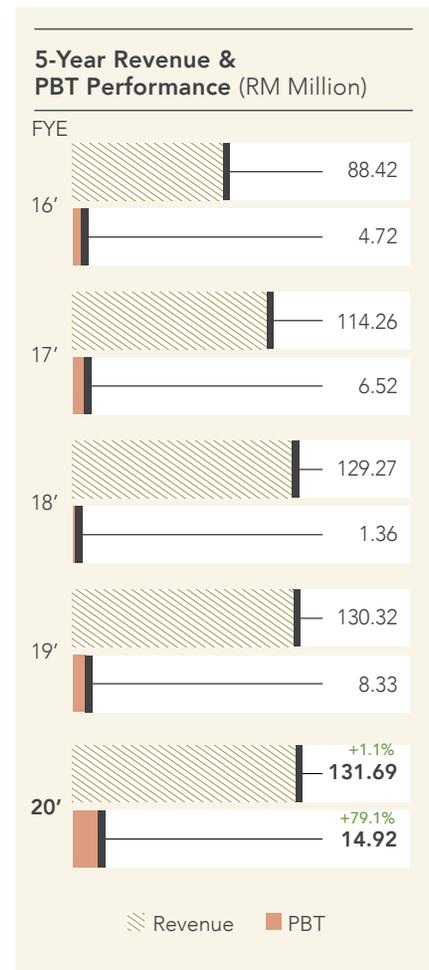
FYE2020 KEY FOCUS AREAS



For the FYE2020, the Food Division reported a 1.1% rise in revenue to RM131.69 million from RM130.32 million in the previous corresponding year. Overall, IFC sold 798,998 cartons of tuna and mackerel products, an improvement of 7.3% over last year. Exports of canned tuna to the European Union, IFC’s major export destination, rose to 127,700 cartons (FYE2019: 77,437 cartons) on the back of strong demand from existing customers, particularly in the second half of FYE2020 while sales volume of canned tuna in the domestic PNG market was up 3.2% over last year. These gains, however, were offset by reduced volumes for tuna loins, fish meal and canned mackerel.

Canned mackerel production has at times been constrained by the inconsistency in the volumes of raw materials obtained. The key priority for this current year is to improve the agility of our supply chain, reduce downtime and increase capacity. Fishmeal declined 46.9% to RM1.18 million (FYE2019: RM2.22 million) on the back of weak demand from our overseas customers in the first half of FYE2020.

Profit before tax (“PBT”) for the year climbed to RM14.92 million from RM8.33 million registered in the prior year mainly attributable to lower direct costs, writeback of impairment loss on receivables of RM1.27 million and a net foreign exchange gain of RM1.79 million. Excluding the impacts of foreign exchange and writeback, the division’s PBT would be RM11.86 million, an improvement of 42.4% year-on-year. The improvement is also attributed to increase in the canned tuna (export) segment which generally gives a higher margin compared to the other product segments.



Food Division : Full Sail Ahead

During the year, we made steady forays into new product variants and categories in our efforts to improve our sales mix and enhance earnings. We have begun producing crude fish oil that, when refined, can be used as ingredients in pharmaceutical products and animal feed given that it is rich in Omega-3. The crude fish oil which is derived from tuna and mackerel offcuts will make better use of the by-products from IFC's main food production lines thereby reducing wastages and consistent with our sustainability agenda to optimise our environmental footprint in every phase of our value chain. The crude fish oil has been accredited with the Halal and Kosher certifications and is currently being exported to New Zealand.

In line with evolving consumer trends, a new flavour, Besta Mackerel in Coconut Cream was introduced in May 2019. Subsequently in October 2019, we launched Besta Vegetable Cooking Oil, our first product in the non-fish category, as part of our strategy to extend our product range and leveraging on the strength of the Besta brand. We are now finalising the development of 2 more new non-fish products, also under the Besta brand, and we expect to launch them in this current financial year.

Capital expenditure incurred by IFC was RM4.10 million (FYE2019: RM3.40 million). Major spend items in FYE2020 include the purchase and refurbishment of boilers and



FISB recorded revenue and PBT of **RM5.52 million** and **RM0.48 million**, respectively.

Capital expenditure incurred by IFC was **RM4.10 million** (FYE2019: RM3.40 million). Major spend items in FYE2020 include the purchase and refurbishment of boilers, and improvements of facilities at our sites.

improvements of facilities at our sites. We have also upgraded our IT systems, and moving forward we hope to reap the benefits of the enhanced system through inter alia, better forecasting and inventory management.

In Malaysia, our food-packing subsidiary, Fima Instanco Sdn Bhd's ("FISB") performance has been resilient in the face of softening consumer demand. FISB recorded revenue and PBT of RM5.52 million and RM0.48 million, respectively, which are lower compared to last year. The y-o-y

IFC: Revenue & PBT Contribution
(RM Million)

Revenue PBT



Besta Vegetable Cooking Oil

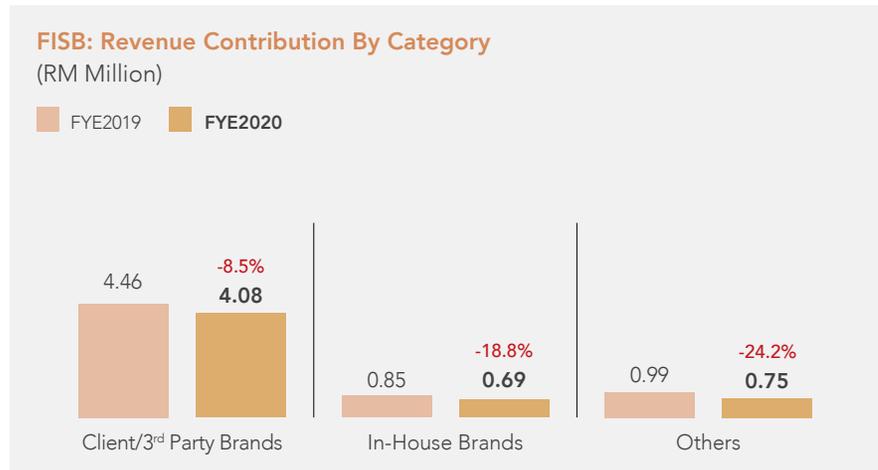
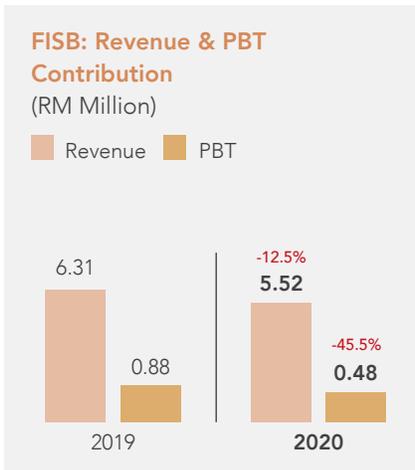
was launched in October 2019 and is IFC's first product in the non-fish category.



IFC Revenue Contribution by Product
(RM Million)



- 15.7% Tuna-Loin
- 0.9% Fishmeal
- 53.1% Mackerel
- 0.1% Cooking Oil
- 0.3% Crude Fish Oil
- 14.8% Tuna-In House (Local)
- 15.1% Tuna-Export Can



decline is primarily due to reduced orders from customers in the aviation sector. Meanwhile trading activities are making up a greater portion of FISB's portfolio and we see trading as a potential source of future growth for FISB with revenue contribution from this segment more than doubled y-o-y.

As a food processor, we already operate to the highest standards of cleanliness and hygiene to protect our employees, to maintain the safety and high quality of our products. In light of the Covid-19 pandemic, we have implemented additional employee safety measures based on guidance from the relevant health authorities across our facilities, including enhanced hygiene protocols, social distancing, mask use and temperature screenings. As of today, all of our facilities are operating without significant disruption.

OUTLOOK

The Covid-19 pandemic has had an impact on demand across some of the division's major markets as a result of shifts in consumer behaviour and spending patterns. Following the imposition of movement controls in mid-March of this year, we have seen a near term y-o-y increase in demand for our canned tuna products and a corresponding decrease in export demand for tuna loins and fishmeal. The pandemic has also curtailed demand for food and beverage packaging on the back of reduced foot traffic to food outlets due to movement restrictions. Although we expect volumes to improve in tandem with resumption of economic activities, the outlook beyond that will depend on the impact of the overall economy and resultant impacts on consumer spending. Further, the recovery in



demand that we are seeing underpins the importance of ensuring that we are able to mitigate any potential disruptions to our supply chains and that alternative sources for materials are available.

For this current financial year, our aim is to: (i) expand market share by developing and introducing new products; (ii) capitalise on our existing customer relationships and business competencies; and (iii) to improve the security and agility of our supply chain, as well as to focus on operational improvements to reduce costs and energy consumption. Given the demand uncertainties and evolving circumstances, we will nevertheless assess the timing of any capital investments and limit it to those that are necessary or important to our growth strategy and productivity improvement programmes.





Sustainability Report

About This Report

On behalf of the Board of Directors, we are pleased to present the Sustainability Report FYE2020 of Kumpulan Fima Berhad ("KFima") for the period beginning 1 April 2019 to 31 March 2020 ("FYE2020").

The Group's three key performance objectives are to grow revenue, provide solid returns on capital employed, and strong cash generation. In achieving these objectives, the Group takes into account stakeholder expectations, its responsibility to the environment and the communities in which it operates, to ensure the sustainability and long-term prosperity of the Group. We remain focused on managing our long-term sustainability to:

Reduce the environmental footprint of our operations by managing our supply chain in consideration of community and environmental impacts;

Undertake responsible business practices through good governance, resource, and operational efficiency and being accountable for our actions;

Support the development, growth, and safety of our employees and the communities we operate in.

Reporting What Matters

This Sustainability Report has been prepared in accordance with the Global Reporting Initiative ("GRI"):

“the Group takes into account stakeholder expectations, its responsibility to the environment and the communities in which it operates, to ensure the sustainability and long-term prosperity of the Group.”

Core Option and based on data for FYE2020 unless otherwise stated. The Report provides information on the sustainability issues assessed as material to the Group and how we are presently addressing them. The material topics are identified in the context of a combination of stakeholder inputs, engagements with various teams from within the Group, regulations and guidelines, sustainability trends as well as peer reports. This process is further described on page 57 of this Report.

This Report also reflects changes and trends in our operating environment, risks and opportunities that could affect our value creation process and

the Group's strategic objectives across the economic, environment and social pillars. These are complemented by a variety of real-life stories from across the Group.

Our Process

Information and data included in this Report were provided and reviewed by divisional management, including members of the Group Sustainability Committee, and approved by the Board of Directors. Members of the Group Sustainability Committee have been a valuable source of input for sustainability endeavours during the year and provided critical and constructive support for the reporting process. This Report has not been externally assured.

Scope and boundary

The scope of this Sustainability Report covers the Group's wholly-owned operations and joint ventures that are at least 50% owned by KFima. All references to KFima, the Group, the Company, the business, "our" and "we" refer Kumpulan Fima Berhad and its subsidiaries.

Feedback

We welcome feedback on our Sustainability Report. Email your feedback to sustainability@fima.com.my



INTRODUCTION

We define sustainability in a way that brings responsibility and accountability into every activity and process while building a successful business. Doing business with sustainability in mind is not only a matter of balanced corporate responsibility but also sensible from a business perspective. We can only retain our competitive edge if we dedicate ourselves to our customers, employees, services, the environment and local communities where we operate.

As our sustainability practices evolve, we must focus on what's right for our business. We care deeply about issues such as health and safety, environmental protection, product quality, resource conservation, support for the communities and returning profits to our shareholders. By improving the impact of our own operations, enabling sustainable solutions for our customers, and advocating sustainable business, we believe that can grow faster and reduce our cost and risk profile. Towards this end, we will continue to work with our stakeholders and others

on common-ground sustainability efforts.

Our business strategy recognises our responsibility to our stakeholders – to deliver shared value and long-term sustainability. Through responsible actions and behaviours, continuously improving our environmental performance, building trust and ethically operating to the highest standards of corporate governance and empowering our employees. This approach underlines our conviction creating shared value for our stakeholders and ourselves contributes

to KFima becoming a more successful and sustainable enterprise now and in the future. And it means having strong governance and oversight that started at the top with the Board of Directors and carried out through dedicated policies, management systems, teams and senior-level accountabilities.

The following materiality topics across three key pillars –environmental, social and governance were identified as the most material to the Group, which align well with management focus and priorities.



ENVIRONMENT

Environmental & social responsibility in our supply chain

- GHG Emissions, Discharges & Waste Management
- Use of renewable energy and efficiency of energy use



SOCIAL

Building strong and respectful relationships with stakeholders

Health, Safety & Development of our employees and communities

- Human & worker's rights
- Occupational safety & health
- Code of ethics & governance
- Benefits & remunerations



GOVERNANCE

Governance & Responsible Business Practices

Operational resource and efficiency

- Accountability & transparency to stakeholders
- Compliance & regulations

Our divisions have established sustainability working groups, which today consists of over 34 employees. Their roles are to assess, measure and report the sustainability performance of their respective operations. Increasing the maturity of internal processes will, in turn, help in increasing the level of assurance of our sustainability reporting. In addition, we have also engaged an independent consultant to review our environmental reporting processes.

Sustainability Highlights

CERTIFICATION & ACCREDITATIONS

Fima Biodiesel:
MSPO-SCCS

PT Nunukan Jaya Lestari:
ISO 14001:2015 Environment Management System

Fima Palmbulk & Fima Bulking Installation:
ISCC-EU

Community Contribution & Involvement in the form of **donations & support in kind**

Zero discharge through the recycling of waste and by-products in our palm oil mill operations



3,266
Employees in 3 countries

37.3%
of our employees are **women**

98.1%
of tuna purchased are FAD-free

12,540
total training hours

A new **Anti-Bribery Policy** familiarisation e-training module has been developed

4.6%
reduction in total CO₂eq Group-wide

Review of Group's **integrity infrastructure**

Continued energy efficiency & reduction initiatives across our businesses



Engaging Stakeholders

Our stakeholders' expectations revolve around good returns, sustainable profits, growth, regulatory compliances, transparency and accountability. We respond to our stakeholders' expectations in different ways, both formally and informally, depending on the nature and scale of the issue. These interactions are crucial as they shape how we define and execute our strategy to enable us to tackle some of the significant challenges facing our operations – problems that affect everyone along our value chain and to seek beneficial solutions on concerns that no entity can solve on its own.

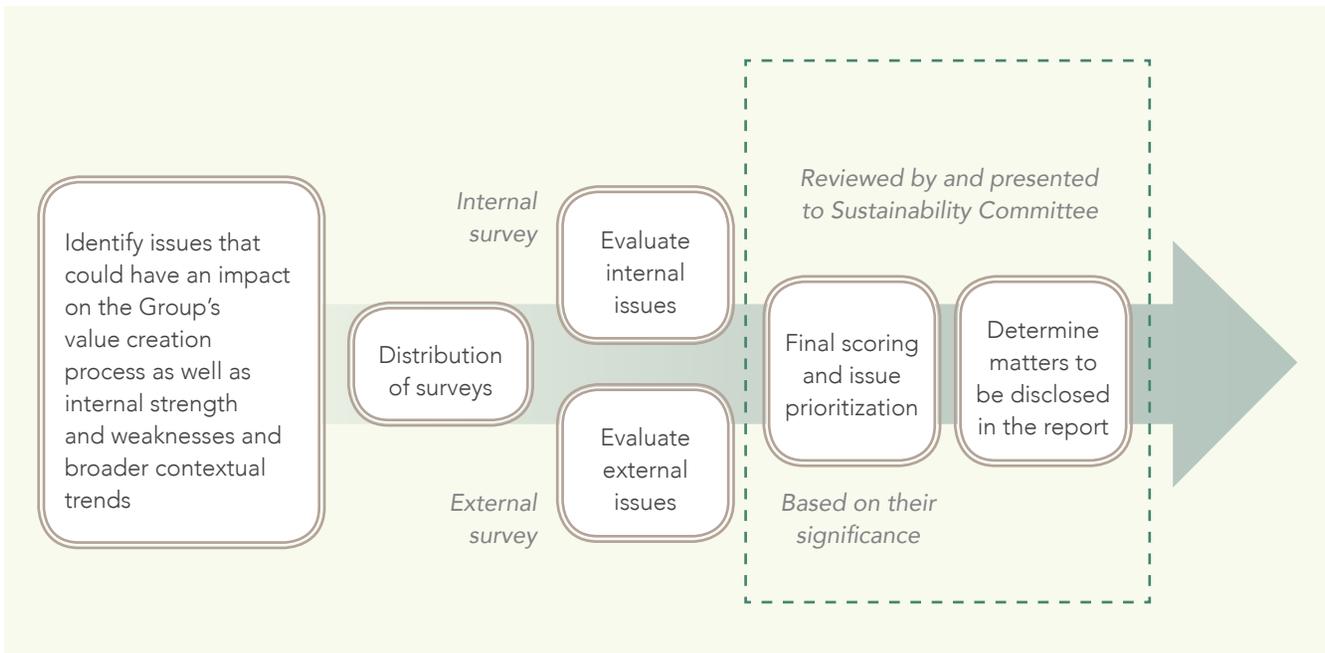
STAKEHOLDER	AREAS OF FOCUS	OUR APPROACH
Our people 	<ul style="list-style-type: none"> • Job security and wages • Conducive workplace • Career development • Corporate activity • Health and safety • Group's growth development 	<p>Our strategy is to invest in the attraction, retention and development of a diverse and talented workforce.</p> <p>Aligned with our values of open communication, empowering others, safety, respecting all our stakeholders and acting ethically by offering diverse employment prospects, opportunities for development, and competitive rewards and benefits that have a clear link to performance.</p> <p>The Group has in place a Whistleblowing Policy and grievance procedures to address employees' cares and concerns.</p>
Shareholders and investors 	<ul style="list-style-type: none"> • Delivering profitable returns on investment • Financial strength & resilience • Disclosing timely, concise and relevant information • Upholding corporate values • Business sustainability 	<p>We respond:</p> <ul style="list-style-type: none"> • through timely disclosures of the Group's financial results, announcements, annual reports and via the Company's website. • by disseminating material issues to the market through Bursa announcements. • through continued improvements in our business strategies, governance framework and corporate reporting. • through engagements at General Meetings.
Customers 	<ul style="list-style-type: none"> • Changing needs of customers and consumers • Business ethics • Innovation • Supply chain/traceability issues • Health & safety • Certification 	<p>We seek to be honest and fair in our relationships with customers and to provide standards of product and services that meet their requirements.</p> <p>We take all reasonable steps to ensure the safety and quality of the goods we produce and the services we provide.</p> <p>Certifications obtained to support market credibility.</p>
Communities 	<ul style="list-style-type: none"> • Economic empowerment/ livelihood • Community safety and health • Environmental protection 	<p>Our operations create employment and career development opportunities for our local communities, as well as business opportunities for local suppliers.</p> <p>Communities also benefit from improved standards of living from, inter alia, the infrastructure we put in place, welfare contributions as well as aid during times of adversity and/or disaster.</p>
Memberships & associations 	<ul style="list-style-type: none"> • Advancing industry-specific matters with policymakers and other key stakeholders 	<p>Our memberships provide a forum to promote and defend our interests in a broader industry context, to learn and to benefit from their contribution.</p> <p>Further, our participation and membership in various associations ensure that we stay in touch with current and anticipated developments.</p>

STAKEHOLDER	AREAS OF FOCUS	OUR APPROACH
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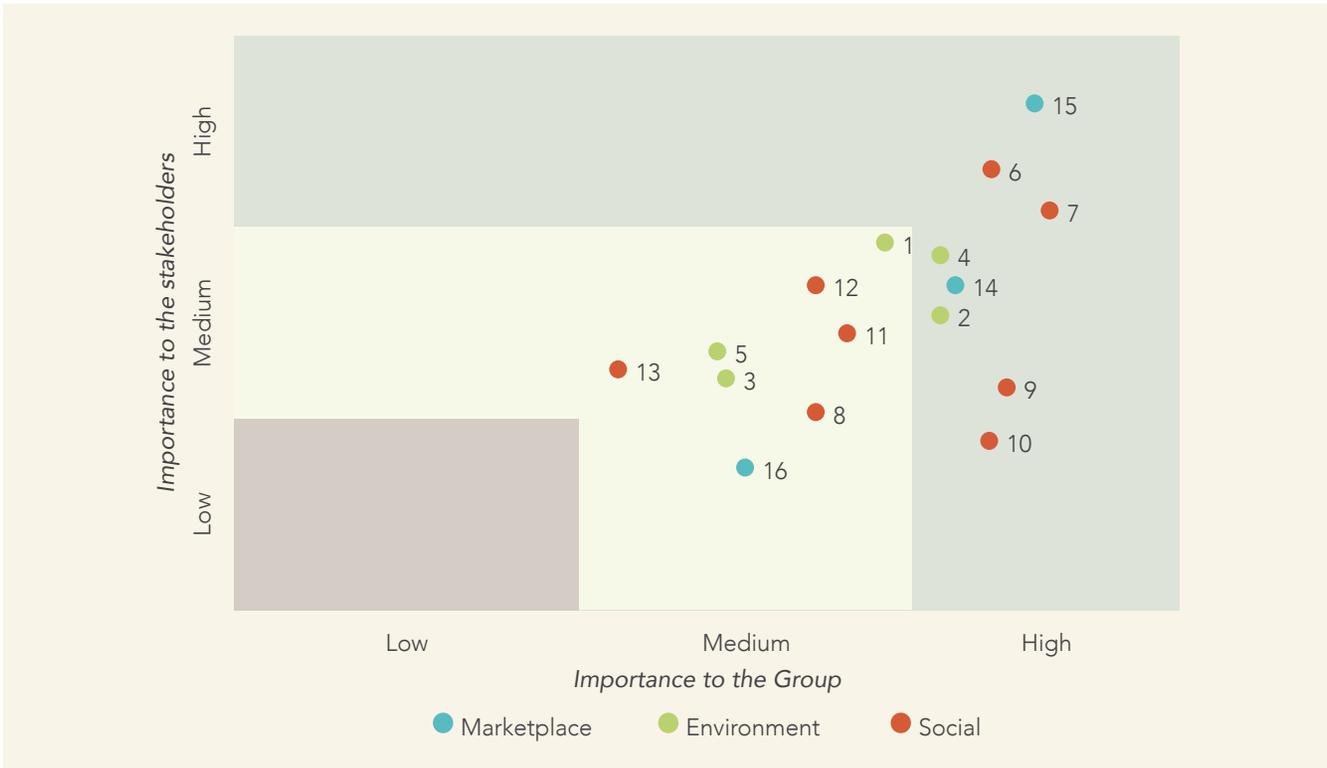
<p>Suppliers</p> 	<ul style="list-style-type: none"> • Quality control • Business ethics • Training & support • Supply chain transparency • Sustainability requirements 	<p>We require our suppliers to live up to sound social and environmental standards.</p> <p>We also know that our suppliers expect us to conduct our business fairly and honestly; hence establishing trust and long-term relationships.</p> <p>Collaborating with suppliers to secure long-term availability of materials and to pursue future opportunities.</p> <p>Requirement for third-party service providers and suppliers to declare their compliance to the Group’s anti-bribery policy.</p>
<p>National and local Governments</p> 	<ul style="list-style-type: none"> • License to operate • Compliance & regulations • Land issues • Level ‘playing fields’ for all sectors • Local economic development programs • Corporate Responsibility initiatives • Industry-specific matters 	<p>We are often a major economic contributor to the local and national jurisdictions in which we operate.</p> <p>Our tax and other contributions enable governments to develop and maintain public works, services and institutions.</p> <p>We proactively engage the government and regulators on policy matters at local, provincial and federal levels and provide support of national agendas.</p>

Materiality Matrix

A stakeholder survey and materiality analysis were undertaken in the last financial year by way of interviews, questionnaires, desktop peer analysis, industry analysis, and consideration of relevant sustainability trends. We wanted to know how our Group and our performance was perceived with respect to sustainability and to assess how this must translate to future action. All stakeholders were asked to give their opinions on how important the topics are from their perspective as stakeholders. These survey results and analysis remain valid during this reporting period.



Given the diverse nature of our business who each contributes towards the Group’s success differently, we weighted the results of materiality assessment according to their influence on the Group’s financial performance, their employee headcount and prospective expansion potential. Other factors taken into account were the results of our desktop review on regulations and guidelines, sustainability trends and peer reports.



The Group’s United Nation Sustainability Development Goals (SDGs)

We have determined that the 8 SDGs we had identified were still relevant most to our present-day businesses; and where the Group can make positive contributions to their realisation. Inter alia, we contribute towards the achievement of the SDGs through:



List of Material Topics

MATERIAL TOPIC	OUR APPROACH
End poverty and in all its forms everywhere	
 <p>(6) Human and worker’s rights (8) Equal treatment (10) Benefits and remuneration</p>	<ul style="list-style-type: none"> • HR policies on minimum wages and fair pay • Economic empowerment/livelihood via the creation of employment and business opportunities for local communities • Providing complete basic amenities including clean running water and sanitation at all workers housing
End hunger, achieve food security, improve nutrition and promote sustainable agriculture	
 <p>(5) Pesticides and chemical usage (15) Certification for food safety, sustainability and others</p>	<ul style="list-style-type: none"> • Potential higher yield and extraction through the adoption of good agriculture practices • Responding to the increased demand for affordable protein • Maintaining high food safety standards • Usage of organic fertilizer

MATERIAL TOPIC

OUR APPROACH

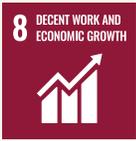
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all



- (6) Human and worker's rights
(11) Grievance mechanism and Resolutions
(12) Community and welfare

- Support of employees personal and professional development through training programmes
- Philanthropic initiatives in the areas of education and youth development
- Foster sustainable livelihoods through relevant skills, capacity and infrastructure enhancements

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



- (7) Occupational safety and health
(9) Code of ethics and governance

- Positive contribution to economic growth in the countries in which we operate, e.g. via tax and other contributions
- Foster healthy communities by enhancing well-being and productivity of those we employ
- A strong stance against forced or compulsory labour and child labour
- Build empowered and sustainable communities through relevant skills, capacity and infrastructure enhancements

Ensure sustainable consumption and production patterns



- (2) GHG Emissions, Discharges & Waste Management
(14) Sustainable and Traceable Supply Chain
(5) Pesticides and chemical usage
(16) Evaluation of suppliers / contractor's sustainability commitment

- Commitment to implement and maintain supply chain transparency and adherence to international standards (MSPO, ISO, ISPO etc.)
- Water and waste management
- Use of renewable energy and efficiency of energy use
- Adoption of good agricultural practices
- Unlocking further value from available resources and minimise waste

Take urgent action to combat climate change and its impact opportunities for all



- (1) Biodiversity & Conservation
(2) GHG Emissions, Discharges & Waste Management
(5) Pesticides and chemical usage

- Reduction of carbon footprint through increased use of renewable energy and structural improvements
- Manage air and effluent emissions
- Adoption of good agricultural practices

Conserve and sustainably use to oceans, seas, and marine resource for sustainability development



- (1) Biodiversity & Conservation
(4) Water Impacts
(9) Code of ethics and governance
(14) Sustainable and Traceable Supply Chain

- Zero tolerance approach to illegal, unreported and unregulated ("IUU")
- Commitment to implement and maintain supply chain transparency and adherence to international standards (MSPO, ISO, ISPO, etc.)
- Water and waste management

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forest, combat desertification, and halt and reverse land degradation and halt biodiversity loss



- (1) Biodiversity & Conservation
(2) GHG Emissions, Discharges & Waste Management
(3) Fire and Haze
(5) Pesticides and chemical usage
(13) Free, Prior and Informed Consent (FPIC)

- Use of renewable energy and efficiency of energy use
- Water and waste management
- Adoption of good agricultural practices
- Engagements with local authorities and host communities on planned new land development
- Management of elephant habitats to reduce human-elephant conflict through establishment of dedicated task force and land use planning



ENVIRONMENT



WE ACKNOWLEDGE

that managing the Group's environmental impacts through sustainable practices is a moral and social imperative as well as an economic necessity.

Efficient management of resources will not only limit our carbon footprint, but it can also lead to significant operational and financial benefits to the Group as a whole. The Group's Environmental Policy which prescribes our approach and commitment to managing our environmental footprint across our business includes the following objectives:

- to comply with all relevant environmental regulations, legal criteria, guidelines and codes of conduct specific to our operations;
- create environmental knowledge around the Group by successful collaboration, training and sharing of practices;
- continuously evaluate and track the environmental implications of all of our corporate practices and enforce effective environmental protection strategies;
- enable the protection of biodiversity and natural areas situated around or within our operating locations;
- encourage the efficient use of natural resources, particularly energy and water, to reduce the emission intensity of our operations and supply chains;
- minimises the production of raw material waste and eliminates, reuse or recycling of industrial waste where possible;
- participate with local communities and other stakeholders to resolve any environmental issues;
- ensure that our suppliers or vendors recognise our commitment to environmental protection and, where necessary and realistic, allow them to include the required performance reports as requested.; and
- continuously encourage and actively support zero burning programs in our plantation operation.

To live up to this, our key priorities include:

Sustainable Agricultural Practices

Conservation areas

Within our estates, areas alongside river banks (riparian reserves) are set aside as conservation areas wildlife corridors which include, among others, sanctuaries for migratory birds and habitat for jungle flora and fauna.

Soil Management.

We adopt best agricultural practices, planting cover crops such as *Mucuna bracteata*, *Calopogonium mucunoides* and *Calopogonium coeruleum*, alone or in combination, to boost surface properties and minimise carbon dioxide emissions. Vetiver grass is a deep-rooted grass noted for its strong resistance of heavy metals, phosphates, nitrates and agricultural chemicals. It has been cultivated in wetlands, bundles and field drain to reduce deforestation and avoid landslides. Also, no planting is carried out in steep regions, i.e. those with a slope of more than 20 degrees. Another method in soil management and slope is the planting of *Mucuna bracteata*, which is an Indian leguminous plant. We are highly successful in reducing soil erosion and improving soil quality by natural soil fertilisation and aeration process. The nitrogen-regulating properties help maintain soil temperatures down during hot seasons. We value its fast-growing characteristics that allow rapid ground cover and help suppress weed growth.

Lastly, our estate has carried into practice sustainable land applications that are aligned with our zero-waste approach. The FFB which has been harvested and sent to the mill for processing will end up as Empty Fruit Bunch (“EFB”) that is used by applying directly to the field. In addition, compost can be produced from a mixture of shredded EFB and Palm Oil Mill Effluent (“POME”) which is

subsequently added to the plot. Such activities help to provide an ecological supply of nutrients and reduce our reliance on inorganic substances.

Biological controls against pests

Beneficial plants such as *Turnera Subulata*, *Antigonon leptopus* and *Cassia Cobanensis* are cultivated to lure leaf insect predators. These predators feed on leaf pest larvae, thus reducing the usage of pesticides. The use of barn owls in our estates helps to control the population of rodents, and the placement of pheromone traps to catch Rhinoceros beetles is one of the

strategies implemented and has proven to be effective.

Managing Human-Elephant Conflicts

Several of our estates have encountered incidences of elephant encroachment into their areas culminating in crops and property damage. In this regard, we are continuously looking at ways to find solutions which include monitoring elephant movements, restoring wildlife corridor and building up trenches to minimise further incidences of crop-raiding and damage to the extent possible while at the same time preserving the elephants’ natural habitat.

Spotlight Story

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND

Addressing the elephant in the room

During the year, Cendana Laksana Sdn Bhd together with 8 other estates from 3 nearby localities, had facilitated the establishment of an Elephant Conflict Task Force. The main objective of the Task Force is to find workable solutions to mitigate the economic impact of crop loss to elephants whilst maintaining the biodiversity of the ecosystems they inhabit. These include, inter alia, understanding the local ecology, monitoring and recording the movement pattern of elephants in the affected areas and co-ordination of other activities by and amongst the task force members.

“Managing the human-elephant conflict is as much about protecting our estates from crop-raiding elephants as it is about reducing our footprint on the elephant’s habitats and corridors. We have these taken into account through inter alia, our land use planning, improving their habitats to increase their natural feed availability (by planting crops that elephants like e.g. bananas) which in turn can keep them away from encroaching on human areas. I believe that these measures can allow both to peacefully co-exist.”

MOHD RASHIDI MOHD YAZID
Estate Manager, Ladang Cendana

Sustainability : Environment

Environmental Assessment

During the year, we have successfully fulfilled the relevant EIA criteria and obtained the permissions and approvals necessary to commence development at our greenfield estate in Sg. Siput, Perak measuring 2,000 hectares. Implicit in these approvals is the requirement to abide by riparian buffer zones, water catchment and forest conservation areas.

Mechanisation of Field Operations

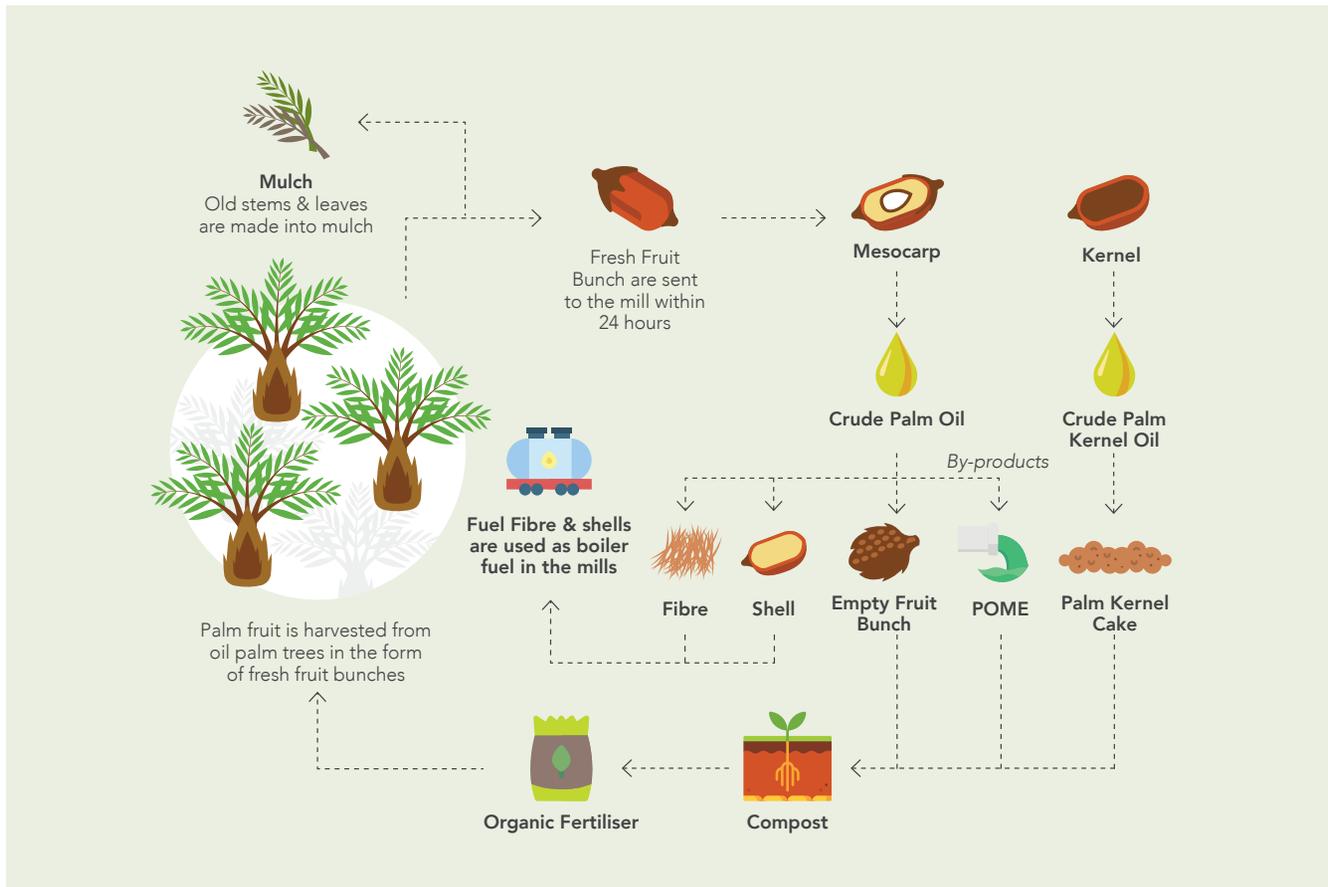
The Group has taken actions to increase the level of mechanisation within our oil palm plantation operations, particularly for in-field collection and application of fertiliser. As part of our estate planning process, infrastructure at all our new developments are designed to facilitate in-field mechanisation. Mechanisation improves efficiency and worker safety. It also reduces cost and dependency on manual labour. Our pineapple plantation in Ayer Hitam, Johor, have fully mechanised their plastic mulching and fertiliser applications during the land preparation exercises which allows for greater efficiency of labour and fertiliser use.



Waste Management

The **Plantation Division** adheres to a zero-discharge policy by recycling waste and by-products. At our palm oil mill in Indonesia, oil mill waste comprises of POME and EFB. These are both utilised in various ways:

POME discharged from the mill must not be reintroduced into the environment in its raw form. Raw POME has a high acid content and, due to its rich nutrient content, the Biological Oxygen Demand ("BOD") level is high. However,



our average BOD reading for POME during the land application stage falls well within the allowable discharge limits of < 5,000 parts per million (“ppm”).

The POME collected from the mill is treated in open ponds located on-site. The organic material in wastewater is broken down by natural occurrences of anaerobic and aerobic bacteria. This process eliminates the need to add chemicals before POME is either mixed with shredded EFB to make our compost.

	FYE2019 (MT)	FYE2020 (MT)
Total EFB produced	47,233	41,529
EFB processed into compost	27,155	4,710
POME applied to estate	116,320	102,155

The significant y-o-y decrease in the volumes of EFB processed by PTNJL’s composting plant was due to issues related to the plant’s operating license which resulted in

the plant’s operations being suspended in the first three-quarters of FYE2020. During this suspension period, the shredded EFB was applied at the fields and used as a feedstock for the boilers.

578 MT of fish offcuts generated by fish processing activities at International Food Corporation Ltd (“IFC”), the Food Division’s processing plant in Papua New Guinea, are converted into fishmeal which is then sold to companies involved in the aquaculture and livestock industries.

	FYE2019 (MT)	FYE2020 (MT)
Fishmeal	733	578
Crude Fish Oil	-	268

IFC had commenced commercial production of crude fish oil in FYE2020. The crude fish oil which is derived from tuna and mackerel trimmings, will make better use of the by-products from IFC’s main food production line, thereby reducing wastages, is Halal and Kosher accredited.

FISHMEAL AND FISH OIL MARKET

By Source



By Livestock Application



By Industrial Application



Drivers

- Improving productivity and environmental performance of agriculture
- Increasing incorporation of fishmeal & fish oil in poultry and farmed seafood diets

Restraints & Challenges

- Rising prices of ingredients used in fishmeal & fish oil
- Availability of feed ingredients substitutes
- Microbial contamination in aquafeed

Opportunities

- Increasing demand for quality fish worldwide
- Sustainable intensification of aquaculture

Global Fishmeal & Fish Oil Market to Reach **USD19.3 billion by 2029**

Source: Future Market Insights



CAGR of **6.7%** between 2019 and 2020

Source: Future Market Insights

Waste Disposal by Type

	Volume (MT)	
	FYE2019	FYE2020
Scheduled Waste:		
Ink containers	1.66*	1.39
Contaminated rags	1.70*	0.63
Printing ink waste	2.80*	12.28
Contaminated Flexibags	1.75	1.62
Solid Waste:		
Shredded paper	229.91	163.00
Food Waste (Head Office)	0.38	0.40
Plastic (Head Office)	0.05	0.07

* Figures for FYE2019 has been restated

Hazardous waste and residual products recovered from our operations are transported and disposed of in accordance with stringent industry standards and statutory requirements.



Our Head Office no longer purchases or offers water in single-use plastic bottles. Water-filling stations have instead been installed for the employees.

Water Management

The Group's businesses remain focused on efficient water management through, inter alia, reusing water throughout their operations and rainwater harvesting. IFC is continuing their efforts to identify opportunities to reduce their water consumption using a variety of approaches including water/steam recycling, replacing faulty equipment and fixing leakages.

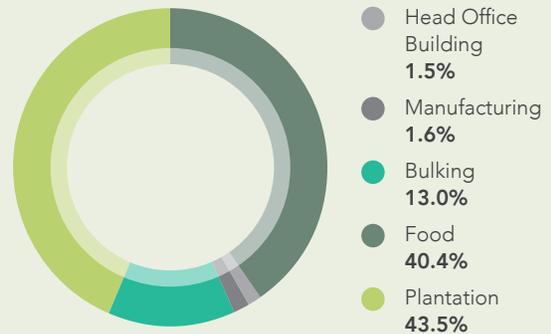


Water Consumption

841,651.6 m³

Total water consumed by the Group
(FYE2019: 861,547.3 m³)*

Breakdown of Water Consumption by Divison (m³)

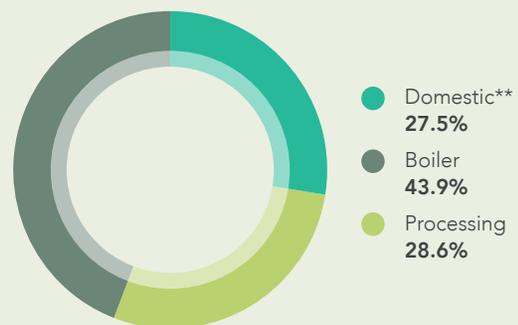


* Figures for FYE2019 has been restated

296,429 m³

of water consumption by mill in FYE2020
(FYE2019: 384,222 m³)

Breakdown of Water Usage by Mill (m³)



Domestic**: This includes usage from the rest house, canteen, mill (non-operational), main office and worker's quarters

During the year, workers' quarters at our estate in Machap, Johor, have been installed with rainwater tanks. Installation of these tanks has now become a standard green feature in all new developments of workers quarters, wherever possible. This allows us to harvest rainwater to be used for daily consumption. Our estates in Indonesia and Sarawak already have rainwater tanks installed at their workers quarters.

During the year, Ladang Amgreen in Miri, Sarawak, was affected by severe flooding whereby approximately 500 hectares were submerged underwater. Following this, rain gauges have been installed at Ladang Amgreen in Miri, Sarawak to collect data on rainfall which can provide point observations of precipitation of each of the locations and help the estate management to predict potential flood conditions thereat in the future. Piezometers have also been installed at every block to monitor and ensure that the water table is maintained at optimal levels.



During the year, water consumption of PTNJL's palm oil mill decreased by 22.85% compared to last year, largely as a result of the CPKO plant being non-operational for approximately 9 months. PTNJL has also set aside areas within its plantation as a water catchment zone. Chemical applications are strictly prohibited at the water catchment zone to facilitate natural re-vegetation of the area and preservation thereof.

Energy Management

Energy type (GJ)	FYE2019	FYE2020	Var. %
Renewable	126	581	361.1%
Non-Renewable	255,333	270,432	5.9%

Different businesses have quite different energy use profiles and scale. For example, our **Plantation Division** is by far the biggest user of energy in the Group with diesel consumption topping the list. Recognising that one size does not fit all, the Group's Engineering team has been, and continues to identify, test and refine methods and look for opportunities however small the scale, to reduce the Group's energy usage.

During the year, Ladang Cendana had successfully installed solar panels to generate power supply to their workers quarters and office complex. To-date, there has been a satisfactory reduction in the estate's electricity consumption from the national grid, with an average 605.23 kWh saved per month, thus reducing the estate's average CO₂eq by 0.79 tonnes¹. This is equivalent to 1,709 kilometre driven by



an average car². Meanwhile, works to install solar panels at Fima Instanco Sdn Bhd's premises are currently ongoing and are expected to be completed in this current financial year.

Improving our energy efficiency not only reduces the use of natural resources and emissions of CO₂ and other pollutants but also potentially lowers costs.

In PNG, the **Food Division's** energy-saving initiatives include purchasing a new 10 tonnes/hr boiler. The new boiler is fitted with an economiser which, over time, could potentially reduce the amount of energy that is required to heat the boiler feed water to operating temperature. Other initiatives include the recycling of steam produced by its boilers. This steam energy which would otherwise be wasted is captured and reused to supply heat for the heating process.

*Source: 1. Based on the emission factor from Malaysia Green Technology Corporation.
2. US EPA calculator

Sustainability : Environment

Since 2011, all biomass residue from our palm oil mill in Indonesia is either converted into fertiliser/compost or clean energy. In the case of the latter, mesocarp fibre, palm shell and shredded EFB are utilised as feedstock for the steam boiler and the steam generated from there will then fuel the steam turbine in the cogeneration plant. The impact of the utilisation of biomass as renewable energy has been significant. 86.4% of the electricity and heat energy generated from the cogeneration plant is used to power the oil mill's operations. The excess energy is used to power worker's quarters, government facilities, schools and mosque. In FYE2020: 5,147,370 kWh of electricity was generated (FYE2019: 6,216,230 kWh).

Emission

We emit GHG both directly and indirectly. Our largest impact in terms of emissions is direct (scope 1) emissions mainly from our businesses' use of petrol, gas and diesel. Our main source of indirect (scope 2) emissions is electricity used in our manufacturing and processing operations.

Overall, the Group's total CO₂eq was lower by 4.3% y-o-y. Head Office showed the most improvements with a 14.8% reduction y-o-y primarily due to its usage of solar to generate power supply for the building.



Total Group CO₂eq - Scope 1



Total Group CO₂eq - Scope 2



*Figures for FYE2019 have been restated



Head Office

Our greenhouse gas emissions	FYE2019	FYE2020
Scope 1 – Direct emission	0 tCO ₂ eq*	0 tCO ₂ eq
Scope 2 – Indirect emission	1,022 tCO ₂ eq*	871 tCO ₂ eq
Total emissions	1,022 tCO₂eq*	871 tCO₂eq

* Figures for FYE2019 has been restated

The shift to solar power has lessened the impact of our Head Office's indirect (scope 2) emissions.

Manufacturing

Our greenhouse gas emissions	FYE2019	FYE2020
Scope 1 – Direct emission	20 tCO ₂ eq*	16 tCO ₂ eq
Scope 2 – Indirect emission	1,816 tCO ₂ eq*	1,734 tCO ₂ eq
Total emissions	1,836 tCO₂eq*	1,750 tCO₂eq

* Figures for FYE2019 has been restated

Manufacturing Division's petrol and diesel consumption in FYE2020 was lower y-o-y as a result of lower production volumes which in turn reduced its scope 1 emissions. Similarly, electricity consumption had also reduced as a result of effective promotion of sustainable practices such as switching of lights, sockets and electronic devices at times when not in use thereby resulting in lower indirect (scope 2) emissions by 4.5%.

Plantation

Our greenhouse gas emissions	FYE2019	FYE2020
Scope 1 – Direct emission	51,230 tCO ₂ eq*	48,975 tCO ₂ eq
Scope 2 – Indirect emission	114 tCO ₂ eq*	123 tCO ₂ eq
Total emissions	51,344 tCO₂eq*	49,098 tCO₂eq

* Figures for FYE2019 has been restated

Plantation Division's total emissions have decreased by 4.4% mainly due to PTNJL mill having lower levels of operations. Other factors contributing to the decline in emissions include the reduction in methane emissions and fertilizer applications by 7.7% and 8.2% respectively.

Note: Methane emission and fertilizer application falls under scope 1

Bulking

Our greenhouse gas emissions	FYE2019	FYE2020
Scope 1 – Direct emission	5,625 tCO ₂ eq*	5,264 tCO ₂ eq
Scope 2 – Indirect emission	1,106 tCO ₂ eq*	1,247 tCO ₂ eq
Total emissions	6,731 tCO₂eq*	6,511 tCO₂eq

* Figures for FYE2019 has been restated

Bulking Division recorded a 3.3% reduction in total emissions y-o-y despite the added operational activities and higher throughput during the year.

Food

Our greenhouse gas emissions	FYE2019	FYE2020
Scope 1 – Direct emission	3,658 tCO ₂ eq*	5,367 tCO ₂ eq
Scope 2 – Indirect emission	2,111 tCO ₂ eq*	268 tCO ₂ eq
Total emissions	5,769 tCO₂eq*	5,635 tCO₂eq

* Figures for FYE2019 has been restated

IFC recorded a slight y-o-y decline in its total emissions. Its indirect (scope 2) emissions declined substantially from 2,111 tCO₂eq last year to 268 tCO₂eq; however this have been offset by the increase in its direct (scope 1) emissions due to a 31.8% increase in diesel usage for heat and power generation.

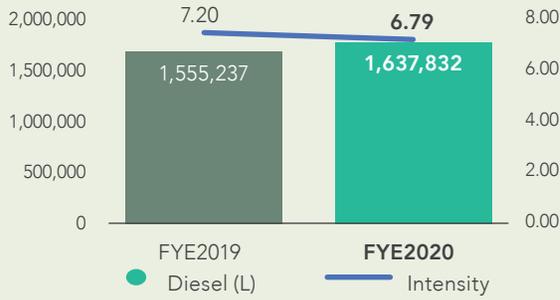
Note: Scope 1 – CO₂ emissions through a diesel engine, transportation, chemical or physical operation

Scope 2 – Purchase of electricity from utilities companies

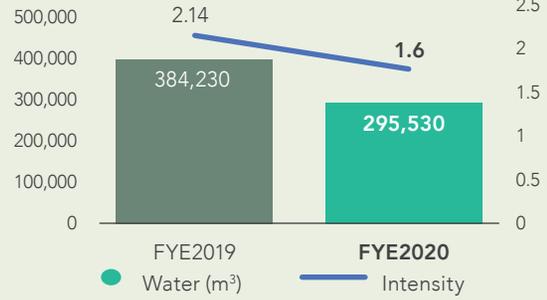


Group's Intensity

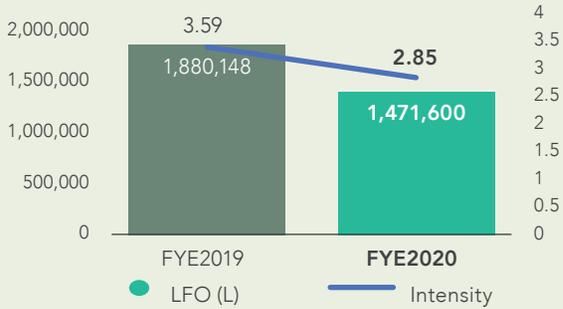
Plantation - Transport & Equipment Intensity
Diesel Consumption per Ton FFB Production



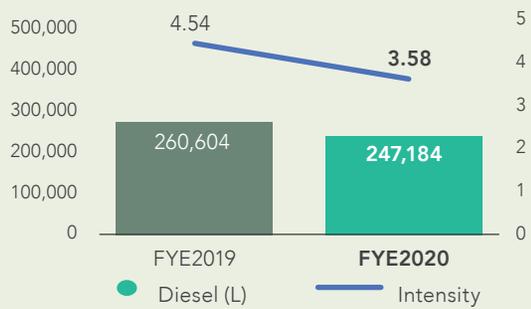
Plantation - Water Intensity
Water Consumption per Ton FFB Processed



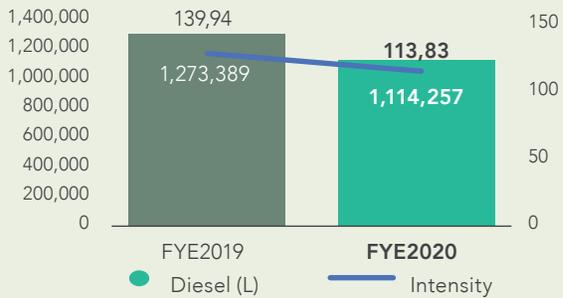
Bulking - Heating Intensity
LFO Consumption per Ton Edible Oil



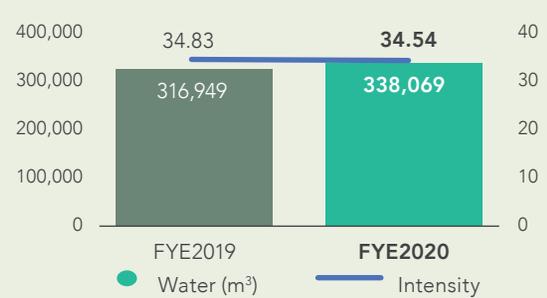
Bulking - Transportation Intensity
Diesel Consumption per Ton of Transport Throughput



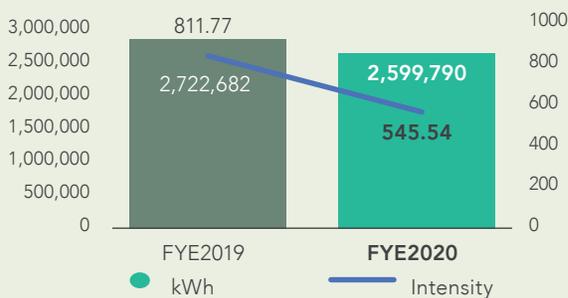
Food - Heating Intensity
Diesel Consumption per Ton Fish Processed



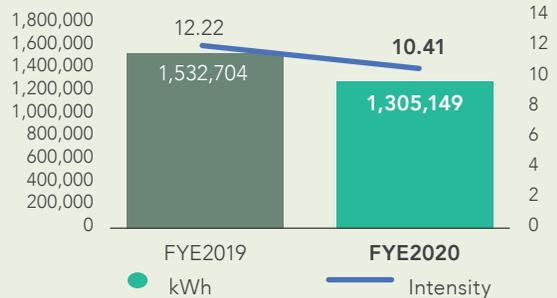
Food - Water Intensity
Water Consumption per Ton of Fish Processed



Manufacturing - Electricity Intensity
Electricity Consumption per Operation Hours



Head Office - Electricity Intensity
Electricity Consumption per sqft area





Spotlight Story



Lights “off” For A Brighter Future



The students of SMK (P) Sri Aman launched their energy policy on 12 June 2019 in conjunction with the Energy Efficiency Challenge 2019 organised by the Energy Commission. The main objective of the challenge is to inspire students to engage in information about energy efficiency and the conservation thereof in a way that is interactive, competitive, and enjoyable.

KFima, through its subsidiary, Fima Technology Sdn Bhd supported the school's initiatives by providing assistance in identifying and analysing the school's current energy consumption to determine areas that were consuming the most energy. Following these observations, replacement of LED lights, setting air-condition temperature at 24°C and turning of the lights after 8.00 a.m. were among the initiatives proposed to be undertaken by the school in order to become more energy efficient.

During the 6-month period, students organised various activities to raise awareness among their peers such as smart board competition, model of alternative energy, making poster and videos on energy-saving. This is a fun way of teaching students on how energy is consumed, stimulating their curiosity about alternative/renewable energy as well as inculcating the importance and benefits of being energy efficient and the behaviours that they can bring home and continue to practice.





OUR PEOPLE

We endeavour to provide healthy and safe conditions in the workplace. And we give everyone an equal opportunity to succeed and thrive within our corporate culture. Every day, we aim to meet national and international labour laws in every country where we operate. We also promote greater empowerment, gender parity, inclusion and wellness in all our people.

Our workforce spans across 3 countries, and our diversity is an advantage. Diversity is valued because it energizes our people and encourages collaboration, and innovation. Considering diverse points of view results in better decisions and solutions for the Group and its stakeholders. We also expect our employees to be respectful of such differences and to treat one another with courtesy and respect.

90.3%

of the Group's work force
are locally hired

Breakdown of Employees by Division as of 31 March 2020

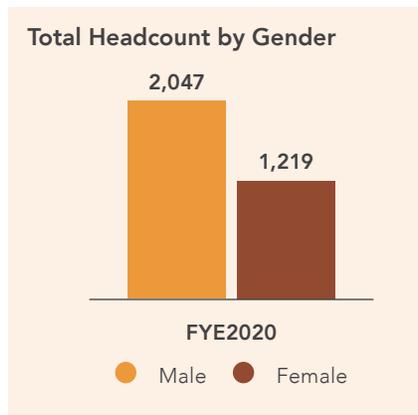
	Head Office	Bulking	Food	Manufacturing	Plantation	Total
Senior Management	6	2	1	1	1	11
Management	20	10	6	13	10	59
Executive	32	33	21	36	41	163
Non-Executive	23	165	934	237	1,674	3,033
Total headcount	81	210	962	287	1,726	3,266

Breakdown of Employees by Nationality as of 31 March 2020

Nationality / Country	Malaysia	Indonesia	Papua New Guinea
Malaysian	919	5	7
Indonesian	230	1,117	1
Papua New Guinean	-	-	913
Others	65	-	9
Total headcount	1,214	1,122	930
% Ratio of local: foreign	76:24	99:1	98:2

Note: Others include Filipinos, Bangladeshis, Indian, Nepalese

Diversity and Gender Balance



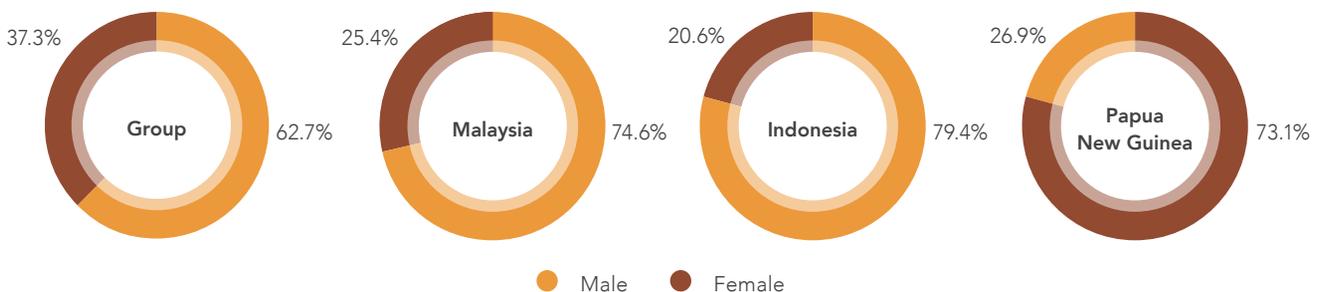
During the year, 158 or 19.0% of new hires within the Group were women with **Food Division** recruiting 94. Due to the nature of job functions such as manual work in our plantation and bulking operations, the female take-up rate for these jobs appears to be significantly lower while in PNG, IFC's tuna loiners are mainly female given

that loining requires delicate handling in order to prevent bruising of the meat which may affect its quality.

We will continue to pursue initiatives for the Group to increase the percentage of positions held by women, particularly in leadership positions.



The Group is also dedicated to ensuring a professional atmosphere free of discrimination and gender bias, where all workers have equal rights in the workplace. The Group's workforce in FYE2020 was 3,266 and is made up of 1,219 women (37.3%) and 2,047 men (62.7%).



 Spotlight Story

Wonder Women



There is no shortage of inspirational ladies in FIMA, where they do and continue to do, the best they can in their chosen fields. Aina Ilmardiah Dol Razlan and Nuriza Aziz, share their perspectives on working in a traditionally male-dominated industry.



AINA ILMARDIAH DOL RAZLAN
Quality Assurance (QA) Manager of the Group's Bulking Division. 9 years with the Group

What have you gained ever since you joined the Group?

I've been given various opportunities and challenges that I am grateful for, as these opportunities have given me valuable experience and knowledge that money can't buy. Meeting other people from different organization's backgrounds and fields has helped my social and soft skills immensely, and these are skills that cannot be learned in the classroom.

What can the industry do to improve opportunities for women?

I would suggest other companies to take a leaf out of my current organization when it comes to the transparent and abundant opportunities for women. Regardless of gender, all employees have an equal opportunity to grow and advance. I feel extremely fortunate to have an employer that promotes an "open door" policy and inclusiveness where you can directly express and communicate your ideas and suggestions no matter what position you hold.

What advice would you give to other women who are interested in joining the industry?

My advice to other women would be: don't let the lack of experience and knowledge hold you back! Experience and knowledge will not come to you if you do not look for it. Fly with a new challenge that way, we can improve ourselves, and we can see things from a different perspective.

My background is in accounting & finance, so working in the warehousing

and logistics sector was something I had never considered as a potential career choice! But I am very grateful to be a part of it now. My previous experience and background do help me with the roles that I am currently holding. A diverse team ensures a different way of thinking about problems, which can lead the team to completely new solutions.

A popular notion is that this industry is "manly" and too rough for a woman to work in. As hard as it is to change the mindset and gender stereotypes, I, however, would love to see more women work in this sector, as, in my opinion, being tough and competent has nothing to do with gender. The truth is that although there is only a small number of women working in this sector, those that are there are carving careers for themselves despite the so-called rough work conditions. The opportunities are there for the taking. So, if a woman aspires to be a Prime Minister, pilot, soldier, or carpenter, why shouldn't she? If you have set your mind to do something, keep moving forward and just do it. Anything guys can do; women can do too.

Have you encountered any gender-specific challenges or obstacles in your career?

Alhamdulillah, in the two years that I've been working with the Group, I have never encountered any gender-related problems. I don't feel I was treated any differently.

What's been your biggest challenge?

When I first joined the company, I found my job scope to be quite a challenge as most of my team members were fresh graduates with little or no experience in the oil industry. Some skills had to be learned on the job as we go along. However, I've managed to overcome these challenges through dedication, hard work, and never giving up. Everyone makes

mistakes, but what's important is what we learn from those mistakes and how we use the extra knowledge and skill to improve and develop ourselves and the team.

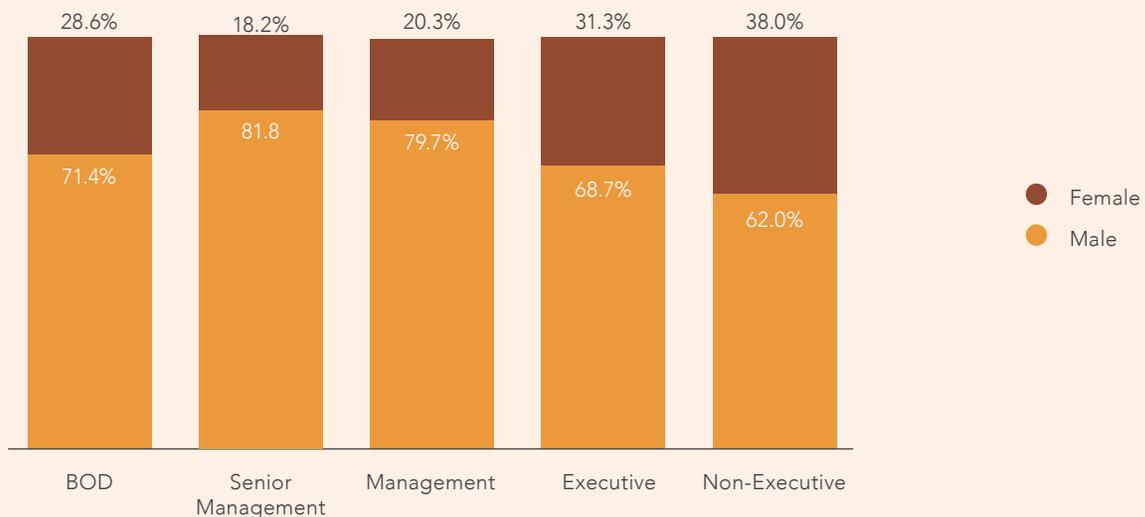
What advice would you give to other women who are interested in joining the industry?

For all women out there who are interested in joining, please don't focus on the fear. Be confident in your ability because women are equally great at making decisions and are capable of taking on leadership roles. Don't be afraid to take the next step up in your career. Personally, for me, I am thankful for the opportunities the Group has offered me, and I wish more people can have the opportunities I had.



NURIZA AZIZ
Chemist, 2 years in Fima Biodiesel Sdn. Bhd.

Employee Breakdown by Gender & Position FYE2020



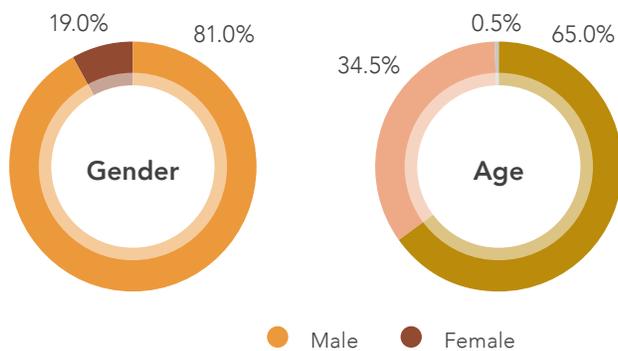
Age profile of Employees as of 31 March 2020

Age Group	Male	Female
< 30	22.9%	10.7%
30 - 50	37.8%	25.0%
>51	2.0%	1.6%

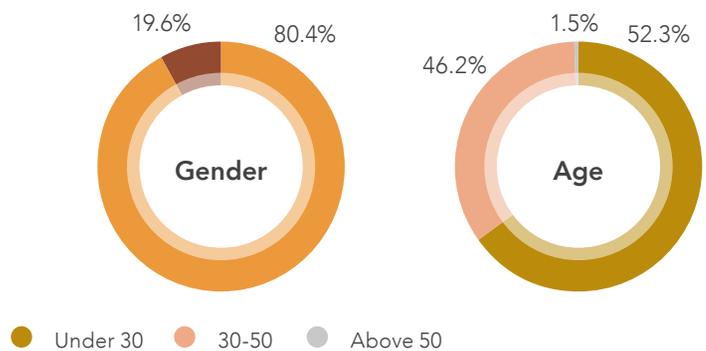
Employee Status as of 31 March 2020

Status	Male	Female
Permanent	40.8%	33.7%
Contract	21.7%	3.5%
Temporary	0.1%	0.2%

New Employee Hires



Employee Turnover



Sustainability : Social

	Head Office	Plantation	Manufacturing	Food	Bulking
Executive	5	5	2	1	5
Non-Executive	1	510	11	137	31
Total turnover	6	515	13	138	36
Division turnover rate %	7.4%	29.8%	4.5%	14.4%	17.4%
Total Employee Turnover %	21.7%				

Note: retired, deceased, expiry of fixed term contract is excluded from the computation

20.5% of the employees have been in employment with the Group for 10 years or more

Employee turnover in the **Plantation** and **Bulking Divisions** relates primarily to abscondments and resignations, respectively; the majority of whom are engaged in physical labour where traditionally the employee turnover has been high. Improving retention is a critical priority for the Plantation Division and as such, the division has ramped up efforts in building and upgrading workers' living quarters and estate infrastructure which are complete with basic amenities, sundry shops, recreational spaces, places of worship and internet connection as well as providing rewards for performers.

Occupational Safety & Health

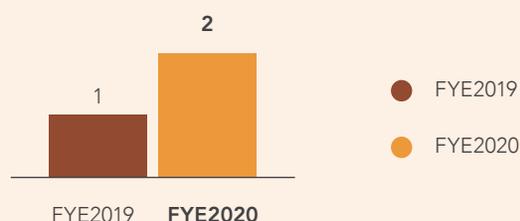
Operating safely, sustainably and responsibly remains integral to us and contributes towards the long-term success of our business. Our aim is to continually build and instil both a company and industry culture that protects people from harm and improves their health and wellbeing.

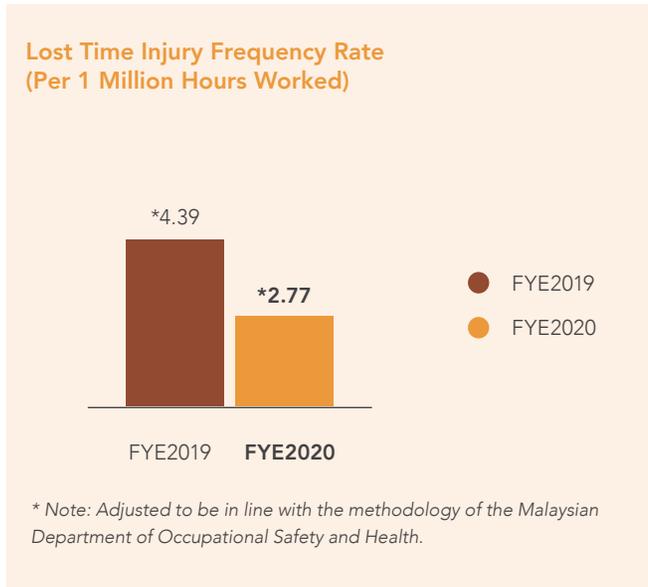
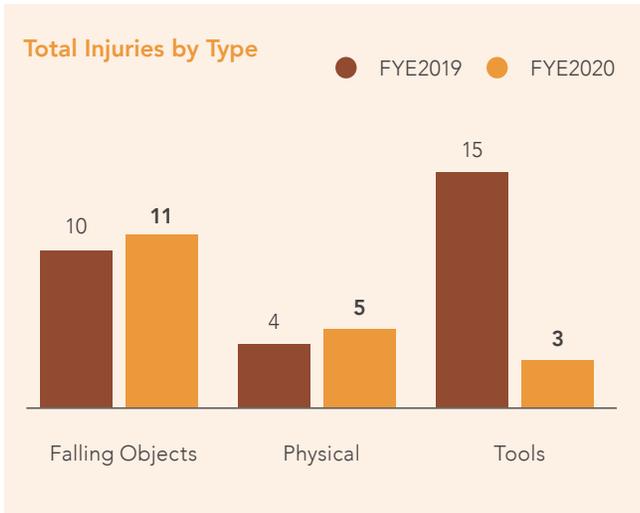
Towards this end, we comply with all the relevant national laws, regulations and other requirements relating to best practices in occupational safety and health; and continuously carry out activities aimed at preventing workplace injuries. Preventive and scheduled maintenance is regularly performed on all the Group's facilities, plants, storage tanks and terminals; whereupon repairs and replacements are made when necessary or appropriate. In addition, contractors and third party service providers working for and employed by the Group are responsible for knowing and complying with all applicable laws, regulations, approvals or permits relating to the work they are doing for the Group. Those found to be in breach of these requirements would be subjected to suspension and/or termination of their services.

Employees who use any machinery are trained to do so correctly, while training programs in the use of personal protective equipment for workers handling or exposed to hazardous materials are conducted regularly and will continue to be a vital part of the Group's operations. All division's have health and safety committees which consist of divisional management and employees. It is to these committees that incidences are reported, and where compliance with policies is monitored, and improvements are discussed.



Occupational Fatalities





In our Manufacturing and Bulking Divisions, for instance, all chemical related product supplied are issued a Safety Data Sheet (“SDS”). This sheet clearly indicates the type of chemical that employees are being exposed to and how best to handle them. The SDS will indicate the potency of the chemical and the level of danger it may pose to the employee i.e. mild, moderate, highly dangerous. The safety measures taken by the employee will commensurate with the danger level.

Manufacturing Division has achieved 2,015 days (which is equivalent to 5.5 years) without any lost time incident as at 31 March 2020. During the year in our Plantation Division, PTNJL’s palm oil mill has retained its accreditation of Sistem Manajemen Keselamatan dan Kesehatan Kerja (or “SMK3”), a local Indonesian Government safety certification that is comparable with the globally recognised OHSAS 18001:2007.

Tragically we suffered two fatalities in FYE2020. In April 2019, an estate worker in Ladang Amgreen, Sarawak was fatally injured a while attending to equipment repairs. In October 2019 an employee at our PTNJL oil mill was fatally injured while trying to remove some dirt near the mechanical nut stirrer. As a company standard, we offered support to the bereaved families and conducted investigations. These incidents had served to remind us that we must continue to strive to make our workplaces safer and our employees cognisant of the risks in their respective job functions.

Lost Time Injury

Beginning FYE2020, we have applied the methodology of the Malaysian Department of Occupational Safety and Health on the Lost Time Injury in computing our Lost Time Injury Frequency Rate (“LTIFR”). The methodology stipulates that injuries incurred by our employees resulting in them

being absent from work for more than 5 working days will be considered ‘a lost time injury’.

LTIFR corresponds to the number of lost time injuries occurring in the workplace per 1 million hours worked. During the previous reporting year, the Group recorded an overall LTIFR of 2.77 incidents per million hours worked against LTFIR of 4.39 recorded in the previous year. The indicator helps us to track the effectiveness of measures taken to improve safety and health performance in all business divisions. In addition, it helps the group to identify the most useful preventive action.

The Group reported 2.77 LTIFR for every 1 million man-hours worked. Some of the accidents arising from the Plantation division include injuries caused from the usage of work tools such as machetes and sickles. Others have falling fronds, thorn cuts and injuries due to the handling of FFB.

Covid-19 Response

The Group has taken extensive measures across our businesses to safeguard employees and customers from the Covid-19 pandemic. We have implemented additional employee safety measures based on guidance from the relevant health authorities across all our premises, including enhanced hygiene protocols, social distancing, mask use and temperature screenings.

We enhanced daily sanitation practices in all our premises. We have installed hand sanitisers across all our premises, added signs and floor decals to promote physical distancing. Workstations have also been evaluated for adherence to physical distancing guidelines. As at the date of this Report, all of our businesses are operating without significant disruption.

Sustainability : Social

Emergency preparedness

Emergency preparedness is an essential aspect of our operations. Thus, our facilities are equipped with first-aid kits, firefighting systems and have in place adequate response plans, spill prevention and other programs to respond to emergencies.



in internal or external workshops and seminars. We also believe that a combination of both formal and informal learning channels develops targeted skills and knowledge for a specific role. For example, our businesses regularly conduct informal on-the-job training and refresher courses on the use of apparatus and machinery, loining and skinning of fish and fertilizer application to address the skill gaps created by changes inter alia in knowledge, technology and/or work processes.

Safety briefings are routine pre-requisites that precedes the daily activities for most of our businesses. This ensures employees are focused on performing the tasks at hand as quickly and safely as possible. These briefings primarily serve as a daily reminder of the job/task sequence and the potential hazards which may be present. Emphasis is always given on the need to wear proper attire and on the use of appropriate equipment. Emergency response plans are an important element in the Group's occupational safety and health programme as it provides guidance to employees on the steps to be taken in the event of an emergency.

Employee Development and Engagement

We view career development as part of our commitment to building a more efficient, highly motivated and talented team to ensure that the Group can remain agile and responsive in competitive environments. Every year, training allocation is available for our employees to participate

We also encourage our people to look beyond their experiences and current practices by undertaking job rotation and overseas assignments for exposure in different markets. Where headcount reductions are necessary, affected employees are redeployed to new job tasks where retraining and skill upgrading is provided to help them transition into the new tasks.

All new employees undergo an induction program to help them familiarize themselves with all aspects of the Company and the Group, understand the responsibilities of their new role, the culture of our business and the processes they need to follow as well as our expectations for ethical conduct. They were also provided with the Employee Handbook before, or as soon as they start their new job. The Handbook provides new employees with information about their conditions of employment as well as the standards of professional behaviour expected.

 Spotlight Story



On the Job

How does your role in PTNJL differ to the one in IFC?

In PTNJL, I handled all the maintenance work for machines and buildings, e.g. machine fabrication, building of stores, elevator to transfer kernels to kernel silo tanks and tank oil. I also repair and service vehicles, genset overhauling and turbine servicing.

In IFC, I coordinate workplans develop and review staff reports related to engineering activities.

I've also learnt, and am familiar with, the requirements of GMP, HACCP, SSOP, LACF and the PNG Fisheries Standard Requirements.

What are the challenges you've encountered in IFC?

On the personal front, the greatest challenge would definitely be homesickness - being away from my wife and family as I only get to see them once a year. Workwise, there has been some challenges in supervising as well as coaching the local engineering staff here but I consider that to be part and parcel of working life anywhere.

What has been some of your memorable moments in IFC so far?

I can speak English and understand PNG's national language, Tok Pisin.

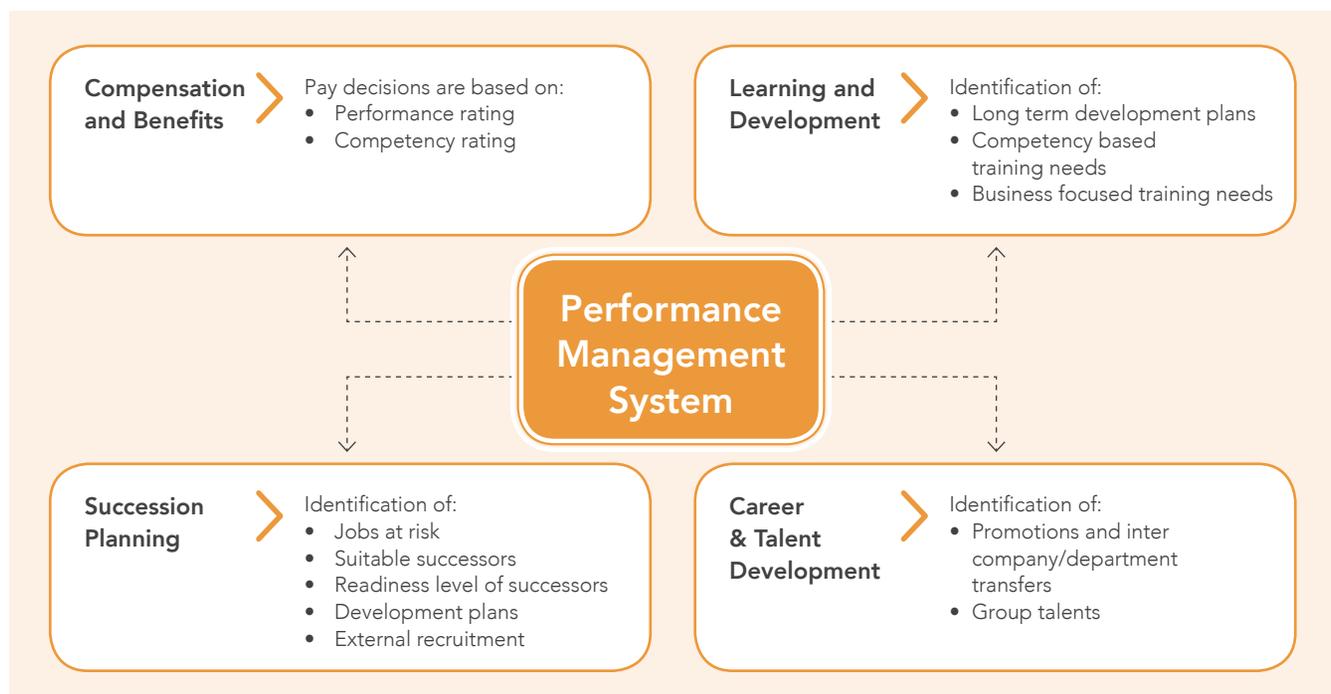
I have made many new friends from all over the world - Australia, New Zealand, Fiji, Pakistan, to name a few. My cooking skill has improved tremendously and I can make really good fish curry! I also made it to the final round of a badminton tournament for Lae in an open game.



SAMSUL HALIMUNG

Currently a Mechanical Engineering Executive in IFC, 34-year-old Samsul worked in PTNJL for 7 years before his transfer to IFC in 2016.

We also set annual key performance indicators for our employees that reflect critical success factors in their career development. This formal performance and career development reviews which take place once a year at the end of the financial year serves as an effective communication platform between employer and employee for feedback, sharing ideas, identify avenues for improvement and to recognise individual training and development needs. Based on performance and contribution, the employees are rewarded through increments, bonuses and/or promotions.



Sustainability : Social

	Training Hours			
	2017	2018	2019	2020
Senior Management	767	224	290	247
Management	818	1,013	2,917	1,268
Executive	1,379	3,424	3,460	3,768
Non-Executive	2,440	3,793	6,400	7,257
Grand Total	4,702	8,454	13,067	12,540

Note: Training hours herein does not include on-site coaching by supervisor

Human Rights & Workplace Relations

We implement our commitment to supporting human rights and labour rights through a range of policies, strategies and initiatives that reflect the diverse range of conditions under which our business operates in and we also require our contractors and business partners to comply with these commitments.

We value the right of our workers to have freedom of association, to enter labour unions and to collective bargaining in compliance with local laws. We are committed to working honestly and transparently with the labour unions and we undertake negotiations in good faith. As at 31 March 2020, 19.3% of our employees are represented by labour unions. Our collective bargaining agreements with these representative groups contain provisions covering grievance and disciplinary procedures, paid time off, paid maternity leave and collectively bargained severance and separation benefits. Other terms and conditions of employment negotiated in our collective agreements include, but are not limited to, issues such as wages and performance management. Over the course of the year, the Group did not experience any situations with the unions that ended in a work stoppage.

	Malaysia	Indonesia
Total No of Employees	919	1,117
Unionised Employees	130	262
% of Unionised Employees	14.2%	23.5%

We are against all forms of forced labour and underage workers, and we strictly enforce these principles at all our workplaces. The profile and identity document of each employee is maintained in our HR data systems and we continuously monitor compliance with the minimum legal working age requirements imposed by the local authorities in the countries where we operate our businesses. We also require all workers employed by suppliers/contractors to have a contract governed by local labour laws.

However, there have been instances at our estate in Indonesia where children accompany their parents to the fields and assisted in loose fruit collection and other light tasks. To deal with this issue, spot checks are conducted regularly and facilities such as creches are provided where parents can leave their children while they go to work.

Raising Breast Cancer Awareness






In an effort to promote breast cancer awareness, the Group in cooperation with MAKNA organised a full day programme for its employees and building tenants on 8 November 2019. 56 women had benefitted from the free breast examination offered during the event. The event also included a talk by a medical practitioner on how to conduct self-examination and the necessity of preventing the disease through regular screenings.

Whistleblowing

Our open-door policy enables employees to speak directly with all levels of management about their ideas or concerns. We also provide other ways for employees and external stakeholders to report concerns, such as that all of our operations have grievance mechanisms that are accessible, accountable and fair and in all cases, consequence management (e.g. official warning, suspension, dismissal) is in place. The Group's Whistleblowing Policy sets out guidelines for individuals wishing to report possible fraud, illegal acts or misconduct and we make every effort to provide appropriate protection and protect the confidentiality of those who raise such concerns. The Group Internal Audit and Group Human Resource Departments are empowered to conduct investigations of suspected and reported incidents.

Our whistleblowing policy can be viewed at <http://www.fima.com.my/corporate-governance.html>.

Benefits & Welfare

The group's compensation system involves fixed and variable components, based on the employee's job grade. Each location within the Group has its own locally defined employee benefit schemes. For eligible employees, these include:

- contributions to retirement fund;
- outpatient, specialist and treatment for employees, spouse and eligible children;
- group life and personal accident insurance;
- alternative working hours
- provision of housing with clean running water and sanitation to our plantation workers; and
- provision of lunch for our production workers at IFC.

The Group pays at least minimum wage as required by law in the countries in which the Group operate and in no areas of operation does minimum wage varies by gender.



To the Rescue



In response to the Covid-19 pandemic, the Group donated 68,000 face masks to various hospitals and government agencies which are then distributed to their frontline and enforcement personnel. PTNJL in Indonesia carried out cleaning and disinfection at its workers housing complex and other public areas such as halls, mosques and clinics. Meanwhile the Group management team had rallied together by combining their time and resources to mobilise care packages comprising of essential food items to 857 of our non-executive employees (both local and foreign) and to over 2,000 poor families nationwide.

#Kitajagakita

PTNJL's employee wellness is managed through an on-site clinic with full-time clinical assistants. PTNJL also offers free transportation for workers' children to nearby schools in the area. There is also a crèche in the estate, which is subsidised by the company that caters to the needs of plantation staff and workers. The provision of these facilities has enabled women to join the workforce of PTNJL and, to some extent, reduced the number of children accompanying their parents to the field due to lack of supervision at home.

Community Contributions

We believe in contributing economically and socially to the well-being of the communities where we conduct business. With businesses across Malaysia, Indonesia and Papua New Guinea, the Group has a local footprint in many communities. Our approach to community engagement is driven and managed by our businesses to ensure value is created in ways that best fit with their operations and geographic spread.

Sustainability : Social

During the year, the Group continued its community care and involvement via various contributions in the form of donations, sponsorships and support in kind to charitable bodies, schools and local community endeavours. Inter alia, we renewed our sponsorship of Titian Samara Programme by Persatuan Al-Hunafa.

The NGO's mission is to help secondary students with academic and social problems to develop their life skills such as confidence, leadership, and communication through personal development programmes and mentoring. The programme currently focuses on 5 schools in the Klang Valley namely, SMK Raja Lumu, SMK Pandamaran Jaya, SMK Kota Kemuning, SMK Telok Gadong and SMK Subang Bestari with a total of 190 students.

Apart from building and furnishing the mosques and schools located within and around the plantation with the necessary amenities, our Indonesian subsidiary, PTNJL also funds the monthly allowance for teachers and imams. The Group also donated King Cup sardines and other food essentials to several mosques and non-governmental organisations for their onward distribution to the needy.

As part of our commitment to strengthening the local socio-economic base, we provide jobs opportunities for the communities near our projects. In tandem, the Group

hires and trains local employees at our job sites, providing technical training and skills to improve workers' wage-earning potential. We also support local suppliers and entrepreneurs by purchasing local goods and services. A successful example of this can be seen in Indonesia where 83.2% of contracts for goods and services have been awarded to small and medium-sized local companies. In addition, 22.8% of the FFB processed by the palm oil mill is purchased from smallholder farmers and third-party growers. Similarly, in IFC, 75.0% of procurement contracts have been awarded to local companies.

Since January 2018, the Group has taken in 93 university graduates to undergo 8 months of workplace experience with companies within the Group (with the possibility of progression into permanent employment) through our participation in and support of the PROTÉGÉ program (formerly known as Skim Latihan 1Malaysia). This program involves a mix of on-the-job placements and skills development workshops which would allow trainees to absorb the organisational and work culture whilst also developing relevant job-specific training. Allowances and benefits are given during the program. Meanwhile, our Indonesian subsidiary, PTNJL has received a total of 20 students; 10 from SMKN 1 Sebatik Barat and 10 from SMKN 1 Nunukan to undergo a 2-month internship during the year. In PNG, educational tours of the IFC production facility are organised on a regular basis with local schools to raise awareness of the fishing industry and the canning process.





GOVERNANCE

OUR APPROACH

Stakeholders are putting increased emphasis on businesses to meet the corporate responsibility and sustainability standards, which is also reflected in consumer behaviour and legislative requirements. To meet these expectations and achieve long-term success and sustainable growth, we are committed to undertake responsible business practice through good governance which is supported by dedicated policies, resource and operational efficiency and being accountable for our actions.

Governance

Many of our activities are highly regulated by laws and regulations relating to health, safety, environment and community impacts. We are committed to complying with the laws and regulations of the countries in which we conduct business and, where applicable, to exceeding legal and other requirements that are less stringent than our own. We believe high governance standards are integral to ensuring the Group's future viability and maintaining our social license to operate.

We have a comprehensive system of stewardship and accountability that meets the requirements of all applicable rules, regulations, standards and internal and external policies.

Our diverse and highly engaged Board of Directors brings a range of viewpoints and deep expertise that helps ensure effective oversight of our strategic priorities and operations, having regard to the interests of shareholders, customers, suppliers, and the wider community. The Board is supported by dedicated Board committees, each with its own charter setting out its roles and responsibility. The Group Sustainability Committee steers our sustainability activities which is chaired by a Senior Independent Non-Executive Director of Fima Corporation Berhad, thus ensuring that we have Board-level oversight of the critical sustainability issues affecting the business and how they should be managed. At the management level, the Heads of Division comprises the Group's most senior executives. There is a delegation of authority framework that clearly outlines those matters delegated to the Group Managing Director of KFima and other members of senior management. Besides, ad-hoc committees are established to deal with particular sets of ongoing issues.

Sustainability : Governance

The business units are also responsible for adopting sustainability strategies to their operating needs, as well as providing the resources needed for its implementation. They align their brands, technologies and sites involved in sustainability that is in line with the specific challenges and priorities of their business portfolio. Our suppliers and contractors are also required to observe the Group's commitments on issues such as health and safety, environment, human rights and local labour laws.

The Corporate Governance Overview section can be read in this Annual Report and website at <http://www.fima.com.my/corporate-governance.html>.

We require all our business units to implement an appropriate level of risk management to ensure compliance with all relevant legislation, health, safety and environment policies, overriding business principles and Group policies taking into account business needs and local circumstances.

Each business has developed and documented policies and procedures to comply with the minimum control standards established over specified processes, including methods to mitigate risk, monitoring compliance and taking corrective action. Further details of our risk management can be found in the Statement on Risk Management and Internal Control section in the Annual Report.

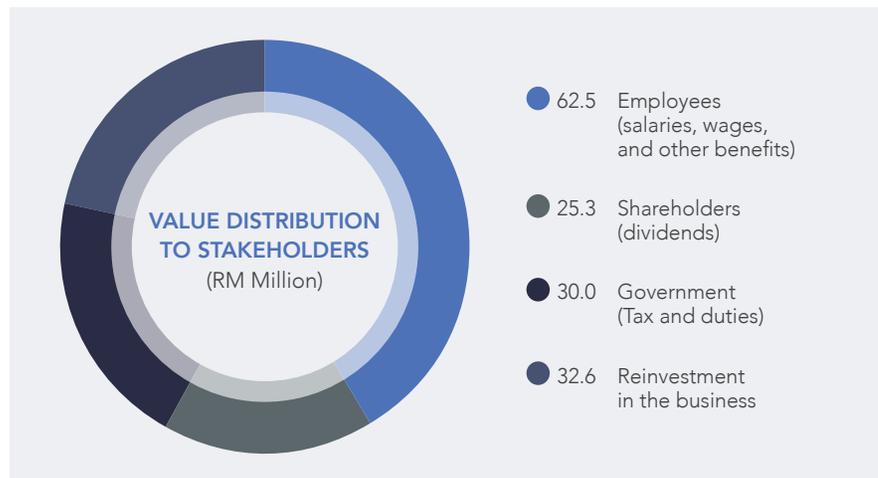
Responsible business practices

The economic returns created by responsible and sustainable business practices benefit a broad range of stakeholders. This includes the provision of employment to over 3,000 people in 3 countries. In addition to corporate income taxes, the companies within the Group pay many other taxes, including local and government taxes, social security contributions on the wages of its employees, SST, and customs duties

and property taxes. All these taxes are a significant source of funding for public services by governmental institutions. We view the fulfilment of our tax obligations as part of the process of creating sustainable value for all our stakeholders.

Ethical Conduct

The Group takes a zero-tolerance stance to unethical practices. We are committed to complying with the rules and regulations of the countries in which we operate and act ethically, consistent with the principles of honesty, integrity, fairness and respect. Every employee is accountable for ensuring that these principles are always upheld in all we do. We expect the same standards from all third parties who provide good and services to our companies.



Antibribery@work



The new Anti-Bribery Policy familiarisation e-training module has been developed during the year. This training module provides an overview of anti-corruption laws, the Group's ethical guidelines and grievance procedures and is also used to familiarise and train third party service providers who perform services for the Group.

All employees who have successfully complete the module are required to sign a confirmation that they will comply fully with the policy. Further, training on this Policy will form part of the induction process for all new directors and employees.

There were also dedicated anti-bribery classroom-based training for Directors, senior management and employees organised by the business units during the year.



In FYE2020, certain governance processes have been strengthened after a thorough review of the Group's integrity infrastructure for which an external consultant had been engaged. The exercise involved not only the review of the Board Charter and the terms of reference of the Board committees, but also entailed a review of the policies of the Group and the anti-bribery framework. This is to ensure that our management practices remain relevant and effective for the Group's ongoing performance.

Our Anti-Bribery policy includes inter alia policies on ethical behaviour, including the acceptance of the offering of corporate hospitality and gifts. For example, corporate hospitality must be reasonable and proportionate, and any gifts given or received must not conflict with our obligations to that party. Furthermore, our procurement and authorisation procedures are consistent and transparent so that all payments are documented and understood. These internal control procedures are also subject to regular review to provide assurance that they are effective in countering any risk of bribery and corruption. A significant number of written agreements entered into by our businesses with their respective vendor and customers include specific anti-bribery and corruption clauses.

In addition, the Board, through the Audit and Risk Committee reviews and monitors all related party transactions and conflicts of interest situation, if any, on a quarterly basis. A Director or member of senior management who has an interest in a transaction must abstain from deliberating and voting on the relevant resolutions, in respect of such transaction.

Cybersecurity

The Group acknowledges the importance of cybersecurity as a critical feature in preserving our data integrity and maintaining trust amongst our



stakeholders. Being able to provide continuity of our cybersecurity agenda, will ensure protection towards the Group's IT network, information and communications assets. Threats of malicious software, phishing attacks and spams are all matters we take seriously. During the year, there were a few incidents of phishing and malware targeted at our employees. For this reason, we have taken additional security measures improve our readiness to respond against cyber attacks which are getting increasingly sophisticated and prevent misuse and unauthorised access to our systems. We strive always to ensure that our cybersecurity is up to the latest industry standards.

Responsible Procurement

As we continue to find more effective ways to do business and respond to external changes and disruptions, we recognise the influential role we can and need to play in delivering sustainable solutions for our customers, suppliers and the broader community. We interact with our suppliers in a variety of ways including tender and bid processes, surveys, site inspections and events. These interactions cover a broad range of topics such as cost efficiencies and ways of working as well as environmental and social compliance.

For example, as part of International Food Corporation Limited ("IFC")

procurement practice, before any major fish supply contract is executed with a new supplier, our management team would usually conduct on-site visits to get assurance that the supplier can adhere to our sustainability and compliance standards. Sustainability and traceability are high on IFC's agenda when making purchase decisions. By only sourcing tuna from an approved list of the fishing vessel, i.e. those registered under the ProActive Vessels Register, IFC is able to ensure it is not supporting illegal fishing or sourcing from vessels on the Illegal, Unreported and Unregulated ("IUU") blacklists supplied by relevant tuna management bodies. For each catch, IFC is also able to determine when, where, and how it was caught. Observers from National Fisheries Authority of Papua New Guinea ("NFA") are on board the vessels that catch tuna to ensure the vessels operators are adhering to the required standards. During FYE2020, IFC did not incur any IUU-related violations.

The majority of the tuna that IFC buys is skipjack and yellowfin, which is considered to be highly fertile and abundant. Moreover, tuna fishery in PNG is managed under the National Tuna Fishery Management Plan, which regulates among others total allowable catches of tuna, thereby maintaining sustainable stock levels. Moving forward, IFC intends to secure more than tuna caught without the Fish Aggregate Device ("FAD").

Membership of Associations

Malaysian Employers Federation	Chemical Industry Council of Malaysia (Committee Member)	Lae Chamber Of Commerce
Fishing Industry Association	Association of Malaysian Hauliers (Honorary Treasurer)	Association of Plantation Investor of Malaysia in Indonesia, APIMI
Incorporated Society of Planters	Tuna Process Association – (Secretary)	Malaysian Association of PNG
University Technology of Papua New Guinea (Board Member)	Selangor Freight Forwarders and Logistics Association	Morobe Football Association
Gabungan Pengusaha Kelapa Sawit Indonesia, GAPKI	Palm Oil Refiners Association of Malaysia	

In FYE2020, FAD-free catch was 98.1% of tuna purchased (FYE2019: 88.85%). Ultimately, IFC endeavours to have its tuna source and products to be 100% FAD-free.

A concern with using FAD is the impact on all other non-tuna marine life which becomes attached to the FAD and gets trapped in the net. By-catch can include many unintended haulages such as juvenile fish. In FYE2020, our by-catch reduced to 0.18% of the total fish bought from 0.5% recorded last year.

Product Information & Product Labelling

Product information and labelling requirements are stringent in the jurisdictions where we operate and include disclosures on the date of manufacture and expiry, ingredients, components of food additives (if any), nutritional information and instructions for storage. Relaying product information to our customers makes it easier for them to make more informed decisions and product comparisons. During the year under review, there were no incidents of fines/penalties imposed on the Group due to the non-compliance of any product labelling regulation.

Quality & Standards

To maintain safety and quality, the Group stays current with new regulations, industry best practices and marketplace conditions and the Group’s businesses consistently strive to improve and refine their requirements and standards throughout the entire supply chain.

Each business has also developed and documented policies and procedures that the business should exercise over specified processes. The **Food Division’s** production facilities, suppliers of ingredients and packaging materials are required to comply with stringent international standards and regulations, government regulations and company policies, procedures, controls, and good manufacturing practices applicable to their operations. To ensure compliance with these requirements, we are subject to regular audits and inspections.

This includes (but not limited to) audits conducted by government and regulatory authorities such the National Fisheries Authority of Papua New Guinea and annual audits performed by independent third-party organisations for the British

Retail Consortium, International Feature Standard Food, Dolphin Safe, Good Manufacturing Practice, Marine Stewardship Council (“MSC”), Kosher Certification & Supervision), Hazard Analysis Critical Control Points (“HACCP”) and Halal (JAKIM) accreditations. IFC is also subjected to the BSCI Code of Conduct, which is based mainly on the conventions of the International Labour Organization.

IFC’s production plant in PNG has received the MSC Chain of Custody certification - an indication that IFC has complied with international best practice in each step of the manufacturing process. To obtain the Chain of Custody certification, IFC had to pass an independent audit that was conducted by an accredited certification body and will undergo annual surveillance audits to demonstrate that it continues to meet the MSC standard which include:

- a randomly chosen batch reconciliation or traceability test to measure the input and output of fish quantities as MSC fish are processed;
- proper labelling;
- storage of MSC-certified fish; and
- accurate and reliable record-keeping.



Certification and Accreditations



Dolphin-Safe

Dolphin Safe label allows consumers to signal their preference for saving dolphins. IFC has pledge to support the purchase of approved dolphin safe fishing companies.



BRC

Trade association for the UK food retail industry that published standards for best practices for food and manufacturing industries. IFC has complied with the best practices with achievements of grade A.



HACCP

management system in which food safety is addressed through the control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product.



Kosher Certification & Supervision

Certification body that does continual inspections, as well as the traceability of ingredients that conform and are allowed for consumption based on the regulations of Jewish Dietary Law.



IFS Food

The certification focus is on food safety and the quality of processes and products. IFC assures the products manufactured meets the consumers and retailers expectations.



MSC

Independent international Eco-label for sustainable fisheries activities. The Blue MSC label assures that IFC works in an environmentally friendly way.



GMP

IFC and Instanco are GMP certified which ensures their products are consistently produced and controlled according to the quality standards.



Malaysia Sustainable Palm Oil

Process that sets the standards for responsible management of palm oil plantations, smallholdings and palm oil processing facilities.



International Sustainability & Carbon Certification

ISCC certification provides proof of compliance with environmental, social and traceability criteria, and qualifies Fima Biodiesel for legal recognition under the targets set by the European Renewable Energy Directive 2009/28/EC (EU RED).



BSCI

The BSCI Code of Conduct is built on the most important international conventions protecting workers' rights. IFC is committed to implement the Code within its supply chain.



Halal

IFC and FISB are compliant with guidelines on the preparation and handling of halal food.



ISO 14001:2015

verifies PTNJL as a company that is successfully managing its environmental responsibilities, meet compliance requirements, and continuously improve its environmental practices.



ISO 9001:2015

the international standard that outlines the framework for improving quality. 4 companies in the Bulking division have been certifies with ISO9001:2015 for quality management system.

ISO 50001:2011

PTNJL is accredited with their energy management system that displays good implementation of their procedure and protocols.

ISO 27001:2013

PKN ensures strict security controls to protect customers data and operations of its products and services.

Sustainability : Governance

The **Plantation Division's** Indonesian subsidiary, PT Nunukan Jaya Lestari ("PTNJL") is accredited with ISO 14001:2015 Environment Management System for the processes employed in the production of its CPO, CPKO and palm kernel. During the year, PTNJL was assessed and certified as meeting the requirements of the coveted ISO 50001:2011 (Energy Management System) in recognition of PTNJL's successful implementation of procedures and protocols to continually improve energy efficiency and consumption which led to a 3% reduction in diesel and electricity usage in the last 3 years.

The MSPO-SCCS validates Fima Biodiesel's position as a producer of sustainable biodiesel and reinforces our commitment to maximise economic and environmental benefits by adopting sustainable practices into our operations while simultaneously providing transparency to our customers

Selected employees have been sent for training to ensure that we have the necessary competencies to maintain and support our MSPO certifications.

However, the Indonesian Sustainability Palm Oil ("ISPO") audit on PTNJL remains status quo from last year as authorities await a definitive outcome of the ongoing legal suit about PTNJL's HGU before the ISPO certification process can be resumed.

Percetakan Keselamatan Nasional Sdn Bhd (PKN), our **Manufacturing Division** subsidiary, is accredited with the ISO 27001:2013 Information Security Management System which indicates that PKN applies the best international and security control standards to protect information against any security risks, reflecting positively in the quality of services provided by PKN to its customers.

Fima Biodiesel Sdn Bhd's biodiesel plant has been accredited under the International Sustainability and Carbon Certification ("ISCC"). ISCC certification provides proof of compliance with environmental, social and traceability

criteria. Each feedstock supplier is carefully evaluated, and each batch or truck of feedstock or fuel holds a specific Proof of Sustainability ("PoS"). The PoS provides information about the properties of the truck content such that it can be traced back to its origin.

During the year, Fima Biodiesel's biodiesel plant was among the first to be awarded the Malaysian Sustainability Palm Oil Supply Chain Certification Standards ("MSPO-SCCS"). The MSPO-SCCS validates Fima Biodiesel's position as a producer of sustainable biodiesel and reinforces our commitment to maximise economic and environmental benefits by adopting sustainable practices into our operations while simultaneously providing transparency to our customers.

The following companies within the **Bulking Division** have achieved/retained the following accreditations for the handling, storage, production and shipment (as the case may be) of various product categories to help maintain objective oversight of the quality of its operations:

Company	Accreditation	Type
Fima Bulking Services Bhd	ISO 9001:2015	Handling, storage & shipment oleochemicals, oils and fats
	ISCC-EU	Warehouse
Fimachem Sdn. Bhd.	ISO 9001:2015	Transferring from ships, handling, filling of drums and transport of hazardous & non-hazardous liquids
	Halal (JAKIM)	Dedicated tanks and pipelines for storage are compliance with Jabatan Kemajuan Islam Malaysia (JAKIM)
	OHSAS18001:2007	Transferring from ships, handling, filling of drums and transport of hazardous & non-hazardous liquids
Fima Freight Forwarders Sdn. Bhd.	ISO 9001:2015	Freight forwarding & bulk transportation
Fima Palmbulk Services Sdn. Bhd.	ISO 9001:2015	Handling, storage & shipment of oleochemicals, edible oils, molasses and latex
	ISCC-EU	Warehouse
Fima Biodiesel Sdn. Bhd.	ISCC-EU	Biodiesel Plant
	MSPO-SCCS	Biodiesel Plant
Fima Butterworth Installation Sdn. Bhd.	ISCC-EU	Warehouse



Spotlight Story



Driving Malaysia Towards Digital Government



KONTEKS took place on the 10 October 2019 in Putrajaya. The full-day event which was organized by Percetakan Keselamatan Nasional Sdn Bhd (PKN) in collaboration with the Technology Depository Agency and National Innovation Agency Malaysia, was officiated by the (then) Chief Secretary to the Government of Malaysia, YBhg Tan Sri Dr. Ismail bin Haji Bakar. More than 1,000 attendees from government, universities and enforcement agencies participated in the conference.

KONTEKS's theme of "Driving Malaysia Towards Digital Government," provided a platform where technology providers, industry experts, and government decision-makers share their industry experience, discuss the issues that shape the future of digital government in the context of Industrial Revolution 4.0 amid a volatile, uncertain, complex and ambiguous (VUCA) environment.

Highlights of KONTEKS include the 19 keynote presentations that were delivered on 2 dedicated stages within the venue. One stage was geared toward issues related to the latest developments in security documents and its eventual shift

from physical security to digitalization and technology and how physical and digital complement each other; and the other stage was focused on topics related to IT security, data protection, cybersecurity, and blockchain technologies. Participants had the opportunity to engage with industry players and experts to share views and exchange information.

Among the specific topics covered by the distinguished guest speakers were:

- New approach and techniques applied by Security Industry Players including ID, Travel Documents, Track and Trace and Vehicle Identification.
- Way forward for enhancing future security document solutions and its potential applications in Governments and Industries.
- Applying Digital Security, Big Data in Digital Government, and impact on users and the public.

In addition, KONTEKS also provided attendees with a first look at new products, services, and technologies being offered/developed by 16 of the most innovative companies in the industry.

"The speed, breadth, and scope brought about by digital transformation are rapidly changing economies and challenging governments the world over to adapt and embrace this transformation. KONTEKS's objective is to bring together technology providers and government officials to explore the role that digital technologies can play as an enabler/tool to improve public service delivery, boost economic growth and better respond to citizens' needs thereby providing opportunities for relevant stakeholders to collaborate on new projects and initiatives in support of the Malaysian government's digital transformation agenda."

DZAKWAN MANSORI
Executive Director, PKN

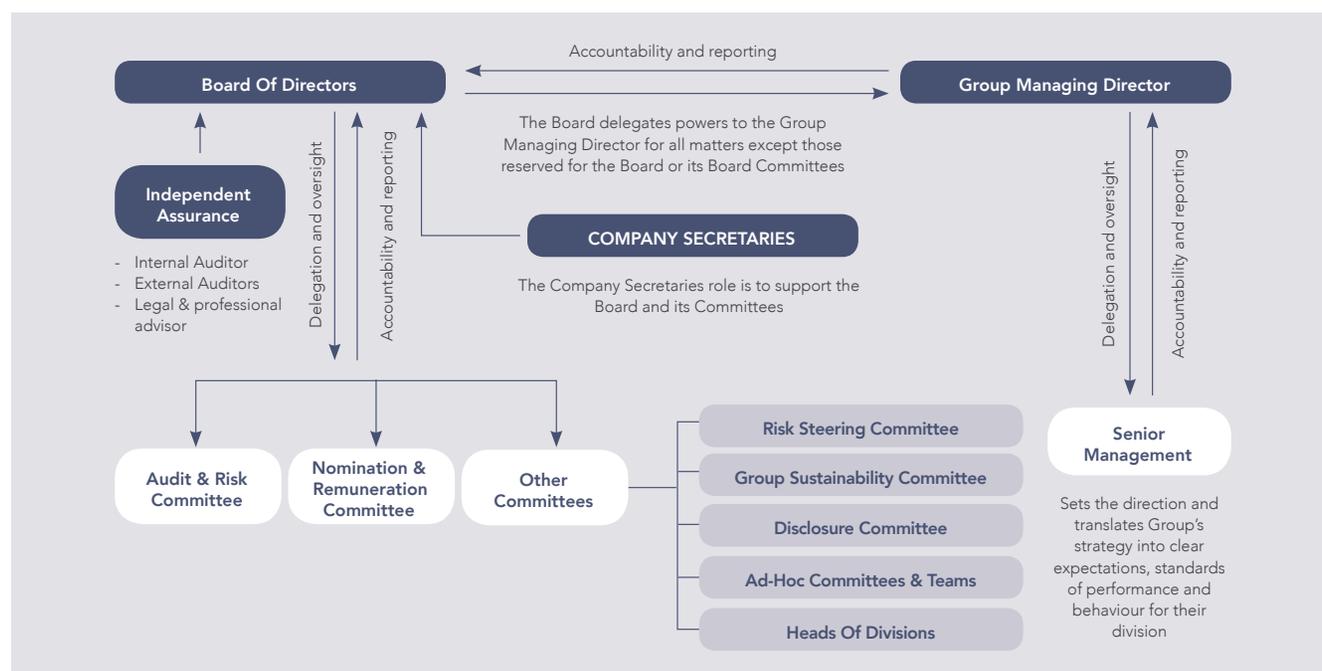
Corporate Governance Overview Statement

Kumpulan Fima Berhad (“the Company” or “KFima”) remains committed to embrace good corporate governance practices and devotes considerable effort to identify and formalize best practices. The Board believes that sound and effective corporate practices are fundamental to the smooth, effective and transparent operation of a company and its ability to attract investment, protect the rights of shareholders and stakeholders and enhance shareholder value.

This Corporate Governance Overview Statement (“Statement”) illustrates the extent of which the Board has embodied the spirit and principles of the Malaysian Code on Corporate Governance (“MCCG”) with regards to the recommendations stated under each principle for the year under review and should be read in conjunction with the Corporate Governance Report which accessible online at www.fima.com.my.

CORPORATE GOVERNANCE FRAMEWORK

The diagram below illustrates the Company’s current corporate governance framework. It shows the relationship between the Board, its Committees, the Group Managing Director (“Group MD”), senior management and various independent assurance functions.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Role and Responsibilities of the Board

The Board is responsible for the overall strategy, governance and performance of the Company. The general powers of the Board and the Directors are conferred in the Company’s Constitution. The Board Charter sets out the role and responsibilities of the Board, describes those matters expressly reserved for the Board, and those matters delegated to management. Among the specific matters reserved for the Board are:

- review and approve annual financial statements and quarterly financial results.
- contribute to management’s development of the Company’s strategy and plans, and ultimately approving operating budgets and monitoring performance.
- approve director’s appointment to the Board and Board Committees.

Corporate Governance Overview Statement

- approve major capital expenditure, acquisitions, disposals of significant events and investment proposals.
- oversee and monitor overall system of internal control and risk management.
- oversee related party transactions.
- review and approve any matters in excess of any discretions which the Board may have delegated from time to time to the Group MD or senior management.

In FYE2020, the Board reviewed, deliberated and approved (where specifically required), amongst others the following:

Financial Reporting/ Performance

- the quarterly financial results and audited financial statements.
- the financial performance of the business operations against approved strategies, plans and budgets.
- major capital expenditure/acquisitions.
- the amount, nature and timing of the final dividend to be paid.
- bank mandate updates and other treasury related matters.
- the Group's solvency and financial position.

Strategy and Planning

- budget and business plan for FY2021 and key performance targets.
- the progress in implementing strategic activities arising from the March 2019 Board Retreat.
- updates on business and operational activities.

Board Committees

The Board has established Audit and Risk Committee and Nomination and Remuneration Committee to assist the Board in exercising its responsibilities and discharging its duties. The ultimate responsibility however, resides in the Board and it does not abdicate its responsibilities to these committees. Each Committee has a separate Terms of Reference that sets out the roles and responsibilities of that Committee, as well as the membership and any other requirements for the running of the Committee. The Terms of Reference of the Committees are available on the Company's website at www.fima.com.my/corporate-governance.html.

All Committees are chaired by and comprise a majority of Independent Non-Executive Directors. Each Committee keeps the Board informed of its activities through the provision of the minutes of each meeting, and the Chair of each Committee formally advises the Board of any matters or recommendations requiring the Board's attention.

Governance and Reporting

- the new policy on anti-bribery and corruption.
- the updated Whistle-Blowing Policy, Board Charter and Terms of Reference of the Audit and Risk Committee.
- adoption of a formal dividend policy for the Company.
- results of the Board, Board Committees and individual Directors' effectiveness evaluation.
- the findings and observations made in the CG Monitor 2019 in relation to the adoption by the Company of practices recommended under the MCCG.
- the progress of the Group's sustainability and corporate responsibility initiatives.
- the draft statements to be incorporated in the 2019 Annual Report.

People

- the performance, reward, composition and succession of Board.
- the Nomination and Remuneration Committee's recommendation on the annual performance reward for the Group MD and senior management.
- new appointments to the Boards of Group subsidiaries.
- appointment of Datuk Anuar bin Ahmad to the Audit and Risk Committee.

Corporate Governance Overview Statement

AUDIT AND RISK COMMITTEE

Chairman

Azizan bin Mohd Noor

Senior Independent Non-Executive Director

Members

Dato' Rosman bin Abdullah

Independent Non-Executive Director

Datuk Anuar bin Ahmad

Independent Non-Executive Director

Rozana Zeti binti Basir (Resigned on 24 July 2020)

Non-Independent Non-Executive Director

Key objectives

The Audit and Risk Committee plays a key role in assisting the Board with oversight of the external and internal audit functions, the Group's system of internal controls, business risk management processes, related party transactions, related compliance activities and effective governance over the appropriateness of the Group's financial reporting including the adequacy of disclosures. The role of the Committee has also been enhanced to include review and oversight functions of the Group's anti-bribery and whistle-blowing in line with section 17A of the Malaysian Anti-Corruption Commission Act 2009 as well as the Group's sustainability reporting.

The Committee's Terms of Reference is available on the Company's website at www.fima.com.my/corporate-governance.html

In FYE2020, the Committee conducted 5 meetings with all members present. The Committee's activities during the financial year are outlined in the Audit and Risk Committee Report of this Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

Chairman

Dato' Rosman bin Abdullah

Independent Non-Executive Director

Members

Azizan bin Mohd Noor

Senior Independent Non-Executive Director

Rozilawati binti Haji Basir

Non-Independent Non-Executive Director

Datuk Anuar bin Ahmad (Appointed on 24 June 2020)

Independent Non-Executive Director

Key objectives

Assisting the Board in ensuring that the Board comprises individuals with the necessary skills, knowledge and experience for the effective discharge of its responsibilities; and in matters relating to the remuneration of the Board and senior management.

The Committee's Terms of Reference is available on the Company's website at www.fima.com.my/corporate-governance.html

The key activities of the Nomination and Remuneration Committee in FYE2020 included:

- reviewing the composition of the Board and its Committees.
- reviewing the performance evaluation of the Board, its Committees and individual Directors and making appropriate recommendations to the Board.
- reviewing the independence of the Independent Non-Executive Directors.
- reviewing the tenure on the Independent Non-Executive Directors' time in office.
- nominating Board candidates for election by shareholders at the Company's Annual General Meeting.
- reviewing the time commitment of Directors for performance of their responsibilities.
- reviewing the training of the Directors.
- reviewing the fees and allowances payable to the Non-Executive Directors.
- reviewing the performance of the Group MD and senior management and recommended to the Board the appropriate annual increments and performance rewards.
- monitoring and considering the level of remuneration for Group employees.

The Nomination and Remuneration Committee met once during the FYE2020 and all Committee members attended the meeting.

Corporate Governance Overview Statement

Other Committees

The Board is also supported by various committees which have been established to assist in the discharge of the Board's oversight functions. The committees are:

RISK STEERING COMMITTEE ("RSC")

- The Committee which has been renamed as RSC on 24 July 2020, is a sub-committee of the Audit and Risk Committee.
- Supports the Audit and Risk Committee in the development and implementation of the Group's risk management and internal control framework.
- RSC is composed of Board representatives from KFima and Fima Corporation Berhad ("FimaCorp") (the Group's listed subsidiary) and members of senior management.
- RSC is supported by the Risk Management Unit ("RMU") which is made up of executives/management of the respective business units. The RMU is responsible for managing, mitigating and monitoring strategic and operational risks at company/divisional level.

DISCLOSURE COMMITTEE

- Responsible for ensuring the Group's compliance with its continuous disclosure obligations and for overseeing the Company's disclosure practices under the Company's Corporate Disclosure Policy.
- The Committee comprises various members of Group senior management.

HEADS OF DIVISIONS

- Deliberates on the performance and conduct of the Group's operating units including the status of internal audit findings, implementation of Group policies and examining all strategic matters affecting the Group.
- The HOD comprises of Group MD as Chairman and all heads of divisions and support functions.

GROUP SUSTAINABILITY COMMITTEE ("GSC")

- The GSC oversees how the Group's sustainability programs support business goals and aspirations, and to monitor the progress thereof.
- Consists of representatives from the Boards of KFima and FimaCorp and members of senior management.
- The GSC's Terms of Reference can be found on the Company's website.

AD-HOC COMMITTEES AND TEAMS

- Project committees and teams are set up at the divisional and operating levels by the respective management.
- The Committees and teams comply with the best practices in good governance, subject always to the counsel of the Board and compliance with any policy and delegated authority limits set by the Board.
- Progress reports on the respective projects are submitted to the Board of the subsidiary and KFima, as may be necessary in the circumstances.

Meetings and Time Commitment

The Board meets regularly at least 4 times a year at quarterly intervals and holds additional meetings as and when the Board thinks appropriate. Board meetings for the ensuing financial year are scheduled prior to the commencement of that year to enable the Board to plan their schedule ahead. Additional meetings are convened in between scheduled meetings when Board's decision is required for urgent and important proposals or matters. All Directors are expected to allocate sufficient time to their role on the Board and Committees on which they serve in order to discharge their responsibilities effectively.

Corporate Governance Overview Statement

Time is allocated at all meetings to discuss any other business, which all Directors are invited by the Chair to raise. All Non-Executive Directors participate in strategy development and decisions required to implement actions to progress towards meeting the objectives of the Company. Management are also invited to attend certain Board or Board Committee meetings. This provides a direct line of communication between the Directors and management present.

Directors also participated in the consideration and approval of matters of the Company by way of written resolutions circulated to them. Supporting written materials were provided in the circulation and verbal briefings were given by the Group MD or the Company Secretaries when required.

All Directors of the Company have complied with the Bursa Listing Requirements of not holding more than 5 directorships in listed issuers at any given time. This ensures that the Directors do not have competing time commitments that may impair their ability to discharge their responsibilities effectively. The list of directorship is annually tabled to the Nomination and Remuneration Committee for noting.

Training and Development

The Directors of the Company have continued to attend and participate in various programmes which they consider as relevant for them to keep abreast of relevant business and legislative developments and outlooks as well as to enable them to discharge their duties and responsibilities more effectively. As part of their induction, the newly appointed Directors visited several operation sites with the Group MD where they had the opportunity to meet with the local management team and getting an overview of the Group's businesses.

During the FYE2020, the Directors had attended the following training programmes:

Directors	Training Attended	Date Held
DATO' IDRIS BIN KECHOT	• Mandatory Accreditation Programme organized by the Iclif Leadership and Governance Center	16 & 17 Jun 2019
	• PNB Leadership Forum II- Positive Autocracy: A Leadership Model for Industry 4.0 organized by Permodalan Nasional Berhad (PNB)	25 Jun 2019
	• Corporate Governance Advocacy Program on Cyber Security in the Boardroom organized by Deloitte Risk Advisory Sdn Bhd	27 Jun 2019
	• Maybank 2019 Annual Risk Workshop organized by Group Risk – Malayan Banking Berhad	26 Jul 2019

Details of the Board and Board Committees meetings held during the FYE2020 and attendance of those meetings are set out below:

	Board	Audit & Risk Committee	Nomination & Remuneration Committee
Number held	5	5	1
Directors			
Dato' Idris bin Kechot	5	N/A	N/A
Dato' Rosman bin Abdullah	5	5	1
Dato' Roslan bin Hamir	5	N/A	N/A
Azizan bin Mohd Noor	5	5	1
Rozana Zeti binti Basir	5	5	N/A
Rozilawati binti Haji Basir	5	N/A	1
Datuk Anuar bin Ahmad*	5	3	N/A

* Datuk Anuar bin Ahmad was appointed as ARC and NRC member on 26 June 2019 and 24 June 2020, respectively

Corporate Governance Overview Statement

Directors	Training Attended	Date Held
DATO' IDRIS BIN KECHOT (cont'd.)	• Security Technology Conference 2019: Driving Malaysia Towards Digital Government organized by Technology Depository Agency Berhad	10 Oct 2019
	• International Directors Summit 2019 organized by Institute of Corporate Directors Malaysia	14 & 15 Oct 2019
	• PNB Corporate Summit 2019 - "Rebooting Corporate Malaysia" organized by PNB	30 Oct 2019
	• YTI Memorial Lecture 2019 "The Diverse Facets of Leadership" organized by PNB	18 Nov 2019
	• Corporate Liability - New Section 17A of Malaysian Anti-Corruption Commission Act 2009 organized by Boardroom Corporate Services Sdn Bhd (in-house)	8 Jan 2020
DATO' ROSLAN BIN HAMIR	• Security Technology Conference 2019: Driving Malaysia Towards Digital Government organized by Technology Depository Agency Berhad	10 Oct 2019
	• Sustainable Business Opportunity & Challenges organized by Fima Corporation Berhad (in-house)	4 Nov 2019
	• Corporate Liability Update: MACC (Amendment) Act 2019 organized by KPMG	18 Nov 2019
	• Corporate Liability - New Section 17A of Malaysian Anti-Corruption Commission Act 2009 organized by Boardroom Corporate Services Sdn Bhd (in-house)	8 Jan 2020
DATO' ROSMAN BIN ABDULLAH	• Half Day Seminar on Board Evaluation & Effectiveness Assessment organized by Malaysian Institute of Corporate Governance	11 Jun 2019
	• PowerTalk #5 - Say on Pay: What do Boards Need to Know? organized by Institute of Corporate Directors Malaysia	13 Aug 2019
	• Budget 2020 Leading into 12 th Malaysia Plan (Post Budget Dialogue with YB Lim Guan Eng, our Minister of Finance) organized by Ministry of Finance	23 Nov 2019
	• Talk on Section 17(A) of MACC Act organized by Messrs Thomas Philips	21 Feb 2020
ENCIK AZIZAN BIN MOHD NOOR	• Global Investor Week organized by Capital Dynamics Sdn Bhd	14 Apr 2019
	• Security Technology Conference 2019: Driving Malaysia Towards Digital Government organized by Technology Depository Agency Berhad	10 Oct 2019
	• Anti-Money Laundering & Counter Financing of Terrorism (AMLCFT) Essentials for Boards, Partners & Senior Officers organized by Malaysian Institute of Accountants	31 Oct 2019
	• 2019 Forum on Corporate Governance in The Capital Market – Building and Sustaining A Robust Malaysian Capital Market organized by Malaysian Institute of Corporate Governance	5 Nov 2019
	• Audit Oversight Board Conversation with Audit Committees organized by Securities Commission Malaysia	8 Nov 2019
	• Fraud Risk Management - 'Whose Responsibility Is It?' organized by Malaysian Institute of Corporate Governance	14 Nov 2019

Corporate Governance Overview Statement

Directors	Training Attended	Date Held
ENCIK AZIZAN BIN MOHD NOOR (cont'd.)	• Corporate Liability - New Section 17A of Malaysian Anti-Corruption Commission Act 2009 organized by Boardroom Corporate Services Sdn Bhd (in-house)	8 Jan 2020
	• Corporate Board Leadership Symposium 2020 - Sustainability and Digitalization: A New Normal organized by Malaysian Institute of Accountants	12 Feb 2020
	• Members' Breakfast Talk on 'Why Sustainability Matters?' organized by Malaysian Institute of Corporate Governance	25 Feb 2020
PUAN ROZANA ZETI BINTI BASIR	• Security Technology Conference 2019: Driving Malaysia Towards Digital Government organized by Technology Depository Agency Berhad	10 Oct 2019
	• Corporate Liability - New Section 17A of Malaysian Anti-Corruption Commission Act 2009 organized by Boardroom Corporate Services Sdn Bhd (in-house)	8 Jan 2020
PUAN ROZILAWATI BINTI HAJI BASIR	• Beyond Paradigm Summit 2019 – Embracing the Revolution 4.0 organized by Malaysia International Trade and Exhibition Centre	17 & 18 Jul 2019
	• Security Technology Conference 2019: Driving Malaysia Towards Digital Government organized by Technology Depository Agency Berhad	10 Oct 2019
	• Fintech Conference 2019 organized by Security Commission Malaysia	23 & 24 Oct 2019
DATUK ANUAR BIN AHMAD	• CG Advocacy Programme - Cyber Security in the Boardroom training organized by Bursa Malaysia Berhad	27 Jun 2019
	• MIA Thought Leadership Lecture: Leading with Ethics organized by Malaysian Institute of Accountants	25 Jul 2019
	• Management-Internal Training for CCM organized by Willis Towers Watson	23 Sept 2019
	• 2020 National Budget Briefing by BDO Malaysia organized by ENRA Berhad	18 Oct 2019
	• Workshop on MFRS Update by KPMG organized by Petronas Dagangan Berhad	3 Dec 2019
	• Corporate Liability - New Section 17A of Malaysian Anti-Corruption Commission Act 2009 organized by Boardroom Corporate Services Sdn Bhd (in-house)	8 Jan 2020

From time to time, the Board will also be updated on the companies and securities legislations and other relevant rules and regulations at the Board meetings or through email from the Company Secretaries, in order to acquaint them with the latest developments in these areas.

Corporate Governance Overview Statement

Role of the Chairman and the Group Managing Director

The roles of the Chairman and the Group MD are not exercised by the same individual. The Chairman, Dato' Idris bin Kechot leads the Board and is responsible for the efficient organization and effective functioning of the Board, ensuring that Directors have the opportunity to contribute to Board deliberations. He communicates with the Group MD on issues affecting the Group and performance trends. The Group MD, Dato' Roslan bin Hamir is responsible for the day-to-day management of the Company and its businesses. There is a clear division of responsibilities between the Chairman and the Group MD, with no one individual unfettered powers of decision.

KEY RESPONSIBILITIES OF CHAIRMAN AND GROUP MD

CHAIRMAN (INED)		GROUP MD
<ul style="list-style-type: none"> Provides leadership to the Board. Monitor Board effectiveness. Fosters constructive relationships among Directors. Act as Company representative. 	<ul style="list-style-type: none"> Promote integrity and probity. Ensure effective stakeholder communication. 	<ul style="list-style-type: none"> Develops strategies for the Board's approval. Executes strategies agreed by the Board. Leads day-to-day management of the Group. Monitoring operational and financial performance.

The roles and responsibilities of the Chairman and the Group MD are set out in the Board Charter, which can be viewed on the 'Investors' page of the Company's website.

Access to information, independent advice and indemnification

The Board is supplied with the information it needs to discharge its duties. The Company Secretaries are responsible for ensuring good information flows within the Board and Committees and between senior management and the Board. The Directors also have the opportunity to visit the Group's operational facilities to facilitate a better understanding of the Group's business operations. Directors may, at any time, request for further explanation, briefings or informal discussions on any aspect of the Group's operations or business issues from management. Directors, after consultation with the Chairman, may also seek independent advice in furtherance of their duties at the Company's expense.

Under the Company's Constitution and to the extent permitted by law, the Company indemnifies Directors and its officers against liabilities to third parties in their capacity as officers of the Company and against certain legal costs incurred in defending an action for such a liability.

Company Secretaries

The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, proceedings of meetings, policies and procedures and compliance with the relevant statutory and regulatory requirements, guidelines as well as the principles and recommendations of best practices set out in the MCCG.

The Company had two (2) Company Secretaries during the financial year. The Company Secretaries report directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. This includes advising the Board and its Committees on governance matters, coordinating Board business and providing a point of reference for dealings between the Board and management. The Company Secretaries will inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. Each Director has the ability to communicate with the Company Secretaries. Decisions to appoint or remove the Company Secretaries are made or approved by the Board.

The Company Secretaries' profiles are available under the Senior Management profile section of this Annual Report.

Corporate Governance Overview Statement

Board Charter

The Board Charter is a statement of the practices and processes the Board has adopted in the discharge of its responsibilities, including matters reserved for the Board and the delegation of authority to the Board Committees. It also sets out the roles and responsibilities of the Board Committees, individual Directors, Chairman, Group MD as well as Senior Independent Director. The Board Charter also defines the relationship and interaction between the Board and management. In May 2020, the Board undertook a review of the Board Charter and approved recommended changes with particular exercise on the duties and responsibilities of the Board in establishing appropriate policies and procedures to manage bribery and corruption risks. A formal Policy Statement on Anti-Bribery has also been developed and appended to the Board Charter. A copy of the Board Charter is available in the 'Investors' section of the Company's website.

Policies

The Board has implemented policies and practices that are considered appropriate for the Group given its current size and complexity. The Board will continue to review and amend its policies as appropriate to reflect changes in the Group's overall growth, operational status, legislation and accepted good practices. The following section set out the policies that the Company has had in place to promote ethical and responsible business practices in the organization. Each of these policies are available on the Company's website.

ANTI-BRIBERY POLICY

The Company has adopted an Anti-Bribery Policy which sets out the Company's zero tolerance against all forms of bribery and corruption. Directors, employees and others acting for and on behalf of the Company are strictly prohibited from directly or indirectly soliciting, accepting or offering bribes in relation to the Company's business and operations. The policy is in line with the new section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the Guidelines on Adequate Procedures issued by the Prime Minister's Department as well as other international best practices.

WHISTLE-BLOWING POLICY

The Whistle-Blowing Policy has been in place since 2011. The policy provides a safe environment where information regarding misconduct including unethically, dishonest, illegal, bribery, corrupt, fraudulent or unsafe actions or practices within the Group may be disclosed confidentially and without fear of reprisal or detrimental treatment for the person making the disclosure. The policy has been updated to meet the requirements of the Bursa Listing Requirements in relation to anti-corruption as well as the Guidelines on Adequate Procedures issued by the Prime Minister's Department and the Malaysian Anti-Corruption Commission Act 2009.

All whistle-blowing reports are addressed to the Group MD or Chairman of the Audit and Risk Committee. The Audit and Risk Committee has oversight of incidents reported under the Whistle-Blowing Policy.

OTHER POLICIES

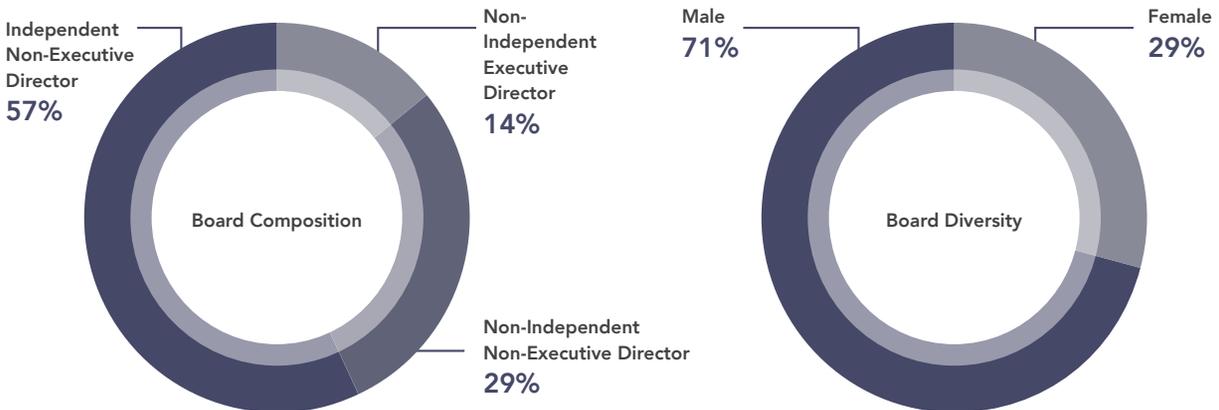
The Company has a number of other policies which define the Company's commitment to good corporate governance and responsible business practices. Among them are Corporate Disclosure Policy, Environmental Policy, Good Social Practices Policy, Occupational Safety and Health Policy, Quality Policy, Sexual Harassment Policy, Malaysian Sustainable Palm Oil Policy and Dividend Policy.

II. COMPOSITION OF THE BOARD

The Board has responsibility for ensuring that it has the necessary skills, experience and independence to meet its objectives and regulatory requirements. As at the date of this Statement, the Board comprises seven (7) Directors, including four (4) Independent Non-Executive Directors and two (2) female Directors. The Board is satisfied that the current composition of the Board takes into account the size of the Group, the optimal mix of knowledge, skills, experience, gender diversity, independence, the requirement in numbers for its Committees and regulatory requirements. In addition, the composition of the Board also meets the requirement for independent directors provided for in the Bursa Listing Requirements.

Corporate Governance Overview Statement

The profile of each Board member, including each Director's qualifications, experience and the term of office held by each Director, is set out in the Our Board of Directors section of this Annual Report and is also available on the Company's website.



Appointment Process for Nomination and Selection of New Directors

In its search and selection process, the Nomination and Remuneration Committee reviews the composition of the Board including the mix of expertise, skills, experience, diversity and attributes of existing Directors, so as to identify need and/or desired competencies to supplement the existing Board. In doing so, where necessary or appropriate, the Nomination and Remuneration Committee and Board may tap on its networking contacts and/or engage external professional agencies to assist with identifying and shortlisting candidates. The Nomination and Remuneration Committee then meets the shortlisted potential candidates before recommending the most suitable candidate to the Board for appointment as Director. The new Directors will be provided with a Director's Kit containing the Company's Constitution, Board Charter and Board Committees' Terms of Reference, Group policies and other key information.

Independence of Directors

Name	Date of Appointment
Azizan bin Mohd Noor	2 April 2003
Dato' Rosman bin Abdullah	5 May 2004
Dato' Idris bin Kechot	3 May 2019
Datuk Anuar bin Ahmad	3 May 2019

The Independent Directors are appointed to offer a wide range of skills and experience which enable them to advise, support and constructively challenge management, to provide independent judgement on the Board's discussions and to help with the development of the Company's strategy. A Director is considered independent if he/she is independent of management and free of any business or other relationship that could, or reasonably be perceived to, materially interfere with his/her capacity to bring independent judgement on issues before the Board, and his/her ability to act in the best interests of the Company.

The independence of Independent Non-Executive Directors are assessed prior to appointment and reviewed annually by the Nomination and Remuneration Committee as part of its annual evaluation of Board effectiveness. The findings of the annual review of Director's independence by the Nomination and Remuneration Committee are considered by the Board. As part of the review, each Independent Director is requested to confirm that they continue to fulfil the criteria of independence in line with the Bursa Listing Requirements.

The Board Charter provides that the tenure of an Independent Director shall not exceed a cumulative term of 9 years. However, upon completion of the 9 years, the Independent Director may continue to serve on the Board, if the Board intends to retain an Independent Director subject to the annual shareholders' approval. Encik Azizan bin Mohd Noor and Dato' Rosman bin

Corporate Governance Overview Statement

Abdullah have each been Independent Non-Executive Directors for a cumulative term of more than 9 years. The Board reviewed the independence of Encik Azizan bin Mohd Noor and Dato' Rosman bin Abdullah and concluded that they remain independent in line with the criteria defined in the Bursa Listing Requirements and are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. Having regard to all such considerations, the Board is further satisfied that the lengths of their tenure have no impact on their respective levels of independence or the effectiveness of their contributions.

In this respect, the Company will be seeking shareholders' approval at the forthcoming 48th Virtual AGM for the retention of Encik Azizan bin Mohd Noor and Dato' Rosman bin Abdullah as Independent Non-Executive Directors of the Company until the conclusion of the next AGM of the Company.

The Board will continue to review the independence of the Company's Independent Directors from time to time to ensure that they have the necessary competencies, skills and knowledge, and continue to exercise independent and objective judgement, play their part effectively on the Board in the best interest of the Company and satisfy the independence criteria. In addition, each Director must immediately disclose to the Board if a Director is, or becomes aware of, any information, facts or circumstances that will or may affect that Director's independence.

Independence Assessment

Before and on appointment

- NRC will evaluate the suitability of the candidates, including an assessment of their independence.
- Upon his/her acceptance of the Letter of Appointment, he/she is required to disclose to the Company all relevant information of entities of which he/she has material interest direct/indirect, is an executive director or is a director.
- Upon appointment, a director is also required to confirm with Bursa his/her independence having regard to the criteria of independence as prescribed in the Bursa Listing Requirements.

Ongoing process

- Independent non-executive director is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence.
- All directors have continuing duty to update the Company on any changes to their other appointments which will be reviewed by the Board.

Annual assessment

- Each independent non-executive director is required to confirm with the Company his independence having regard to the criteria of independence as set out in the Bursa Listing Requirements.
- NRC assesses and reviews the independence of independent non-executive directors annually.

Re-election and Re-appointment of Directors

The Nomination and Remuneration Committee reviews the Directors who are due to retire in accordance with the Company's Constitution and make relevant recommendation on their re-election or re-appointment. All Directors are subject to re-election at regular intervals of at least once every 3 years. Further the re-appointment of Encik Azizan bin Mohd Noor and Dato' Rosman bin Abdullah, the Company's Independent Directors, who have served the Board for more than 9 years will be subject to separate resolutions to be approved by the shareholders.

Directors who are due for re-election and re-appointment at the forthcoming AGM are as set out in the Notice of the 48th AGM in this Annual Report.

Performance Evaluation

The Board undertakes annual evaluation of the Board's work, its Committees and individual Directors, with the aim of further developing and enhancing Board procedures and efficiency and identifying future focus areas of the Board. The Board has engaged the services of an external consultant, BDO Governance Advisory Sdn Bhd to assist with the FYE2020 evaluation of the Board, Board Committees and individual Director's performance. The exercise was undertaken through the questionnaires and one-to-one interviews with all individual Directors. The findings from these questionnaires and interview will form the basis of evaluation reports for the Board and its Committees.

Corporate Governance Overview Statement

The results of the evaluations have been reviewed by the Nomination and Remuneration Committee in July 2020 and the outcomes and recommended actions were thereafter tabled and discussed by the Board and improvement actions were agreed based on such discussion.



KEY AREAS COVERED IN THE QUESTIONNAIRE

Board Evaluation Assessment

- Composition & quality of the Board
- Assessment of Board Chairman
- Boardroom activities
- Ethics and compliance
- Board meeting process and procedures

Audit and Risk Committee Evaluation Assessment

- Composition and quality of the Committee
- Oversight of the financial reporting and internal controls
- Risk Management
- Audit and Risk Committee meeting process and procedures
- Ethics and compliance

Individual Board Evaluation Assessment

- Fit and proper
- Contribution and performance
- Calibre and personality

Nomination and Remuneration Committee Evaluation Assessment

- Composition and quality of the Committee
- Oversight of appointment/election and performance evaluation of director and senior management
- Oversight of remuneration roles and responsibilities
- Committee meeting process and procedures

EVALUATION PROCESS

Stage 1

Completion of questionnaires on the effectiveness of the Board, Committees and individual Directors

Stage 2

One-to-one interviews with each Director to ensure candid and objective evaluations

Stage 3

Collation of results and preparation of a detailed report on the findings and actions

Stage 4

Board evaluation report discussed in the NRC and the Board meetings

Stage 5

Areas for continuous improvements are recommended to the Board

Corporate Governance Overview Statement

III. REMUNERATION

The Board believes that the existing remuneration structure is appropriate for the requirements of the Company, taking into account factors such as effort and time spent as well as responsibilities of the Directors.

The Board has established guidelines for the Nomination and Remuneration Committee and the Board in determining the level of remuneration for Executive Director and Non-Executive Directors. The guidelines have been defined in the Terms of Reference of the Nomination and Remuneration Committee which is available on the Company's website.

The aggregate amount of remuneration paid to the Directors for FYE2020 is set out below:

	Executive Director	Non-Executive Directors					
	Dato' Roslan bin Hamir	Dato' Idris bin Kechot	Azizan bin Mohd Noor	Rozana Zeti binti Basir	Dato' Rosman bin Abdullah	Datuk Anuar bin Ahmad	Rozilawati binti Haji Basir
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company							
Directors fees	-	77	75	68	68	60	60
Meeting allowance	-	12	24	22	24	18	14
Salaries	513	-	-	-	-	-	-
Bonus	372	-	-	-	-	-	-
Benefits in kind	2	-	40	-	86	-	-
Others	169	-	-	-	-	-	-
TOTAL	1,056	89	139	90	178	78	74
Subsidiaries							
Directors fees	-	-	18	-	-	-	-
Meeting allowance	-	-	2	-	-	-	-
Salaries	770	-	-	-	-	-	-
Bonus	557	-	-	-	-	-	-
Benefits in kind	85	-	-	-	-	-	-
Others	254	-	-	-	-	-	-
TOTAL	1,666	-	20	-	-	-	-

In addition to directors' fees, additional fees are paid to the Chair and members for work carried out by Directors on various Board Committees to reflect the additional time involved and responsibilities of these positions.

The Company will be requesting shareholders' approval for the payment of Non-Executive Directors' fees and benefits-in-kind for the ensuing financial year and the period commencing from the conclusion of the forthcoming AGM until the conclusion of the next AGM of the Company in year 2021, respectively. The Company will also be seeking shareholders' approval on the increase in fees payable to members of the Audit and Risk Committee (excluding the Committee Chairman) from 1 April 2020 until the conclusion of the next AGM of the Company. The justifications on the Directors' fees and benefits including the increase in Audit and Risk Committee members' fees are set out in the Notice of the 48th AGM.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK COMMITTEE

The Committee which has been renamed as Audit and Risk Committee on 30 May 2019, is an important element of the Group's governance structure. Presently, the Committee comprised solely of Independent Non-Executive Directors following the resignation of Puan Rozana Zeti binti Basir, a Non-Independent Non-Executive Director on 24 July 2020. The Committee is chaired by Encik Azizan bin Mohd Noor and the members are Dato' Rosman bin Abdullah and Datuk Anuar bin Ahmad. The experience and qualifications of members of the Committee are disclosed in the Our Board of Directors section of this Annual Report. The Committee has a written Terms of Reference which is available under the 'Investors' section of the Company's website.

The particulars in relation to the audit and non-audit fees incurred by the Company and its subsidiaries for the FYE2020 are as follows:

	Audit Fees (RM'000)		Non-Audit Fees (RM'000)	
	2020	2019	2020	2019
Company	124	124	10	10
Subsidiaries	729	808	197	219
TOTAL	853	932	207	229

Information about the Committee, including its work in FYE2020 are set out in the Audit and Risk Committee Report contained in this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board recognizes the importance of effective risk oversight, risk management and internal control for good corporate governance and is committed to embedding risk management practices to support the achievement of business objectives and fulfil corporate governance obligations. The Board is responsible for reviewing and overseeing the risk management and internal control framework for the Group and for ensuring the Group has an appropriate risk management and internal control process and procedures. The Audit and Risk Committee provides advice and assistance to the Board in meeting that responsibility and the role of the former in relation thereto is described in the Statement on Risk Management and Internal Control of this Annual Report.

The Group has an enterprise risk management framework which is designed to provide a sound framework for managing the material risks of conducting business. The framework sets out the standards and processes for identifying, monitoring and reporting of risks impacting the success of strategic objectives and operating plans.

The Board however, recognizes that the enterprise risk management framework must continually evolve to support the type of business and size of operations of the Group. As such, the Board will, when necessary, put in place appropriate action plans to further enhance the Group's risk management and internal control framework.

Corporate Governance Overview Statement

Related Party Transactions

An internal compliance framework exists to ensure its obligation under the Bursa Listing Requirements, including obligation to related party transactions and recurrent related party transactions. The Board, through the Audit and Risk Committee, reviews and monitors all related party transactions and conflicts of interest situation, if any, on a quarterly basis. A Director who has an interest in a transaction must abstain from deliberating and voting on the relevant resolutions, in respect of such a transaction at the meeting of the Board and AGM.

Details of the proposed renewal of shareholders' mandate for recurrent related party transaction is set out in the Circular/Statement to Shareholders dated 28 August 2020.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Company seeks to ensure that the internal and external communication of the Company is open, transparent, accurate and timely. The Company has in place a Corporate Disclosure Policy to define how and when information should be given and by whom it is given. It also defines the accuracy and comprehensiveness of the information in order to fulfil the relevant regulatory requirements. The Company's Corporate Disclosure Policy is available on the Company's website.

Shareholders and other stakeholders are informed of all material matters affecting the Company through Bursa announcements including the Company's quarterly financial results. All market announcements are available on the Company's website as soon as practicable after they have been released to the market. The Company's website www.fima.com.my forms part of the Company's communication with shareholders and the wider investment community. It houses the Company's corporate profile, individual profiles of Directors and senior management, financial results, annual reports, corporate governance related policies and the Company's operations and major subsidiaries.

II. CONDUCT OF GENERAL MEETINGS

The Board views the Company's general meetings as a valuable opportunity for shareholders to exchange views and engage in active dialogue with the Board. At the Company's 47th AGM held on 28 August 2019, all Directors in office on the meeting date, including the Chair of Board Committees, attended the meeting along with key senior management and the external auditors.

The AGM notice includes details of the resolutions proposed along with any relevant background information or recommendations. The Notice of 47th AGM of the Company was delivered to the shareholders on 29 July 2019 and was also published in the local English newspapers and made available on the Company's website. The voting at the 47th AGM was conducted through electronic voting system. Shareholders are encouraged to participate during the 47th AGM and are given the opportunity to ask questions. The proceedings at the AGM were recorded in the minutes of meeting and disclosed to shareholders through the Company's website.

This Corporate Governance Overview Statement was approved by the Board of Directors on 24 July 2020.

Audit and Risk Committee Report

1. MEMBERS OF THE AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee comprise of:

Encik Azizan bin Mohd Noor (Chairman)
Senior Independent Non-Executive Director
Member of Malaysian Institute of Accountants

Dato' Rosman bin Abdullah (Member)
Independent Non-Executive Director
Member of Malaysian Institute of Accountants

Datuk Anuar bin Ahmad (Member)
Independent Non-Executive Director

The Audit and Risk Committee ("ARC") assists the Board in fulfilling its oversight responsibilities. The ARC shall review and ensure that the process of assessing risk, internal controls, including operational and financial controls, compliance (including anti-bribery) and the external and internal audit functions are properly managed and monitored.

The ARC shall be appointed by the Board amongst the Directors of the Company and shall consist of no less than 3 members comprising of Non-Executive Directors a majority of whom are Independent Directors. A quorum for a meeting shall be at least 2 members, both being Independent Directors. The current composition of the ARC and the qualifications of its members comply with the Main Market Listing Requirements ("Listing Requirement") of Bursa Malaysia Securities Berhad ("Bursa").

2. TERMS OF REFERENCE

In fulfilling its duties and responsibilities, the ARC is guided by the Terms of Reference which is available on the Company's website at www.fima.com.my. The ARC's Terms of Reference has been revised in May 2020 to include review and oversight functions of ARC in relation to the Group's anti-bribery and whistle-blowing in line with section 17A of the Malaysian Anti-Corruption Commission Act 2009.

3. MEETINGS

The ARC held 5 meetings during the financial year ended ("FYE") 31 March 2020 and all members attended the meetings.

Name of Committee Members	No. of Meetings Attended
Encik Azizan bin Mohd Noor	5/5
Dato' Rosman bin Abdullah	5/5
Datuk Anuar bin Ahmad (Appointed on 26 June 2019)	3/3
Puan Rozana Zeti binti Basir (Resigned on 24 July 2020)	5/5

The Company's Group Managing Director ("Group MD") and Chief Financial Officer ("CFO") attended the meetings to facilitate deliberations as well as to provide clarification on audit issues. Senior Management personnel also as and when necessary attended the meetings by invitation. The Head of Group Internal Audit ("GIA") also attended the meetings to present audit reports. The external auditors were invited to the meetings to discuss their key audit findings/matters, management letters, audit planning memorandum and other matters deemed relevant. As at the date of the Report, the ARC met the external auditors without management presence on 30 May 2019 and 24 July 2020, to discuss key issues within their audit of interest and responsibility.

The Company Secretaries act as secretary to the ARC. The Company Secretaries shall cause minutes to be entered in the books provided for purpose of recording all resolutions and proceedings of minutes and shall be kept at the registered office of the Company for inspection of any member of the ARC or the Board. Such minutes shall be signed by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts. Minutes of each meeting shall also be distributed to all ARC members and presented to the members of the Board at the Board meeting for noting.

The ARC, through its Chairman, shall report to the Board at the next Board meeting after each ARC meeting. When presenting any recommendation to the Board, the ARC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

Audit and Risk Committee Report

4. SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2020

4.1 During the FYE2020, the ARC reviewed, deliberated and approved (where specifically required) the following:

(a) Financial Reporting

- unaudited financial results for fourth quarter of FYE2019 and first, second and third quarter of FYE2020 to ensure compliance with the Bursa Listing Requirements, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending to the Board for approval.
- impact of any changes to the accounting policies and adoption of new accounting standards as well as accounting treatments used in the financial statements.
- obtained assurance from the Group MD and CFO that:
 - appropriate accounting policies had been adopted and applied consistently;
 - the going concern basis applied in the audited financial statements and quarterly financial results was appropriate;
 - adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the FRSs and Bursa Listing Requirements; and
 - the audited financial statements for the FYE2019 to give a true and fair view of the state of affairs of the Group.

(b) External Audit

- audit plan, strategy and scope of the statutory audits of the Group accounts for the FYE2020 prepared by the Company's auditors, Messrs. Ernst & Young PLT. The audit plan outlines their scope of work and proposed fees for the statutory audit, assurance-related review and review of the Statement on Risk Management and Internal Control.

- recommended the external auditors' fees to the Board for approval.
- major issues that arose during the course of the audit and their resolution.
- key accounting policies and audit judgements.
- recommendations made by Messrs. Ernst & Young PLT in their management letters and the adequacy of management's response.
- results of annual assessment of the overall performance of Messrs. Ernst & Young PLT including independence, objectivity and professionalism. The annual assessment was carried out via a detailed questionnaire as well as the feedback from the business units. Based on the evaluation results, a recommendation is made to the Board to re-appoint Messrs. Ernst & Young PLT for the ensuing financial year. The re-appointment will be put to the shareholders for approval at the Company's forthcoming Annual General Meeting.

Messrs. Ernst & Young PLT have also provided written confirmation to the ARC on 28 February 2020 that they are and have been independent throughout the conduct of the audit engagement for the Group during the FYE 31 March 2020 in accordance with the By-Laws on Professional Ethics, Conduct and Practice of the Malaysian Institute of Accountants.

(c) Internal Audit

- annual Internal Audit Plan for the FYE2020 as proposed by GIA, to ensure the adequacy of resources, coverage and inclusion of risk areas in the scope of review.
- internal audit reports, follow-up reports, audit recommendations and Management responses.
- corrective actions taken by Management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis.
- nature and extent of the non-audit activities performed by GIA.
- structure of GIA and adequacy of its resources and budget.

Audit and Risk Committee Report

- Audit and Risk Committee Report together with Statement on Risk Management and Internal Control are recommended to the Board for approval prior to the inclusion of the same in the Company's Annual Report.
- Internal Audit Charter.
- Internal Audit Standard Operating Procedures.
- outcome of the annual assessment of the effectiveness of the internal auditors which was conducted via a detailed questionnaire. The evaluation encompassed an assessment of the qualifications and performance of the internal auditors, the size and strength of internal audit team, the quality of the internal audit plan and audit reports and the internal auditor's communications with the ARC and the Company, and the internal auditors' independence, objectivity and professional skepticism.

(d) Recurrent Related Party Transactions ("RRPT")

- RRPT entered into by the Company with related parties in accordance with the shareholders' mandate obtained to ensure that they are at arm's length and within the mandated amount and other RRPT that are outside the shareholders' mandate and recommended to the Board to seek shareholders' approval for the renewal of shareholders' mandate for the existing RRPT at the forthcoming Annual General Meeting.

(e) Related Party Transactions

- aggregate values of all related party transactions entered into by the Group to ascertain whether shareholders' mandate is required, at every quarterly meeting.

(f) Risk Management and Internal Control

- quality and effectiveness of the Group's internal control through the consideration of the GIA reports embracing all material systems including financial, operational and compliance controls to ensure that they remain robust. Where areas of improvements are identified, remedial actions are taken and progress monitored.

- Risk Management Committee which has been renamed as Risk Steering Committee on 24 July 2020, provides oversight, direction and counsel to the group's risk management programmes which shall include the effective implementation of the various anti-bribery control measures.

4.2 During the FYE2020, the ARC members attended various training programs to keep them abreast of new development pertaining to legislation, regulations, current commercial issues and risks in order to effectively discharge their duties. Details of training programs attended by ARC members are set out in the Statement on Corporate Governance section of this Annual Report.

5. EVALUATION OF THE AUDIT AND RISK COMMITTEE

For the FYE2020, the annual assessment and evaluation on the performance of the ARC was conducted by an external consultant through questionnaires and one-to-one interviews. The key areas covered in the evaluation questionnaires are:

- composition and quality of the ARC.
- oversight of the financial reporting and internal controls.
- risk management.
- ARC meeting process and procedures.
- ethics and compliance.

The Nomination and Remuneration Committee discussed the findings on the evaluation and the results of the evaluation and findings, together with areas of improvement, were presented to the Board for deliberation. Overall, the Board is satisfied that the ARC and its members have discharged their functions, duties and responsibilities in accordance with the ARC's Terms of Reference.

Statement on Risk Management and Internal Control

1. INTRODUCTION

The Board acknowledges the importance of maintaining a sound system of internal controls to safeguard the interests of shareholders and other stakeholders. The Board's Statement on Risk Management and Internal Control is in compliance with Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("Bursa") Main Market Listing Requirements ("Listing Requirements"), Principle B of Effective Audit and Risk Management of Malaysian Code on Corporate Governance 2017 ("MCCG") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

2. RESPONSIBILITY

The Board recognises their responsibility for the Group's system of internal control, which is designed to identify and manage the principal risks facing the business in pursuit of its objectives, to review its adequacy and integrity. The Audit and Risk Committee supports the Board in monitoring the Group's risk exposures, the design and operating effectiveness of the underlying risk management and internal control systems. The Management is accountable to the Board for monitoring the Group's system of internal control and for providing assurance to the Board that it has done so.

The system of internal control covers risk management, financial, operational, administration, human resource, information technology and compliance controls to safeguard shareholders' investments and the Group's assets. This system is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board is of the view that the system of internal control and risk management is in place for the year under review, and up to the date of approval of this Statement on Risk Management and Internal Control, is sound and sufficient to safeguard the Group's assets, as well as the shareholders' investments, and the interest of other stakeholders. The Board has received assurance from the Group Managing Director ("Group MD") and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the Group's risk management and internal control system.

3. INTERNAL CONTROL

The key processes that the Board has established in reviewing the adequacy and integrity of the system of internal control and risk management systems include the following:

- 3.1 Operational and follow-up audits are conducted throughout the financial year based on approved annual audit plan to provide reasonable assurance that the systems of internal controls and its framework, and governance processes put in place by Management continue to operate satisfactorily and effectively and to add value and improve the Group's business operations.
- 3.2 A meeting of Heads of Divisions which is chaired by the Group MD is held monthly to deliberate on KFima Group's financial performance, internal audit reports, business development, legal/litigation, operational, and corporate issues. The Group MD will update the Board of any significant matters that require the Board's immediate attention.
- 3.3 The Group MD actively participates and involves in the day-to-day running of the major businesses and regular discussions with the senior management.
- 3.4 There is a budgeting and forecasting system. Each line of business submits a business plan annually for approval by the Board. The results of the lines of businesses are reported monthly and variances are analysed against budget and acted on in timely manner. The Group's strategic directions are also reviewed annually taking into account changes in market conditions and significant business risks.
- 3.5 The periodic and streamlining review of limits of authority and other standard operating procedures within the Group provides a sound framework of authority and accountability within the organisation and to facilitate quality, well informed and timely corporate decision making at the appropriate level in the organisation's hierarchy.

Statement on Risk Management and Internal Control

- 3.6 The compliance function, which includes the Audit and Risk Committee (“ARC”) and internal audit function, assists the Board to oversee the management of risks and review the effectiveness of internal controls. The ARC reviews reports of the Group Internal Audit Department (“GIA”) and also conducts annual assessment on the adequacy of the GIA’s scope of work.
- 3.7 The ARC convenes regular meetings to deliberate on findings and recommendations for improvement by both the internal and external auditors on the state of the system of internal control, review and recommend the risk management policies, strategies, key risk profiles and risk mitigation actions for the Group and reports to the Board. Minutes of the ARC meetings are tabled to the Board.
- 3.8 Review and award of major contracts which exceed the limits delegated to Group MD or senior management are undertaken by the Board.
- 3.9 Clearly documented standard operating procedure manuals set out the policies and procedures for day to day operations to be carried out. Periodic reviews are performed to ensure that documentation remains current, relevant and aligned with evolving business and operational needs.
- 3.10 The competency of staff is enhanced through rigorous recruitment process and development programmes. A performance appraisal system of staff is in place, with established targets and accountability and is reviewed annually.

4. INTERNAL AUDIT FUNCTION

The Group’s internal audit function is undertaken by GIA which reports directly to the ARC and administratively to the Group MD. The GIA assists the ARC in the discharge of its duties and responsibilities. Its key role is to provide independent and objective assurance designed to add value and assist the Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control system and governance processes.

The business processes and conduct of the operating units within the Group are continuously assessed by GIA in the context of adequacy and effectiveness of the financial, operational controls and risk management. GIA reports to the ARC and communicates to Management on audit observations noted in the course of their review and performs monitoring on the status of actions taken by the operating units. It conducts independent reviews of the key activities within the Group’s operating units based on a detailed annual audit plan developed using a risk-based methodology including input from Senior Management and the ARC, which was approved by the ARC. The terms of reference of the GIA are clearly spelt out in its Internal Audit Charter.

The GIA evaluates the following:

- (a) Adequacy, integrity, effectiveness of the Company and the Group’s internal controls in safeguarding shareholders’ investment and the Group’s assets. The internal controls cover financial, operational, information technology, compliance controls and enterprise risk management;
- (b) Extent of compliance with established policies, procedures and statutory requirements; and
- (c) Adequacy of policies, procedures and guidelines on the Company and Group’s accounting, financial and operational activities.

For the year under review, the GIA had undertaken the following:

- (a) Prepared the annual audit plan for approval by the ARC.
- (b) Performed risk-based audits based on the annual audit plan, including follow-up of matters from previous internal audit reports.
- (c) Issued internal audit reports to the Management on risk management, control and governance issues identified from the risk-based audits together with recommendations for improvements for these processes.

Statement on Risk Management and Internal Control

- (d) Reported on a quarterly basis to the ARC on significant risk management, control and governance issues from the internal audit reports issued, the results of investigations and special reviews undertaken and the results of follow-up of matters reported.
- (e) Reported on a quarterly basis to the ARC the achievement of the audit plan and status of resources of the GIA function.
- (f) Conducted regular follow-up and monitoring on the implementation of recommendations made by the GIA function to ensure that appropriate corrective actions are taken on a timely basis or within agreed timelines.
- (g) Reviewed the procedures relating to related party transactions entered into by the Group to ensure that the related party transactions have been conducted on the Group's normal commercial terms and are not to the detriment of the Group's minority shareholders.
- (h) Revised GIA's Standard Operating Procedures.
- (i) Reviewed compliance with MS2530-3:2013 Malaysian Sustainability Palm Oil ("MSPO") Certification Standard of Part 3: General Principles for Oil Palm Plantations and Organised Smallholders requirements for all estates operated by the Group.
- (j) Preparation of Audit and Risk Committee Report and Statement on Risk Management and Internal Control for the Company's 2019 Annual Report.

During FYE2020, sixteen (16) internal audit reports were issued on various operating units of the Group covering reviews on control environment, risk management, revenue assurance, procurement, finance, human resource, occupational safety and health and MSPO regulatory compliances and operations.

5. ENTERPRISE RISK MANAGEMENT ("ERM")

The Group's risk management framework is generally aligned with the principles of MS ISO 31000:2010 Risk Management – Principles and Guidelines, encompassing the features such as risk management processes, organizational oversight i.e. the accountability and responsibility for each reporting functions, and continual improvement of the framework. The framework provides the foundation and arrangement for the Group in managing the risks adequately. Systematic approach and process in managing risks and risk mitigation plans such as risks identification, evaluating, treating, monitoring, reviewing and reporting have been developed and further defined in the risk management policies and procedures which offers guide to risk owners in implementing effective and efficient risk management aligned with the business objectives.

The Risk Management Committee which has been renamed as Risk Steering Committee ("RSC") on 24 July 2020, is established to assist the Board, ARC and Management in implementing effective risk management activities for the Group. The RSC principally conducts the risk review process across the business units within the Group and ensure that the process of assessing risk, control and governance, including operational and financial controls, business ethics and compliance, are properly managed and monitored according to the ERM policies and procedures. The ARC after conducting overall ERM implementation review, is satisfied with the RSC effectiveness in facilitating the ERM activities for the group during the financial year.

The RSC communicates to the Management, ARC and the Board the present and potential critical risks the Group faces, their changes and the Management action plans to manage these risks. The RSC is assisted by the GIA in facilitating the implementation and monitoring of the risk management activities. Below is the structure of ERM reporting established within the Group.

Statement on Risk Management and Internal Control



The RSC, as a sub-committee to the ARC, is entrusted with the responsibility of implementing and maintaining the ERM framework to achieve the following objectives:

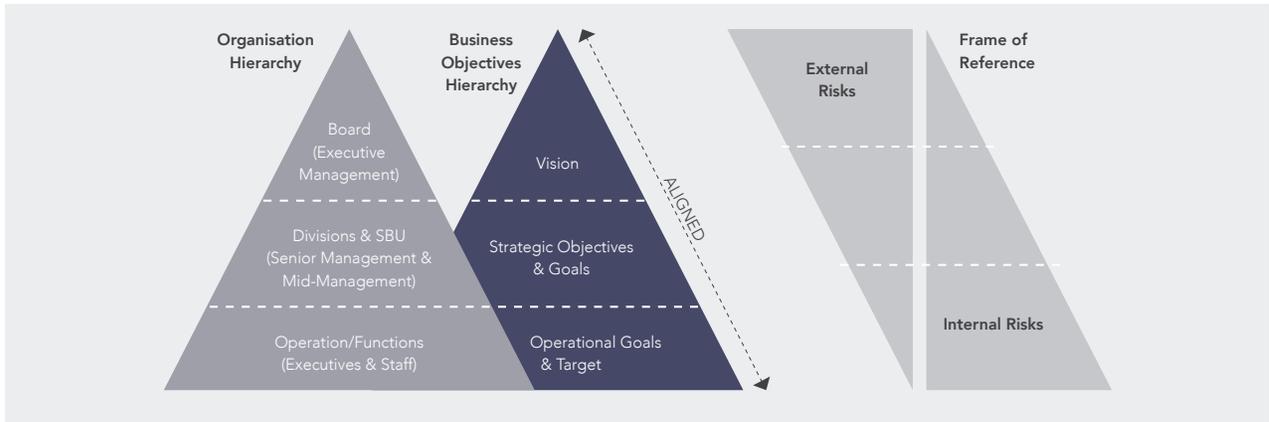
- Communicate the vision, role, direction and priorities to all employees and key stakeholders;
- Identify, assess, treat, report and monitor significant risks in an effective manner;
- Enable systematic risk review and reporting on key risks, existing control measures and any proposed action plans;
- Heightening risk awareness culture in the business processes through risk owners' accountability and sign-off for action plans and continuous monitoring; and
- Compilation of the business units' risk profiles in relation to the Group risk parameters, the top risks from each business segment.

Below are the steps of compilation of risk information conducted within the Group:



The Board retains the overall risk management responsibility in accordance with Best Practice of the Malaysian Institute of Corporate Governance, which requires the Board to identify principal risks and ensure the implementation of appropriate systems to manage these risks.

Statement on Risk Management and Internal Control

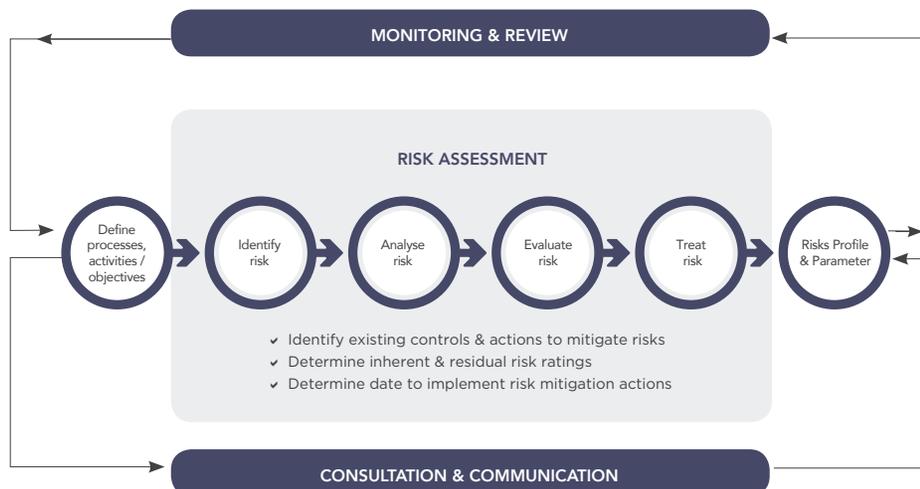


The Board reviews the effectiveness of the risk management and internal control system through the following monitoring and assessment mechanisms:

- Quarterly reviews on the Group’s actual financial and operational performance versus planned performance and other key financial and operational performance indicators.
- Reviews of specific transactions, projects or opportunities are also discussed between the Management and the Board as and when required. This allows the Board and Management to manage potential risks.
- The ARC deliberates and discusses reports issued by the GIA and external auditors pertaining to financial, operational, governance, risk management and control matters. The status of preventive and corrective actions for issues discussed are also updated to the ARC to enable monitoring of the actions.

The responsibility for day-to-day risk management resides with the Management of each business unit where they are the risk owners and are accountable for managing the risks identified and assessed. In managing the risks of the Group, the GIA will collaborate with the Management in reviewing and ensuring that there is on-going monitoring of risks, the adequacy and effectiveness of its related controls, and that action plans are developed and implemented to manage the risks within the acceptable level by the Group.

In this regard, the risk management process has been established to provide the foundations and arrangements for risk owners in identifying, implementing, monitoring, reviewing, and continually improving risk management throughout the company. The process ensures that information about risk is adequately recorded and reported for reference. The Group’s risk assessment process is adopted from the MS ISO 31000:2010 guidelines as depicted below:



Statement on Risk Management and Internal Control

The summary of key risk categories and mitigation measures are as follows:

Key risk category	Our approach
<p>Business and operational: Local and global competition, economic slowdown factors, escalating operational costs, and invasion/demonstration by the local community due to conflict or cultural belief adversely impact the business operations.</p>	<ul style="list-style-type: none"> • Monitor market/ economic conditions. • Strategic business plan based on market conditions. • Costs saving initiatives across the business units. • Key marketing strategy for each division. • Engagement with the local community.
<p>Sustainability: Higher expectation and demand by the stakeholders for company to produce products in a sustainable and responsible manner.</p>	<ul style="list-style-type: none"> • Group Sustainability Committee is tasked to oversee the Group's sustainability initiatives and performance. • Maintain supply chain transparency and adherence to international standards.
<p>Environment: Local and global weather patterns, natural disasters, diseases or crop pests and stringent environmental and conservation regulations.</p>	<ul style="list-style-type: none"> • Flood mitigation measures at flood prone areas. • Establishing a safe wildlife corridor for animals to ensure they do not wander off into communal/estate areas. • Water and waste management. • Adoption of good agricultural practices.
<p>Financial: Volatile exchange rates for import and export and fluctuation in prices.</p>	<ul style="list-style-type: none"> • Continuously manage exposures and long-term asset and liability outlook.
<p>Compliance: Internal and external regulatory requirements.</p>	<ul style="list-style-type: none"> • Compliance of business processes with the relevant laws/ regulations. • Review the Group's policies and procedures from time to time.
<p>Occupational, Safety, and Health: Accident occurs to employees or customers arising from non-compliance with policies and procedures leading to injury or casualty.</p>	<ul style="list-style-type: none"> • Safety, Health & Environment and Emergency Response policies & procedures at the divisional level. • Risk assessment to control the hazard/risk at the workplace. • Creating safety awareness through training. • SHE committee/department to oversee health and safety issues.
<p>Political changes and instability: Investment returns could suffer as a result of political changes or instability in a country.</p>	<ul style="list-style-type: none"> • Engage government and regulators on policy matters at local, provincial and federal levels and provide support of national agendas.
<p>Corporate liability: Bribery and corruption risks.</p>	<ul style="list-style-type: none"> • Adoption of Anti-Bribery Policy. • Whistle-Blowing Policy in place for non-compliance reporting. • Creating awareness through training, both via e-learning and classroom training.

The Group will continuously strengthen its processes to ensure it has Adequate Procedures in place in accordance with the Malaysian Anti-Corruption Commission Act 2009.

Statement on Risk Management and Internal Control

Key risk category	Our approach
Information Technology (IT): System and data security risks (cyber security risk).	<ul style="list-style-type: none"> Internal procedures in place to guide users in maintaining adequate business information (data) and provide guidelines on protection against unauthorised access, use and dissemination of business information. Anti-virus software to protect data against malware and spyware attacks.

The Group's risk management context and accountability framework are expressed as follows:

	Strategic Risks	Operational Risks	Financial Risks
Framework	Strategic risks are primarily risks caused by events that are external to the Group, but have a significant impact on its strategic decisions or activities.	Operational risks are inherent in the continuing activities within the different business units or subsidiaries of the Group.	Financial risk is an umbrella term for multiple types of risk associated with financing, including financial transactions that include the uncertainty of a return and the potential for financial loss.
Exposure	Compliance of regulatory requirements from local and abroad which affected the Group policies and procedures.	Pricing, sourcing of raw material, dependence on single customers and stiff competition are the risks facing the Group.	The Group is exposed to various financial risks relating to bad debts, liquidity, interest rates, foreign exchange and commodity prices.
Accountabilities	Board and Group MD.	Heads of Divisions, Departments and Business Units.	Group MD and CFO cascading to all Heads of Business Units.

Amidst delivering growth for its stakeholders, the Group will continue its focus on sound risk assessment practices and internal control to ensure that the Group is well equipped to manage the various challenges arising from the dynamic business and competitive environment.

6. ANTI-BRIBERY POLICY

In order to strengthen the Group's internal control system, particularly on the corporate liability risk, the Group has adopted an Anti-Bribery Policy which sets out the Group's expectations for internal and external parties working with and for the Group in upholding the Group's commitments and stances against bribery. The Policy is in line with the new section 17A of the Malaysian Anti-Corruption Commission Act 2009 and the Guidelines on Adequate Procedures issued by the Prime Minister's Department as well as other international better practices.

Statement on Risk Management and Internal Control

7. WHISTLE-BLOWING POLICY

A Whistle-Blowing Policy is available which provides all employees and third parties with a grievance mechanism to disclose and report improper conduct. The Policy has been updated on 4 May 2020 to streamline the Policy with the Bursa Listing Requirements in relation to bribery as well as the Guidelines on Adequate Procedures issued by the Prime Minister's Department and the Malaysian Anti-Corruption Commission Act 2009. The Policy can be accessed under the 'Investors' section of the Company's website.

Procedures

Any concerns should be raised with immediate superior. If for any reason, it is believed that this is not possible or appropriate, then the concern should be reported to the Group MD:

Name : Dato' Roslan Bin Hamir
Via Email : whistleblowing@fima.com.my
Via Mail : Kumpulan Fima Berhad
Suite 4.1, Level 4, Block C, Plaza Damansara
No 45, Jalan Medan Setia 1, Bukit Damansara
50490 Kuala Lumpur
Attention: Group Managing Director (to mark as "Strictly Confidential")

In the case where reporting to management is a concern, then the report should be made to the Chairman of ARC. Channel of reporting to the Chairman of ARC is as follows:

Name : Encik Azizan Bin Mohd Noor
Via Email : ac_chairman@fima.com.my
Via Mail : Kumpulan Fima Berhad
Suite 4.1, Level 4, Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1, Bukit Damansara
50490 Kuala Lumpur
Attention: Chairman of Audit and Risk Committee (to mark as "Strictly Confidential")

The above mechanism protects employees and stakeholders who contemplate to "blow the whistle" against any improper conduct or wrongdoing. The confidentiality of all matters raised and the identity of the whistleblower are protected under the policy. As of FYE2020, there is no case reported under whistleblowing.

8. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Bursa Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report for the financial year ended 31 March 2020 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

This statement has been reviewed and approved by the Board of Directors on 24 July 2020.

AZIZAN BIN MOHD NOOR

Chairman
Audit and Risk Committee

Additional Disclosure

Pursuant to the Bursa Listing Requirements, additional disclosure by the Company is as follows:-

Recurrent Related Party Transactions of Revenue or Trading Nature ("RRPT")

RRPT of the Company for the FYE2020 were as follows:-

Name of Companies	Related Parties	Nature of RRPT	Interested Major Shareholder, Directors and Persons Connected to them of KFima	Estimated Annual Value Disclosed in the Preceding Year's Circular RM'000	Actual Value of Transactions During the Financial Year RM'000
KFima ⁽¹⁾ IFC ⁽²⁾	KFima/IFC	Sale of frozen fish	<p>Major Shareholders Roshayati binti Basir⁽³⁾ Rozana Zeti binti Basir⁽⁴⁾</p> <p>Seller: KFima</p> <p>Buyer: IFC</p> <p>Directors Dato' Idris bin Kechot⁽⁵⁾ Dato' Roslan bin Hamir⁽⁶⁾ Rozana Zeti binti Basir⁽⁴⁾ Rozilawati binti Haji Basir⁽⁷⁾ Dato' Rosman bin Abdullah⁽⁸⁾</p> <p>Persons Connected Persons Connected to Major Shareholders (refer to Table A)</p>	45,000	11,159

Notes:

- (1) KFima holds 95.57% effective interest in IFC, by virtue of its 77.85% direct investment and 17.72% indirect investment through Endell Pte Ltd (a company incorporated in the Republic of Singapore), an 80.00% owned subsidiary of Fima Overseas Holdings Sdn. Bhd. which in turn is a wholly-owned subsidiary of KFima;
- (2) IFC's principal activities are in the manufacturing and distribution of canned fish;
- (3) Roshayati binti Basir is sister to Rozana Zeti binti Basir ("Rozana Zeti") and Rozilawati binti Haji Basir ("Rozilawati"). She is also a major shareholder of KFima;
- (4) Rozana Zeti is a Non-Independent Non-Executive Director of KFima and has direct and indirect shareholdings in KFima. She is also a major shareholder of KFima;
- (5) Dato' Idris bin Kechot is a Chairman and Independent Non-Executive of KFima and has direct shareholdings in KFima;
- (6) Dato' Roslan bin Hamir is the Group MD of KFima and Director of IFC and has direct and indirect shareholdings in KFima;
- (7) Rozilawati is a Non-Independent Non-Executive Director of KFima and has direct and indirect shareholdings in KFima; and
- (8) Dato' Rosman bin Abdullah is an Independent Non-Executive Director of KFima and has direct shareholding in KFima.

Additional Disclosure

TABLE A

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Directors				
Dato' Idris bin Kechot	10,000	0.04	0	0
Dato' Roslan bin Hamir	320,000	0.11	⁽¹⁾ 1,291,000	0.46
Rozana Zeti binti Basir	49,250,000	17.45	⁽⁵⁾ 119,900,300	42.48
Rozilawati binti Haji Basir	1,000,000	0.35	⁽⁴⁾⁽⁵⁾ 168,150,300	59.58
Dato' Rosman bin Abdullah	178,400	0.06	0	0
Major Shareholders				
BHR	47,852,300	16.95	⁽²⁾⁽⁴⁾ 101,082,800	35.82
Roshayati binti Basir	49,806,800	17.65	⁽⁵⁾ 119,343,500	42.29
Rozana Zeti binti Basir	49,250,000	17.45	⁽⁵⁾ 119,900,300	42.48
Persons Connected to Directors and/or Major Shareholders of KFima other than disclosed above				
Puan Sri Datin Hamidah binti Abdul Rahman	365,000	0.13	⁽³⁾ 168,785,300	59.80
Ahmad Riza bin Basir	-	-	⁽⁵⁾ 169,150,300	59.93
Zailini binti Zainal Abidin	-	-	⁽⁶⁾ 169,150,300	59.93

Notes:

- (1) Dato' Roslan bin Hamir's indirect shareholding in the Company is held under Maybank Nominees (Tempatan) Sdn Bhd.
- (2) Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir, Rozana Zeti binti Basir and Rozilawati binti Haji Basir's direct and indirect shareholdings, respectively, in the Company. Deemed interested by virtue of their shareholdings in BHR of more than 20%.
- (3) Puan Sri Datin Hamidah binti Abdul Rahman is the mother of Roshayati binti Basir, Rozilawati binti Haji Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir. Deemed interested by virtue of her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.
- (4) Rozilawati binti Haji Basir's indirect shareholdings in the Company are held under M&A Nominee (Tempatan) Sdn Bhd (461,000 ordinary shares) and CGS-CIMB Nominees (Tempatan) Sdn Bhd (200,000 ordinary shares).
- (5) Deemed interested by virtue that:
 - (i) Puan Sri Datin Hamidah binti Abdul Rahman is the mother of Roshayati binti Basir, Rozilawati binti Haji Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir and her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.
 - (ii) Roshayati binti Basir, Rozilawati binti Haji Basir and Rozana Zeti binti Basir are sisters and their shareholdings in BHR of more than 20%. Roshayati and Rozana Zeti are major shareholders of KFima.
 - (iii) Ahmad Riza bin Basir is the son of Puan Sri Datin Hamidah binti Abdul Rahman and brother of Roshayati binti Basir, Rozilawati binti Haji Basir and Rozana Zeti binti Basir and:
 - (a) His indirect shareholdings in the Company which are held through M&A Nominee (Tempatan) Sdn. Bhd. of 360,000 (or 0.13%) and Subur Rahmat Sdn. Bhd. (SRSB) pursuant to Section 8 of the Act. SRSB holds 11,509,200 (or 4.09%) and 8,706,000 (or 3.09%) direct and indirect interests, respectively in KFima.
 - (b) His wife, Zailini binti Zainal Abidin's shareholding in SRSB pursuant to Section 8 of the Act and her indirect shareholding in KFima.
- (6) Zailini binti Zainal Abidin is deemed interested by virtue of her shareholding in SRSB pursuant to Section 8 of the Act; and wife of Ahmad Riza bin Basir.

Statement of Directors' Responsibilities

In Relation to the Audited Financial Statements

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the result of the Company and the Group for the year then ended.

In preparing the financial statements, the Directors have consistently applied appropriate accounting policies supported by reasonable and prudent judgements, estimates and complied with all applicable accounting standards.

The Directors have responsibility for ensuring that the Company and the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act, 2016.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and the Group and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board dated 24 July 2020.

FINANCIAL STATEMENTS

118	Directors' Report
127	Statement by Directors
127	Statutory Declaration
128	Independent Auditors' Report
132	Statements of Comprehensive Income
134	Statements of Financial Position
136	Statements of Changes in Equity
139	Statements of Cash Flows
143	Notes to the Financial Statements

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment and property holding.

The principal activities of the subsidiaries and the associates are described in Notes 44 and 45 respectively to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	27,468	30,572
Profit attributable to:		
- Equity holders of the Company	29,214	30,572
- Non-controlling interests	(1,746)	-
	27,468	30,572

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the financial statements.

DIVIDENDS

The amount of dividend paid by the Company since 31 March 2019 was as follows:

	RM'000
In respect of the financial year ended 31 March 2019 as reported in the directors' report for that year:	
Single-tier final dividend of 9.0 sen, paid on 7 October 2019	25,295

Subsequent to the financial year end, on 23 June 2020, the directors declared a single-tier interim dividend in respect of the current financial year ended 31 March 2020 of 9.0 sen per share on 282,231,600 shares, amounting to a total of approximately RM25,227,000, payable on 14 September 2020.

Directors' Report

DIVIDENDS (CONT'D.)

The financial statements for the current financial year ended 31 March 2020 do not reflect this dividend. This dividend will be accounted for in shareholders' equity as appropriation of retained earnings in the financial year ending 31 March 2021.

The directors do not recommend the payment of any final dividend in respect of the current financial year.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Dato' Idris bin Kechot	(Chairman)
Dato' Roslan bin Hamir *	(Group Managing Director)
Azizan bin Mohd Noor *	
Rozana Zeti binti Basir *	
Dato' Rosman bin Abdullah	
Rozilawati binti Haji Basir	
Datuk Anuar bin Ahmad	

* Directors of the Company and subsidiaries

In accordance with Article 102 of the Company's Constitution, Encik Azizan bin Mohd Noor and Puan Rozana Zeti binti Basir shall retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

The names of the other directors of the subsidiaries of the Company in office since the beginning of the financial year to the date of this report are:

Datu Abdul Rashid bin Mohd Azis
Datu Abdul Razak Tready
Abdul Khudus bin Mohd Naaim
Ab Aziz bin Yunus
Dato' Adnan bin Shamsuddin
Dato' Ahmad bin Ibrahim
Ahmad Sujaie bin Nanyan
Ali bin Khamis
Asmi binti Andi Yakin
Azmi bin Bujang
Che Norudin bin Che Alli
Chung Ming Chong @ Min Tjong
Dzakwan bin Mansori
Fadzil bin Azaha
Dato' Ishak bin Mokhtar
Jasmin binti Hood
Lee San Yee

Directors' Report

DIRECTORS (CONT'D.)

The names of the other directors of the subsidiaries of the Company in office since the beginning of the financial year to the date of this report are:(cont'd.)

Mahbob bin Abdullah

Mahmud bin Ibrahim

Mazlan bin Daud

Mohd Adizuraimin bin Mohd Affandi

Mohamad Jamil bin Zolkify

Mohd Yusof bin Pandak Yatim

Moses Murray

Muhammad Ramli

Nazaruddin bin Mohd Hadri

Nik Mahmood bin Nik Hassan

Rezal Zain bin Abdul Rashid

Dr. Roshayati binti Basir

Yahya bin Ibrahim

(Alternate Director to Dato' Ahmad bin Ibrahim)

Rosely bin Kusip

Datuk Bazlan bin Osman

Irman bin Abdul Shukor

(Appointed on 29 November 2019)

Muhammad Fadzilah bin Abdul Ra'far

(Appointed on 29 November 2019)

Mohd Rizal bin Mat Nor

(Resigned on 9 June 2020)

Dato' Ahmad Faizel bin Abdul Karim

(Resigned on 6 July 2020)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other corporate body.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than as disclosed in Note 39 to the financial statements.

The directors' remuneration of the Group and of the Company are as follows:

	Group	Company
	RM'000	RM'000
Directors' remuneration	6,015	1,578

Directors' Report

INDEMNITIES TO DIRECTORS OR OFFICERS

During the financial year, the directors and officers of the Group and of the Company are covered under the Directors & Officers Management Liability Insurance ("D&O Insurance") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the directors and officers of the Group and of the Company subject to the terms of the D&O Insurance.

The total insured limit of D&O Insurance effected for the directors and officers of the Group and of the Company was RM20 million in any one claim and in the aggregate for all claims (including deference costs). Expenses incurred on indemnity given or insurance effected for any director and officer of the Group and of the Company during the financial year amounted to RM42,400.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests and deemed interests of directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year were as follows:

	← Number of ordinary shares →			
	1 April 2019	Bought	Transferred	31 March 2020
The Company				
Direct interest				
Dato' Idris bin Kechot	-	10,000	-	10,000
Dato' Roslan bin Hamir	320,000	-	-	320,000
Dato' Rosman bin Abdullah	-	178,400	-	178,400
Rozana Zeti binti Basir	250,000	-	49,000,000	49,250,000
Rozilawati binti Haji Basir	-	-	1,000,000	1,000,000
Indirect interest				
Dato' Roslan bin Hamir ⁽¹⁾	1,291,000	-	-	1,291,000
Rozana Zeti binti Basir ⁽²⁾	168,779,400	120,900	(49,000,000)	119,900,300
Rozilawati binti Haji Basir ⁽²⁾⁽³⁾	169,029,400	120,900	(1,000,000)	168,150,300
Fima Corporation Berhad - Subsidiary company				
Direct interest				
Rozilawati binti Haji Basir	-	-	1,321,500	1,321,500
Indirect interest				
Dato' Roslan bin Hamir ⁽⁴⁾	601,800	-	-	601,800
Rozana Zeti binti Basir ⁽⁵⁾	150,551,258	-	-	150,551,258
Rozilawati binti Haji Basir ⁽⁵⁾	150,551,258	-	(1,321,500)	149,229,758

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

	Number of ordinary shares			31 March 2020
	1 April 2019	Bought	Sold	
BHR Enterprise Sdn. Bhd. - Corporate shareholder				
Direct interest				
Rozana Zeti binti Basir	19,060,163	-	-	19,060,163
Rozilawati binti Haji Basir	19,060,163	-	-	19,060,163
Indirect interest				
Rozana Zeti binti Basir ⁽⁶⁾	38,120,326	-	-	38,120,326
Rozilawati binti Haji Basir ⁽⁷⁾	38,120,326	-	-	38,120,326

	Number of preference shares			31 March 2020
	1 April 2019	Bought	Sold	
BHR Enterprise Sdn. Bhd. - Corporate shareholder				
Indirect interest				
Rozana Zeti binti Basir ⁽⁸⁾	4	-	-	4
Rozilawati binti Haji Basir ⁽⁸⁾	4	-	-	4

	Number of ordinary shares			31 March 2020
	1 April 2019	Bought	Transferred	
Nationwide Express Holding Berhad - Related company				
Direct interest				
Rozana Zeti binti Basir ⁽⁹⁾	-	-	27,000,000	27,000,000
Indirect interest				
Rozana Zeti binti Basir ⁽⁹⁾	72,761,870	278,800	(27,000,000)	46,040,670
Rozilawati binti Haji Basir ⁽¹⁰⁾	72,761,870	278,800	-	73,040,670

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

- (1) 1,291,000 ordinary shares are held under Maybank Nominees Tempatan Sdn. Bhd..
- (2) Rozana Zeti binti Basir ("Rozana Zeti") and Rozilawati binti Haji Basir ("Rozilawati") are deemed interested by virtue of the following:
 - (i) Their shareholdings in BHR Enterprise Sdn. Bhd. ("BHR") of more than 20%. BHR is the major shareholder of the Company;
 - (ii) Their mother, Puan Sri Datin Hamidah binti Abdul Rahman's shareholding in the Company and her shareholding of preference shares in BHR;
 - (iii) Their sister, Dr. Roshayati binti Basir's ("Roshayati") direct shareholding in the Company and her shareholding in BHR of more than 20%. Roshayati is the major shareholder of the Company; and
 - (iv) Their brother, Ahmad Riza bin Basir ("Ahmad Riza") and his wife, Zailini binti Zainal Abidin's indirect shareholdings in the Company which are held through M&A Nominees (Tempatan) Sdn. Bhd. and Subur Rahmat Sdn Bhd ("SRSB"). Ahmad Riza and his wife are deemed interested by virtue of their interest in SRSB pursuant to Section 8 of the Companies Act, 2016.
- (3) Deemed interested by virtue of Rozilawati's indirect shareholdings in the Company. The 461,000 ordinary shares and 200,000 ordinary shares are held under M&A Nominees (Tempatan) Sdn. Bhd. and CGS-CIMB Nominees (Tempatan) Sdn. Bhd., respectively. Rozilawati is the sister of Rozana Zeti.
- (4) 601,800 shares are held under Maybank Nominees (Tempatan) Sdn. Bhd..
- (5) Rozana Zeti and Rozilawati deemed interested in Fima Corporation Berhad ("FCB") by virtue of:
 - (i) Fima Metal Box Holdings Sdn. Bhd.'s ("Fima Metal Box") direct shareholding in FCB. Fima Metal Box is a wholly-owned subsidiary of the Company and is a major shareholder of FCB;
 - (ii) BHR direct shareholding of interest in FCB; and
 - (iii) Their sister, Roshayati and their mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholdings in FCB.
- (6) Deemed interested by virtue of Rozilawati and Roshayati's direct shareholdings in BHR. Rozilawati and Roshayati are sisters of Rozana Zeti.
- (7) Deemed interested by virtue of Rozana Zeti and Roshayati's direct shareholdings in BHR. Rozana Zeti and Roshayati are sisters of Rozilawati.
- (8) Rozana Zeti and Rozilawati are deemed interested by virtue of their mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding of preference shares in BHR.

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

- (9) Rozana Zeti is deemed interested by virtue of the following:
- (i) Her shareholdings in BHR of more than 20%. BHR is the substantial shareholder of Nationwide Express Holding Berhad ("NEHB");
 - (ii) Her mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding in NEHB; and
 - (iii) Her sister, Rozilawati's indirect shareholding of 3,806,512 held under M&A Nominees (Tempatan) Sdn. Bhd..
- (10) Rozilawati is deemed interested by virtue of the following:
- (i) Her shareholding in BHR of more than 20%. BHR is a substantial shareholder of Nationwide Express Holding Berhad ("NEHB");
 - (ii) Her mother, Puan Sri Datin Hamidah binti Abdul Rahman's and her sisters, Dr. Roshayati binti Basir's and Puan Rozana's direct shareholding in NEHB. Dr Roshayati and Puan Rozana are also the major shareholders of NEHB; and
 - (iii) Her indirect shareholding of 3,806,512 held under M&A Nominees (Tempatan) Sdn. Bhd..

Rozilawati and Rozana Zeti, by virtue of their interests in shares of the Company, are also deemed to be interested in shares of all the subsidiaries of the Company to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

TREASURY SHARES

During the financial year, the Company bought back 1,170,600 of its issued ordinary shares.

As at 31 March 2020, the Company held as treasury shares a total of 1,933,000 of its 282,231,600 issued ordinary shares. Such treasury shares are held at a carrying amount of approximately RM2,972,000. Further details are disclosed in Note 28 to the financial statements.

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for impairment on receivables and satisfied themselves that there were no known bad debts and that adequate provision for impairment had been made for receivables; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D.)

- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of provision for impairment on receivables in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors:
- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENT

Details of the significant event is disclosed in Note 47 to the financial statements.

Directors' Report

SUBSEQUENT EVENT

Details of the subsequent event is disclosed in Note 37(b) to the financial statements.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors remuneration of the Group and of the Company are as follows:

	Group	Company
	RM'000	RM'000
Ernst & Young PLT	1,048	134
Other auditors	12	-
	1,060	134

No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 July 2020.

Dato' Idris bin Kechot

Dato' Roslan bin Hamir

Statement By Directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, Dato' Idris bin Kechot and Dato' Roslan bin Hamir, being two of the directors of Kumpulan Fima Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 132 to 219 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 July 2020.

Dato' Idris bin Kechot

Dato' Roslan bin Hamir

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Fadzil bin Azaha, being the officer primarily responsible for the financial management of Kumpulan Fima Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 132 to 219 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Fadzil bin Azaha
at Kuala Lumpur in the Federal Territory
on 24 July 2020

Fadzil bin Azaha
CA 20995

Before me,

Commissioner for Oaths

Independent Auditors' Report

To the members of Kumpulan Fima Berhad (Incorporated in Malaysia)

Report on the financial statements

Opinion

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 March 2020 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 132 to 219.

In our opinion, the accompanying financial statements of the Group and the Company give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standard ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the financial statements of the Group is described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition (Refer to Note 3 to the financial statements)

Revenue from production of security documents, net sale of oil palm products, sales of food products and provision of bulking services recognised by the Group amounted to approximately RM134 million, RM123.5 million, RM131.8 million and RM106.6 million respectively. Given its magnitude and significant volume of transactions involved, revenue recognition is identified as an area of focus in our audit.

Independent Auditors' Report

To the members of Kumpulan Fima Berhad (Incorporated in Malaysia)

Key Audit Matters (cont'd.)

Revenue recognition (cont'd.)
(Refer to Note 3 to the financial statements)

As part of our audit, we performed the following procedures to address the possible cause of revenue misstatement, particularly in respect of the timing and amount of revenue recognised:

- (a) Obtained an understanding of the Group's relevant internal controls and tested the controls over timing and amount of revenue recognised;
- (b) Inspected the terms of significant sales contracts to determine the point of transfer of control to customers;
- (c) Inspected documents evidencing the delivery of goods to customers; and
- (d) Tested the recording of sales transactions close to the year end, including credit notes issued after year end, to establish whether the transactions were recorded in the correct accounting period.

Impairment assessment of property, plant and equipment and right-of-use (arising from litigation on PT Nunukan Jaya Lestari's land (Refer to Note 14, Note 15 and Note 46 (a) to the financial statements))

In accordance with MFRS136: Impairment of Assets, the Group is required to perform impairment test of assets whenever there is an indication that the assets may be impaired by comparing the carrying amount with its recoverable amount.

As disclosed in Note 46 (a) to the financial statements, as at 31 March 2020, the unfavourable outcome arising from the judicial review dated 27 November 2019 against a subsidiary of Fima Corporation Berhad located in Indonesia, namely PT Nunukan Jaya Lestari ("PTNJL") by the Minister of Agrarian Affairs and Spatial Planning, pertaining to the legality of certain areas within the plantation land occupied by PTNJL ("Judicial Review Outcome"), represents an indication of impairment.

Consequent to the Judicial Review Outcome, management has considered and recorded impairment loss on the affected property, plant and equipment ("PPE") and right-of-use ("ROU"). During the financial year, the management recognized impairment losses on the PPE and the ROU of RM8.9 million and RM8.9 million respectively. As at 31 March 2020, the accumulated impairment losses of PTNJL's PPE and ROU amounted to RM17.93 million and RM11.98 million respectively. Given the significance of the matter, we identified this as an area of focus in our audit.

We performed amongst others the following audit procedures:

- (a) Discussed and considered the impact of the Judicial Review Outcome with management personnel responsible for managing the Group's legal matters, PTNJL's legal advisor, component auditor and with those charged with governance;
- (b) Discussed and considered the component auditor's assessment of the objectivity, independence and expertise of the legal advisor engaged by the PTNJL. We have also reviewed the opinion rendered by the legal advisor;
- (c) Reviewed the list of the affected PPE and ROU and the computation of the impairment losses thereon; and
- (d) Evaluated the adequacy of the disclosures of the Judicial Review Outcome giving rise to the impairment loss.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditors' Report

To the members of Kumpulan Fima Berhad (Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon (cont'd.)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company so as to give a true and fair view in accordance with MFRS, IFRS and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine are necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors, either intend to liquidate the Group or the Company or cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding on internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditors' Report

To the members of Kumpulan Fima Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the consolidated financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd.)

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for current year and are therefore the key audit matters. We describe these matters in auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 44 to the financial statements.

Other matters

- (a) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purposes. We do not assume responsibility to any other person for the content of this report.
- (b) The financial statement of Kumpulan Fima Berhad for the year ended 31 March 2019, were audited by another auditor which is also a member of the global network of Ernst & Young firms.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Najihah Binti Khalid
No. 03249/10/2020 J
Chartered Accountant

Kuala Lumpur, Malaysia
24 July 2020

Statements of Comprehensive Income

For the financial year ended 31 March 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Revenue from contracts with customers	3	495,741	464,587	11,159	10,593
Rental income	16 (d)	5,160	4,886	529	565
Dividend income		-	-	38,390	51,453
Revenue		500,901	469,473	50,078	62,611
Cost of sales	4	(329,563)	(278,854)	(10,921)	(10,551)
Gross profit		171,338	190,619	39,157	52,060
Other income	5	11,798	9,762	5,378	12,923
Other items of expense					
Administrative expenses		(81,260)	(76,760)	(10,857)	(10,374)
Selling and marketing expenses		(12,724)	(12,283)	-	-
Other operating expenses		(17,131)	(20,607)	-	-
Net (impairment losses)/write back of impairment losses	8	(17,667)	25,149	(1,004)	1,855
		(128,782)	(84,501)	(11,861)	(8,519)
Finance costs	9	(4,486)	(1,925)	(1,877)	(1,748)
Share of results of associates		1,963	930	-	-
Profit before tax	10	51,831	114,885	30,797	54,716
Income tax expense	11	(24,363)	(29,677)	(225)	(1,712)
Profit net of tax		27,468	85,208	30,572	53,004
Other comprehensive (expense)/income, net of tax:					
<i>Item that will be subsequently reclassified to profit or loss:</i>					
Foreign exchange translation (loss)/gain		(5,446)	14,857	-	-
Remeasurement of defined benefit liability		(151)	82	-	-
Total comprehensive income for the year		21,871	100,147	30,572	53,004

Statements of Comprehensive Income

For the financial year ended 31 March 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit attributable to:					
Equity holders of the Company		29,214	59,840	30,572	53,004
Non-controlling interests		(1,746)	25,368	-	-
Profit for the year		27,468	85,208	30,572	53,004
Total comprehensive income attributable to:					
Equity holders of the Company		25,746	74,127	30,572	53,004
Non-controlling interests		(3,875)	26,020	-	-
Total comprehensive income for the year		21,871	100,147	30,572	53,004
Earnings per share attributable to equity holders of the Company (sen per share):					
Basic	12	10.40	21.25		
Diluted	12	10.40	21.25		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 March 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Assets					
Non-current assets					
Property, plant and equipment	14	366,672	548,078	16,281	41,148
Right-of-use assets	15	210,487	-	26,592	-
Investment properties	16	63,554	65,191	3,019	3,058
Investments in subsidiaries	17	-	-	397,578	197,872
Investments in associates	18	33,237	31,274	1,630	2,251
Goodwill on consolidation	19	12,710	12,710	-	-
Deferred tax assets	34	8,718	11,207	-	-
		695,378	668,460	445,100	244,329
Current assets					
Inventories	20	75,473	104,669	-	-
Biological assets	21	6,865	4,504	-	-
Trade receivables	22	140,555	129,159	2	-
Other receivables	23	39,315	36,789	1,572	1,400
Due from subsidiaries	24	-	-	53,734	248,909
Short term cash investments	25	171,591	148,122	3,061	-
Cash and bank balances	26	124,329	142,196	11,005	17,179
		558,128	565,439	69,374	267,488
Total assets		1,253,506	1,233,899	514,474	511,817
Equity and liabilities					
Equity attributable to equity holder of the Company					
Share capital	27	311,670	311,670	311,670	311,670
Treasury shares	28	(2,972)	(1,143)	(2,972)	(1,143)
Other reserves	29	55,716	59,063	-	-
Retained earnings	30	437,360	433,562	157,134	151,857
		801,774	803,152	465,832	462,384
Non-controlling interests		236,897	253,807	-	-
Total equity		1,038,671	1,056,959	465,832	462,384

Statements of Financial Position

As at 31 March 2020

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current liabilities					
Lease liabilities	31	48,648	-	1,599	-
Finance lease obligations	32	-	14,868	-	-
Retirement benefit obligations	33	2,073	1,831	-	-
Deferred tax liabilities	34	43,251	42,031	5,751	5,857
		93,972	58,730	7,350	5,857
Current liabilities					
Lease liabilities	31	11,789	-	837	-
Finance lease obligations	32	-	643	-	-
Short term borrowings	35	33,490	34,506	33,490	34,506
Trade and other payables	36	63,217	63,673	2,447	2,252
Provisions	37	8,765	11,999	-	-
Due to subsidiaries	24	-	-	4,518	6,818
Tax payable		3,602	7,389	-	-
		120,863	118,210	41,292	43,576
Total liabilities		214,835	176,940	48,642	49,433
Total equity and liabilities		1,253,506	1,233,899	514,474	511,817
Net assets per share (RM)		2.84	2.85	1.65	1.64

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 March 2020

Group	Note	Total equity RM'000	Equity attributable to equity holders of the Company, total RM'000	Non-distributable	
				Share capital RM'000	Treasury shares RM'000
2020					
At 1 April 2019		1,056,959	803,152	311,670	(1,143)
Total comprehensive income for the year		21,871	25,746	-	-
Transactions with equity holders					
Dividends	13	(25,295)	(25,295)	-	-
Dividend paid to minority shareholders of a subsidiary		(11,560)	-	-	-
Purchase of treasury shares		(3,304)	(1,829)	-	(1,829)
Total transactions with equity holders		(40,159)	(27,124)	-	(1,829)
At 31 March 2020		1,038,671	801,774	311,670	(2,972)
2019					
At 1 April 2018		999,925	755,081	311,670	(440)
Total comprehensive income for the year		100,147	74,127	-	-
Transactions with equity holders					
Dividends	13	(25,353)	(25,353)	-	-
Dividend paid to minority shareholders of a subsidiary		(15,488)	-	-	-
Purchase of treasury shares		(2,272)	(703)	-	(703)
Total transactions with equity holders		(43,113)	(26,056)	-	(703)
At 31 March 2019		1,056,959	803,152	311,670	(1,143)

Statements of Changes in Equity

For the financial year ended 31 March 2020

Attributable to equity holders of the Company						
Distributable		Non-distributable				
Retained earnings RM'000	Other reserves, total (Note 29) RM'000	Capital reserve RM'000	Foreign currency translation reserve RM'000	Capital reserve arising from bonus issue in subsidiary RM'000	Non-controlling interests RM'000	
433,562	59,063	437	(7,833)	66,459	253,807	
29,093	(3,347)	-	(3,347)	-	(3,875)	
(25,295)	-	-	-	-	-	
-	-	-	-	-	(11,560)	
-	-	-	-	-	(1,475)	
(25,295)	-	-	-	-	(13,035)	
437,360	55,716	437	(11,180)	66,459	236,897	
398,993	44,858	437	(22,038)	66,459	244,844	
59,922	14,205	-	14,205	-	26,020	
(25,353)	-	-	-	-	-	
-	-	-	-	-	(15,488)	
-	-	-	-	-	(1,569)	
(25,353)	-	-	-	-	(17,057)	
433,562	59,063	437	(7,833)	66,459	253,807	

Statements of Changes in Equity

For the financial year ended 31 March 2020

Company	Note	Non-distributable		Distributable	
		Total equity RM'000	Share capital	Treasury shares RM'000	Retained earnings RM'000
2020					
At 1 April 2019		462,384	311,670	(1,143)	151,857
Total comprehensive income for the year		30,572	-	-	30,572
Transactions with equity holders					
Dividends	13	(25,295)	-	-	(25,295)
Purchase of treasury shares		(1,829)	-	(1,829)	-
Total transactions with equity holders		(27,124)	-	(1,829)	(25,295)
At 31 March 2020		465,832	311,670	(2,972)	157,134
2019					
At 1 April 2018		435,436	311,670	(440)	124,206
Total comprehensive income for the year		53,004	-	-	53,004
Transactions with equity holders					
Dividends	13	(25,353)	-	-	(25,353)
Purchase of treasury shares		(703)	-	(703)	-
Total transactions with equity holders		(26,056)	-	(703)	(25,353)
At 31 March 2019		462,384	311,670	(1,143)	151,857

Statements of Cash Flows

For the financial year ended 31 March 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash flows from operating activities				
Profit before tax	51,831	114,885	30,797	54,716
Adjustments for:				
Depreciation of:				
- Property, plant and equipment	22,858	25,417	178	666
- Right-of-use assets	15,990	-	1,330	-
- Investment properties	1,637	1,638	39	38
Fair value changes on biological assets	(2,705)	744	-	-
Dividend income	-	-	(38,390)	(51,453)
Impairment loss on:				
- Property, plant and equipment	8,940	-	-	-
- Right-of-use assets	8,851	-	-	-
- Trade receivables	593	1,041	-	-
- Other receivables	630	852	-	-
- Investment in subsidiaries - advances	-	-	383	-
- Investment in an associate	-	-	621	-
Interest expense	4,486	1,925	1,877	1,748
Profit income	(1,030)	(1,067)	(69)	(117)
Interest income	(1,247)	(2,894)	(2,054)	(10,885)
Distribution from short term cash investments	(5,710)	(4,183)	(222)	(276)
Net gain on disposal of property, plant and equipment	(95)	(46)	-	(39)
Net unrealised forex (gain)/loss	(4,655)	(4,232)	(60)	91
Provision for retirement benefit obligations	273	240	-	-
Net reversal of provision for warranty	(1,114)	(769)	-	-
Reversal of provision for compensation claim	(2,120)	-	-	-
Share of results of associates	(1,963)	(930)	-	-
Write back of impairment loss on:				
- Property, plant and equipment	-	(23,631)	-	-
- Trade receivables	(1,347)	(932)	-	-
- Other receivables	-	(2,479)	-	-
- Amount due from subsidiaries	-	-	-	(1,855)
Write down/(back) of inventories	1,959	(810)	-	-
Operating profit/(loss) before working capital changes	96,062	104,769	(5,570)	(7,366)

Statements of Cash Flows

For the financial year ended 31 March 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash flows from operating activities (cont'd.)				
Operating profit/(loss) before working capital changes (cont'd.)	96,062	104,769	(5,570)	(7,366)
Decrease/(increase) in inventories	27,237	(26,435)	-	-
(Increase)/decrease in receivables	(11,217)	15	(192)	1
Decrease/(increase) in net amount due from related companies	-	-	195,167	(29,466)
(Decrease)/increase in payables	(456)	(1,371)	195	419
Cash generated from/(used in) operations	111,626	76,978	189,600	(36,412)
Interest paid	(1,734)	(1,925)	(1,734)	(1,748)
Taxes paid	(27,616)	(22,132)	(313)	(1,714)
Retirement benefits paid	(77)	(141)	-	-
Net cash generated from/(used in) operating activities	82,199	52,780	187,553	(39,874)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	2,698	72	-	39
Net (placement)/withdrawal of short term cash investments	(23,469)	(96,236)	(3,061)	8,003
Acquisition of treasury shares	(1,829)	(703)	(1,829)	(703)
Purchase of property, plant and equipment	(32,599)	(40,467)	(88)	(329)
Net dividends received	-	13,303	38,390	51,453
Profit income received	1,030	1,067	69	117
Interest received	1,247	2,894	2,054	10,885
Distribution received from short term cash investments	5,710	4,183	222	276
Net cash (used in)/generated from investing activities	(47,212)	(115,887)	35,757	69,741

Statements of Cash Flows

For the financial year ended 31 March 2020

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash flows from financing activities				
Net (repayment)/drawdown of short term borrowings	(1,016)	1,087	(1,016)	1,087
Subscription of redeemable preference shares	-	-	(202,321)	-
Repayment of lease liability	(12,520)	-	(852)	-
Repayment of obligation under finance lease	-	(865)	-	-
Dividends paid to equity holders	(25,295)	(25,353)	(25,295)	(25,353)
Dividends paid by a subsidiary to non-controlling interests of a subsidiary	(11,560)	(15,488)	-	-
Net cash used in financing activities	(50,391)	(40,619)	(229,484)	(24,266)
Net (decrease)/increase in cash and cash equivalents	(15,404)	(103,726)	(6,174)	5,601
Effect of foreign exchange rate changes in cash and cash equivalents	(2,463)	10,625	-	-
Cash and cash equivalents at beginning of year	142,196	235,297	17,179	11,578
Cash and cash equivalents at end of year (Note 26)	124,329	142,196	11,005	17,179

Statements of Cash Flows

For the financial year ended 31 March 2020

Reconciliation of liabilities arising from financing activities:

2020	1 April 2019 RM'000	Effects of MFRS 16 adoption RM'000	Paid RM'000	Drawdown RM'000	Interest expense RM'000	31 March 2020 RM'000
Group						
Lease liabilities	-	70,205	(12,520)	-	2,752	60,437
Finance lease obligations	15,511	(15,511)	-	-	-	-
Borrowings	34,506	-	(6,016)	5,000	-	33,490
Company						
Lease liabilities	-	3,145	(852)	-	143	2,436
Borrowings	34,506	-	(6,016)	5,000	-	33,490

2019	1 April 2018 RM'000	Effects of MFRS 16 adoption RM'000	Paid RM'000	Drawdown RM'000	Interest expense RM'000	31 March 2019 RM'000
Group						
Finance lease obligations	16,199	-	(865)	-	177	15,511
Borrowings	33,419	-	(13,760)	14,847	-	34,506
Company						
Borrowings	33,419	-	(13,760)	14,847	-	34,506

Notes to the Financial Statements

As at 31 March 2020

1. Corporate information

The principal activities of the Company are those of investment and property holding. The principal activities of the subsidiaries and the associates are described in Notes 44 and 45, respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are expressed in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except where otherwise indicated.

2.2 Changes in accounting policies arising from adoption of new MFRSs, amendments to MFRSs and IC Interpretations

(a) Changes in accounting policies

The accounting policies adopted are consistent with those of the preceding year except as follows:

On 1 April 2019, the Group adopted the following new standards, IC Interpretation and amendments mandatory for annual financial periods beginning on or after 1 January 2019.

Description	Effective for financial periods beginning on or after
MFRS 16 Leases	1 January 2019
Amendments to MFRS 9: Prepayment feature with compensation	1 January 2019
Amendment to MFRS 119: Plan amendment, curtailment or settlement	1 January 2019
Amendments to MFRS 128: Long term interests in associates and joint ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 – 2017 Cycle	1 January 2019
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies arising from adoption of new MFRSs, amendments to MFRSs and IC Interpretations (cont'd.)

(a) Changes in accounting policies (cont'd.)

Adoption of the above standards did not have material effect on the financial performance or position of the Group and the Company except as disclosed below:

MFRS 16 Leases

The Group and the Company adopted MFRS 16 Leases using the modified retrospective method of adoption with the date of initial application of 1 April 2019. In accordance with the transition requirements under Appendix C, paragraph 7(c) of this Standard, comparatives are not restated.

As a result of adoption of MFRS 16 Leases, the existing requirements for a lessee to distinguish between finance leases and operating leases under MFRS 117 Leases are no longer required. This Standard introduces a single accounting model, requiring the lessee to recognise the right-of-use of the underlying lease asset and the future lease payments liabilities in the statements of financial position. For a lessor, MFRS 16 Leases continues to allow the lessor to classify leases as either operating leases or finance leases and to account for these two types of leases differently.

The following table presents the impact of changes to the statement of financial position of the Group and of the Company resulting from the adoption of MFRS 16 Leases as at 1 April 2019:

	As at 31 March 2019 RM'000	Effects of MFRS 16 adoption RM'000	As at 1 April 2019 RM'000
Group			
Non-current assets			
Property, plant and equipment	548,078	(180,757)	367,321
Right-of-use assets (a)	-	235,451	235,451
	548,078	54,694	602,772
Current liabilities			
Lease liabilities (b)	-	9,611	9,611
Finance lease obligations	643	(643)	-
	643	8,968	9,611
Non-current liabilities			
Lease liabilities (b)	-	60,594	60,594
Finance lease obligations	14,868	(14,868)	-
	14,868	45,726	60,594

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.2 Changes in accounting policies arising from adoption of new MFRSs, amendments to MFRSs and IC Interpretations (cont'd.)

(a) Changes in accounting policies (cont'd.)

Company	As at 31 March 2019 RM'000	Effects of MFRS 16 adoption RM'000	As at 1 April 2019 RM'000
Non-current assets			
Property, plant and equipment	41,148	(24,777)	16,371
Right-of-use assets (a)	-	27,922	27,922
	41,148	3,145	44,293
Current liabilities			
Lease liabilities (b)	-	710	710
Non-current liabilities			
Lease liabilities (b)	-	2,435	2,435

Note:

- (a) The right-of-use assets comprise of land, buildings and barge which were recognised during the year. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The right-of-use assets of the Group and the Company are measured at amount equal to the lease liabilities of RM54,694,000 and RM3,145,000 respectively on the date of transition and reclassification from leased assets of RM180,757,000 and RM24,777,000 respectively, previously recognised in the financial statement.
- (b) The lease liabilities arising from the rental of premises are recognised and discounted using the Company's incremental borrowing rate of 4.84% - 6.56%. Subsequent to initial recognition, the Company measures the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.
- (c) There is no impact to the Group and the Company's retained earnings as at 1 April 2019.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual period beginning on or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual improvements to MFRS 2018 - 2020	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements to the period of initial application.

2.4 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

A subsidiary company is an entity over which the Group has the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

(i) Subsidiaries (cont'd.)

A subsidiary company is an entity over which the Group has the following (cont'd.):

- (iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the reporting date. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has the following:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

(ii) Basis of consolidation (cont'd.)

Subsidiary companies are consolidated when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary company, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary company and any non-controlling interest, is recognised in profit or loss. The subsidiary company's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary company at the date control is lost is regarded as the cost on initial recognition of the investment.

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed off and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability. It will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

(ii) Basis of consolidation (cont'd.)

Business combinations (cont'd.)

If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary company acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.4(e).

(b) Transaction with non-controlling interests

Non-controlling interests at the reporting date, being the portion of the net assets of subsidiary companies attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiary companies, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between the non-controlling interests and the equity shareholders of the Company.

Losses applicable to the non-controlling interest in a subsidiary company are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats all changes in its ownership interest in a subsidiary company that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(c) Investment in associate companies

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investment in associate are accounted for using the equity method. Under the equity method, the investment in associate is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associated company are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associate are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Revenue recognition

Revenue from contracts with customers

The Group is in the business of production of security and confidential documents, oil palm production, provision of bulking services, sale of food products and property management services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(i) Sale of goods

Revenue is recognised at point of time, net of sales taxes and upon transfer of control to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Receipts in advance

Receipts in advance are deferred and classified under current liabilities in the statement of financial position.

Other revenue

(i) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(f) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

Transactions in foreign currencies other than the Company's functional currency (foreign currencies) are recorded in the functional currencies at exchange rates approximating those ruling at the transaction dates. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

(ii) Foreign currency transactions

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange difference arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency, RM of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(g) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants mainly include mature and immature oil palm plantations. Immature plantations includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted hectares.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognises such parts as individual assets with specific useful life and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Mature plantations are depreciated on a straight line basis and over its estimated useful life of 25 years, upon commencement of commercial production.

Other property, plant and equipment is depreciated on a straight-line basis to write-off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2.0% - 10.0%
Plant and machinery	4.0% - 33.3%
Bearer plant and infrastructure	4.0%
Fish canning facilities	2.0%
Warehouses, storage tanks and pipelines	4.0%
Motor vehicles	10.0% - 33.3%
Office equipment, furniture and fittings	6.7% - 25.0%
Renovations	10.0% - 20.0%
Tools, accessories and computer equipment	20.0% - 33.3%

Assets under construction or capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use. Immature plantations, which in general are mature 36 months after field planting are not depreciated until maturity.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(g) Property, plant and equipment (cont'd.)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(h) Biological assets

Biological assets comprise produce growing on bearer plants. Biological assets are classified as current assets for bearer plants that are expected to be harvested and sold or used for production on a date not more than 15 days after the reporting date.

Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output (FFB harvest) and market price at reporting date of crude palm oil and palm kernel adjusted for extraction rates less processing, harvesting and transportation costs.

(i) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of investment properties is provided for on a straight-line basis to write-off the cost of the property to its residual value over its estimated useful life, at the following annual rates:

Freehold building	2%
Leasehold building	2% to 3%
Leasehold land	Over lease period

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the investment property.

An investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year in which they arise.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of direct materials are determined as below:

Consumables	First-In, First-Out (FIFO)
Raw materials	First-In, First-Out (FIFO)
Printing materials	First-In, First-Out (FIFO)
Fertilizer	Weighted average
Oil palm products	Weighted average

Cost of finished goods and work-in-progress includes direct materials, direct labour, other direct costs and appropriate production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to completion and the estimated costs necessary to make the sale.

(k) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary companies, associated companies and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(k) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary companies, associated companies and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(l) Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(l) Provisions for liabilities (cont'd.)

(i) Warranty claim

The Group has contracts with government agencies for the supply of security and confidential documents. Under these contracts, the Group provides warranty for after defect products claimable within 3 to 5 years from the point of sales.

(m) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

(iii) Defined benefit plan

The foreign subsidiary in Indonesia, operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. The foreign subsidiary's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial assumptions by independent actuaries, through which the amount of benefit that employees have earned in return for their services in the current and prior years is estimated. That benefit is discounted in order to determine its present value. Actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension assets or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligations adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any past service costs, and the present value of any economic benefits in the form of refunds or reductions in future contributions to the plan.

The latest actuarial valuation was carried out using the employee data as at 31 March 2020 by PT Sentra Jasa Aktuaria, an independent actuary report dated 11 June 2020.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(n) Leases

Accounting policies applied from 1 April 2019

(i) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(n) Leases (cont'd.)

Accounting policies applied from 1 April 2019 (cont'd.)

(ii) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Accounting policies applied until 31 March 2019

(i) As lessee

Finance leases, which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group and the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set-out in Note 2.4(d) Other revenue (i).

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of the asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(q) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(r) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income ("FVTOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

The Group and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group or the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Group and of the Company are classified as either:

- Financial assets at amortised cost (debt instruments) ("AC");
- Financial assets at fair value through profit or loss ("FVTPL");
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments); or
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(r) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from related companies, investment in redeemable preference shares and cash and bank balances.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(r) Financial assets (cont'd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(s) Impairment of financial assets

The Group and the Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(s) Impairment of financial assets (cont'd.)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(t) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or other financial liabilities, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and amount due to related companies.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Other financial liabilities

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(t) Financial liabilities (cont'd.)

Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Notes to the Financial Statements

As at 31 March 2020

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(u) Fair value measurement (cont'd.)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.5 Significant accounting judgements and estimates

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the CGU to which goodwill is allocated. Estimating a value-in-use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 March 2020 was RM12,710,000 (2019: RM12,710,000). Further details are disclosed in Note 19.

(ii) Inventories

In determining the costing of inventories, management's judgement is required in determining the basis of finished goods and work-in-progress valuation which comprise costs of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads based on normal operating capacity.

(iii) Classification between investment properties and property, plant and equipment

The Group developed certain criteria in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

Notes to the Financial Statements

As at 31 March 2020

3. Revenue from contracts with customers

Disaggregation of revenue from contracts with customers:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Manufacturing	134,004	134,780	-	-
Plantation	123,382	118,345	-	-
Sales of food products	131,691	130,316	-	-
Bulking and logistic services	106,664	81,146	-	-
Trading of fish	-	-	11,159	10,593
	495,741	464,587	11,159	10,593
Geographical market:				
Malaysia	269,714	238,190	11,159	10,593
Indonesia	99,857	102,384	-	-
Papua New Guinea	126,170	124,013	-	-
	495,741	464,587	11,159	10,593

All revenue are recognised at a point in time as and when the performance obligation are satisfied.

4. Cost of sales

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Manufacturing	93,946	91,264	-	-
Plantation	89,211	69,060	-	-
Sales of food products	99,362	102,396	-	-
Bulking and logistic services	47,044	16,134	-	-
Trading of fish	-	-	10,921	10,551
	329,563	278,854	10,921	10,551

Notes to the Financial Statements

As at 31 March 2020

5. Other income

Included in other income are the following:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net gain on disposal of property, plant and equipment	95	46	-	39
Profit income	1,030	1,067	69	117
Interest income	1,247	2,894	2,054	10,885
Distribution from short term cash investments	5,710	4,183	222	276
Management fees	-	-	2,953	1,509
Others	3,716	1,572	80	97
	11,798	9,762	5,378	12,923

6. Staff costs

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Wages and salaries:				
- Company's Executive Director (Note 7)	2,635	2,531	1,054	1,012
- Others	48,964	48,028	4,460	4,327
Social security costs	479	404	36	35
Pension costs:				
- defined contribution plan	6,119	5,395	943	849
- defined benefit plan (Note 33)	273	240	-	-
Other staff related expenses	4,063	2,914	393	279
	62,533	59,512	6,886	6,502

Included in staff costs of the Group and of the Company is the Managing Director's remuneration amounting to RM2,722,000 (2019: RM2,630,000) and RM1,056,000 (2019: RM1,038,000) respectively as further disclosed in Note 7.

Notes to the Financial Statements

As at 31 March 2020

7. Directors' remuneration

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	1,283	1,239	513	496
Bonus	929	885	372	354
Pension costs - defined contribution plan	423	407	169	162
Benefits-in-kind	87	99	2	26
	2,722	2,630	1,056	1,038
Non-executive:				
Fees	426	289	408	271
Meeting allowance	116	94	114	92
	542	383	522	363
Total	3,264	3,013	1,578	1,401

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Analysis excluding benefits-in-kind:				
Total executive director's remuneration (Note 6)	2,635	2,531	1,054	1,012
Total non-executive directors' remuneration	542	383	522	363
Total directors' remuneration	3,177	2,914	1,576	1,375

Notes to the Financial Statements

As at 31 March 2020

8. Net impairment losses/(write back of impairment losses)

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Impairment losses on:				
- property, plant and equipment	8,940	-	-	-
- right-of-use assets	8,851	-	-	-
	17,791	-	-	-
- trade receivables (Note 22)	593	1,041	-	-
- other receivables (Note 23)	630	852	-	-
- investment in subsidiaries				
- advance (Note 17)	-	-	383	-
- investment in an associate (Note 18)	-	-	621	-
Write back of impairment loss on:				
- property, plant and equipment	-	(23,631)	-	-
- trade receivables (Note 22)	(1,347)	(932)	-	-
- other receivables (Note 23)	-	(2,479)	-	-
- amount due from subsidiaries (Note 24)	-	-	-	(1,855)
	17,667	(25,149)	1,004	(1,855)

9. Finance costs

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest expense on:				
- Borrowings	1,734	1,748	1,734	1,748
- Lease liabilities (Note 31)	2,752	-	143	-
- Finance lease	-	177	-	-
	4,486	1,925	1,877	1,748

The total finance costs for the Group and the Company were RM4,486,000 (2019: RM1,925,000) and RM1,877,000 (2019: RM1,748,000) respectively. The Group capitalised interest costs amounting to RM Nil (2019: RM6,333,000) into property, plant and equipment.

Notes to the Financial Statements

As at 31 March 2020

10. Profit before tax

Profit before tax is stated after charging/(crediting):

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Auditors' remuneration:				
- Statutory audit	853	932	124	124
- Other services	207	229	10	10
Depreciation of:				
- Property, plant and equipment (Note 14)	22,858	25,417	178	666
- Right-of-use assets (Note 15)	15,990	-	1,330	-
- Investment properties (Note 16)	1,637	1,638	39	38
Fair value changes in biological assets (Note 21)	(2,705)	744	-	-
Net foreign exchange (gain)/loss:				
- Realised	(256)	2,151	(216)	(171)
- Unrealised	(4,655)	(4,232)	(60)	91
Provision for retirement benefits (Note 33)	273	240	-	-
Net reversal of provision for warranty	(1,114)	(769)	-	-
Reversal of provision for compensation claim (Note 37)	(2,120)	-	-	-
Rental expense for land and buildings	-	1,574	-	803
Write down/(back) of inventories	1,959	(810)	-	-

Notes to the Financial Statements

As at 31 March 2020

11. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2020 and 2019 are:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	19,910	28,681	258	2,132
- Under/(over) provision in prior years	794	(643)	73	(211)
	20,704	28,038	331	1,921
Deferred tax (Note 34):				
Relating to origination and reversal of temporary differences	2,989	843	(108)	(199)
Under/(over) provision in prior years	670	796	2	(10)
	3,659	1,639	(106)	(209)
Total income tax expense	24,363	29,677	225	1,712

Domestic current income tax is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. During the current financial year, the income tax rate applicable to the subsidiaries in Indonesia and Papua New Guinea were 25% (2019: 25%) and 30% (2019: 30%), respectively.

Notes to the Financial Statements

As at 31 March 2020

11. Income tax expense (cont'd.)

Reconciliation between tax expense and accounting profit

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit before tax	51,831	114,885	30,797	54,716
Taxation at statutory tax rate of 24% (2019: 24%)	12,439	27,572	7,392	13,132
Effect of income not subject to tax	(1,529)	(6,147)	(8,952)	(12,349)
Effect of tax rates in foreign jurisdiction	139	415	-	-
Effect of partial tax exemption	(38)	(17)	-	-
Effect of expenses not deductible for tax purposes	6,669	6,492	1,710	1,150
Effect of share results of associates	(471)	(896)	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	5,690	2,105	-	-
Under/(over) provision of income tax expense in prior years	794	(643)	73	(211)
Under/(over) provision of deferred tax in prior years	670	796	2	(10)
	24,363	29,677	225	1,712

Notes to the Financial Statements

As at 31 March 2020

12. Earnings per share

Basic earnings per share is calculated by dividing consolidated profit for the year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 March 2020 and 2019:

	Group	
	2020 RM'000	2019 RM'000
Profit net of tax attributable to equity holders of the Company used in the computation of basic/diluted earnings per share	29,214	59,840

	Number of shares	
	2020 '000	2019 '000
Weighted average number of ordinary shares for basic earnings per share computation	280,971	281,630

	Group	
	2020 sen	2019 sen
Basic/diluted earnings per share for the year (sen)	10.40	21.25

13. Dividends

	Amount		Net dividends per share	
	2020 RM'000	2019 RM'000	2020 sen	2019 sen
Recognised during the year:				
Final dividend for 2018: 9.0 sen single tier ordinary shares paid on 5 October 2018	-	25,353	-	9.00
Final dividend for 2019: 9.0 sen single tier ordinary shares paid on 7 October 2019	25,295	-	9.00	-
	25,295	25,353	9.00	9.00

The directors declared a single-tier interim dividend in respect of the current financial year ended 31 March 2020 of 9.0 sen per share on 282,231,600 shares, amounting to a total of approximately RM25,227,000, payable on 14 September 2020.

The financial statements for the current year do not reflect this dividend. This dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2021.

The directors do not recommend the payment of any final dividend in respect of the current financial year.

Notes to the Financial Statements

As at 31 March 2020

14. Property, plant and equipment

Group

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Bearer plant and infrastructure RM'000	Construction work-in- progress RM'000	Other assets* RM'000	Total RM'000
At 31 March 2020							
At cost							
At 1 April 2019	66,304	212,130	43,722	281,482	10,591	399,266	1,013,495
Effects of MFRS 16 adoption	-	(212,130)	-	-	-	-	(212,130)
At 1 April 2019, as restated	66,304	-	43,722	281,482	10,591	399,266	801,365
Additions	-	-	1,646	11,518	8,049	11,386	32,599
Disposals	-	-	-	-	-	(13,290)	(13,290)
Write off	-	-	(60)	-	-	(914)	(974)
Reclassification	-	-	1,249	70	(7,254)	5,935	-
Translation difference	(4)	-	(1,532)	(4,468)	(19)	(5,323)	(11,346)
At 31 March 2020	66,300	-	45,025	288,602	11,367	397,060	808,354
Accumulated depreciation and impairment losses							
At 1 April 2019	-	31,373	31,521	76,621	-	325,902	465,417
Effects of MFRS 16 adoption	-	(31,373)	-	-	-	-	(31,373)
At 1 April 2019, as restated	-	-	31,521	76,621	-	325,902	434,044
Charge for the year:							
- Depreciation	-	-	2,744	8,744	-	11,370	22,858
- Impairment loss	-	-	1,800	7,090	-	50	8,940
Disposals	-	-	-	-	-	(10,687)	(10,687)
Write off	-	-	(2,069)	-	-	(899)	(2,968)
Translation difference	-	-	(2,857)	(3,436)	-	(4,212)	(10,505)
At 31 March 2020	-	-	31,139	89,019	-	321,524	441,682
Analysed as:							
Accumulated depreciation	-	-	25,606	67,837	-	321,256	414,699
Accumulated impairment losses	-	-	5,533	21,182	-	268	26,983
	-	-	31,139	89,019	-	321,524	441,682
Net carrying amount	66,300	-	13,886	199,583	11,367	75,536	366,672

Notes to the Financial Statements

As at 31 March 2020

14. Property, plant and equipment (cont'd.)

Group

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Bearer plant and infrastructure RM'000	Construction work-in- progress RM'000	Other assets* RM'000	Total RM'000
At 31 March 2019							
At cost							
At 1 April 2018	66,304	211,509	40,252	258,488	10,088	387,598	974,239
Additions	-	617	607	21,877	5,172	12,194	40,467
Disposals	-	-	(9)	-	-	(2,624)	(2,633)
Write off	-	-	-	-	-	(977)	(977)
Reclassification	-	-	2,525	-	(4,729)	2,204	-
Translation difference	-	4	347	1,117	60	871	2,399
At 31 March 2019	66,304	212,130	43,722	281,482	10,591	399,266	1,013,495
Accumulated depreciation and impairment losses							
At 1 April 2018	-	37,381	31,137	80,694	-	316,268	465,480
Charge for the year:							
- Depreciation	-	4,407	2,586	5,866	-	12,558	25,417
- Writeback of impairment loss	-	(10,415)	(2,387)	(10,687)	-	(142)	(23,631)
Disposals	-	-	(2)	-	-	(2,605)	(2,607)
Write off	-	-	-	-	-	(977)	(977)
Translation difference	-	-	187	748	-	800	1,735
At 31 March 2019	-	31,373	31,521	76,621	-	325,902	465,417
Analysed as:							
Accumulated depreciation	-	27,427	27,788	62,529	-	325,684	443,428
Accumulated impairment losses	-	3,946	3,733	14,092	-	218	21,989
	-	31,373	31,521	76,621	-	325,902	465,417
Net carrying amount	66,304	180,757	12,201	204,861	10,591	73,364	548,078

Notes to the Financial Statements

As at 31 March 2020

14. Property, plant and equipment (cont'd.)

Other assets*

Group

	Plant and machinery RM'000	Fish canning facilities RM'000	Warehouses, storage tanks and pipes RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovations RM'000	Tools, accessories and computer equipment RM'000	Total RM'000
At 31 March 2020								
At cost								
At 1 April 2019	118,025	75,624	105,027	19,077	59,862	20,552	1,099	399,266
Additions	3,648	471	2,723	1,203	2,791	3	547	11,386
Disposals	(7,721)	(157)	(4,469)	(207)	(732)	-	(4)	(13,290)
Write-off	(299)	(14)	-	-	(35)	(7)	(559)	(914)
Reclassification	3,275	-	2,660	-	-	-	-	5,935
Translation difference	(2,380)	(912)	-	(100)	(1,099)	(832)	-	(5,323)
At 31 March 2020	114,548	75,012	105,941	19,973	60,787	19,716	1,083	397,060
Accumulated depreciation and impairment losses								
At 1 April 2019	107,598	32,734	95,697	15,047	54,902	19,489	435	325,902
Charge for the year:								
- Depreciation	2,947	1,407	2,182	1,581	2,743	63	447	11,370
- Impairment loss	50	-	-	-	-	-	-	50
Disposals	(7,721)	(60)	(1,967)	(207)	(729)	-	(3)	(10,687)
Write-off	(298)	-	-	-	(35)	(7)	(559)	(899)
Translation difference	(1,679)	(622)	-	(77)	(1,002)	(832)	-	(4,212)
At 31 March 2020	100,897	33,459	95,912	16,344	55,879	18,713	320	321,524
Analysed as:								
Accumulated depreciation	100,682	33,459	95,859	16,344	55,879	18,713	320	321,256
Accumulated impairment losses	215	-	53	-	-	-	-	268
	100,897	33,459	95,912	16,344	55,879	18,713	320	321,524
Net carrying amount	13,651	41,553	10,029	3,629	4,908	1,003	763	75,536

Notes to the Financial Statements

As at 31 March 2020

14. Property, plant and equipment (cont'd.)

Other assets* (cont'd.)

Group (cont'd.)

	Plant and machinery RM'000	Fish canning facilities RM'000	Warehouses, storage tanks and pipes RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovations RM'000	Tools, accessories and computer equipment RM'000	Total RM'000
At 31 March 2019								
At cost								
At 1 April 2018	115,040	72,478	105,057	18,498	55,657	20,124	744	387,598
Additions	2,435	3,151	13	1,305	4,535	220	535	12,194
Disposals	(988)	(5)	(23)	(853)	(744)	-	(11)	(2,624)
Write-off	(724)	-	(20)	-	(64)	-	(169)	(977)
Reclassification	1,851	-	-	127	226	-	-	2,204
Translation difference	411	-	-	-	252	208	-	871
At 31 March 2019	118,025	75,624	105,027	19,077	59,862	20,552	1,099	399,266
Accumulated depreciation and impairment losses								
At 1 April 2018	105,026	31,344	93,624	14,578	52,538	18,882	276	316,268
Charge for the year:								
- Depreciation	4,067	1,390	2,103	1,418	2,842	399	339	12,558
- Writeback of Impairment loss	(142)	-	-	-	-	-	-	(142)
Disposals	(987)	-	(10)	(949)	(648)	-	(11)	(2,605)
Write-off	(724)	-	(20)	-	(64)	-	(169)	(977)
Translation difference	358	-	-	-	234	208	-	800
At 31 March 2019	107,598	32,734	95,697	15,047	54,902	19,489	435	325,902
Analysed as:								
Accumulated depreciation	107,433	32,734	95,644	15,047	54,902	19,489	435	325,684
Accumulated impairment losses	165	-	53	-	-	-	-	218
	107,598	32,734	95,697	15,047	54,902	19,489	435	325,902
Net carrying amount	10,427	42,890	9,330	4,030	4,960	1,063	664	73,364

Notes to the Financial Statements

As at 31 March 2020

14. Property, plant and equipment (cont'd.)

Company

	Freehold land RM'000	Leasehold land RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
At 31 March 2020					
At cost					
At 1 April 2019	16,075	28,748	15	3,308	48,146
Effects of MFRS 16 adoption	-	(28,748)	-	-	(28,748)
At 1 April 2019, as restated	16,075	-	15	3,308	19,398
Additions	-	-	-	88	88
At 31 March 2020	16,075	-	15	3,396	19,486
Accumulated depreciation					
At 1 April 2019	157	3,971	15	2,855	6,998
Effects of MFRS 16 adoption	-	(3,971)	-	-	(3,971)
At 1 April 2019, as restated	157	-	15	2,855	3,027
Depreciation charge for the year	-	-	-	178	178
At 31 March 2020	157	-	15	3,033	3,205
Net carrying amount	15,918	-	-	363	16,281
At 31 March 2019					
At cost					
At 1 April 2018	16,075	28,748	343	3,075	48,241
Additions	-	-	-	329	329
Disposals	-	-	(328)	(96)	(424)
At 31 March 2019	16,075	28,748	15	3,308	48,146
Accumulated depreciation					
At 1 April 2018	157	3,500	343	2,756	6,756
Depreciation charge for the year	-	471	-	195	666
Disposals	-	-	(328)	(96)	(424)
At 31 March 2019	157	3,971	15	2,855	6,998
Net carrying amount	15,918	24,777	-	453	41,148

Notes to the Financial Statements

As at 31 March 2020

14. Property, plant and equipment (cont'd.)

- (a) Buildings, plant and machinery, storage tanks and pipelines of the subsidiaries carrying out bulking activities with a net book value of approximately RM15,246,000 (2019: RM16,778,000) are situated on land which is leased from Northport (Malaysia) Berhad by the subsidiaries. The lease will expire in 2022.
- (b) Included in the property, plant and equipment of the Group and of the Company are cost of fully depreciated assets which are still in use amounting to approximately RM260,618,000 (2019: RM247,510,000) and RM2,694,000 (2019: RM2,496,000) respectively.

15. Right-of-use assets

As lessee

The carrying amount and the movement of right-of-use assets for the year ended 31 March 2020 is as follows:

Group

At 31 March 2020

At cost	Leasehold land RM'000	Buildings RM'000	Barge RM'000	Total RM'000
At 1 April 2019	-	-	-	-
Effects of MFRS 16 adoption	262,899	349	3,576	266,824
At 1 April 2019, as restated	262,899	349	3,576	266,824
Exchange differences	(9)	-	(299)	(308)
At 31 March 2020	262,890	349	3,277	266,516
Accumulated depreciation and impairment loss				
At 1 April 2019	-	-	-	-
Effects of MFRS 16 adoption	31,373	-	-	31,373
At 1 April 2019, as restated	31,373	-	-	31,373
Charge for the year:				
- Depreciation	13,909	322	1,759	15,990
- Impairment loss	8,851	-	-	8,851
Exchange differences	-	-	(185)	(185)
At 31 March 2020	54,133	322	1,574	56,029
Analyse as:				
Accumulated depreciation	41,336	322	1,574	43,232
Accumulated impairment loss	12,797	-	-	12,797
	54,133	322	1,574	56,029
Net carrying amount	208,757	27	1,703	210,487

Notes to the Financial Statements

As at 31 March 2020

15. Right-of-use assets (cont'd.)

As lessee (cont'd.)

Company

	Leasehold land RM'000	Building RM'000	Total RM'000
At 31 March 2020			
At cost			
At 1 April 2019	-	-	-
Effects of MFRS 16 adoption	28,748	3,145	31,893
At 1 April 2019, as restated/31 March 2020	28,748	3,145	31,893
Accumulated depreciation			
At 1 April 2019	-	-	-
Effects of MFRS 16 adoption	3,971	-	3,971
At 1 April 2019, as restated	3,971	-	3,971
Depreciation charge for the year	472	858	1,330
At 31 March 2020	4,443	858	5,301
Net carrying amount	24,305	2,287	26,592

As lessor

The Group and the Company have entered into operating leases on its investment properties consisting of certain office, commercial buildings and land as disclosed in Note 16. These leases have terms of between one to five years. All leases include a clause to enable upward revision of the rental charge on annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2020 and 2019 for the Group and the Company are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Within one year	4,827	3,241	628	465
After one year but not more than three years	7,109	4,430	854	533
After three years	504	1,390	187	153
	12,440	9,061	1,669	1,151

Notes to the Financial Statements

As at 31 March 2020

16. Investment properties

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cost				
At 1 April 2019/2018 and 31 March	96,572	96,572	3,408	3,408
Accumulated depreciation				
At 1 April 2019/2018	31,381	29,743	350	312
Charge for the year	1,637	1,638	39	38
At 31 March	33,018	31,381	389	350
Net carrying amount	63,554	65,191	3,019	3,058
Fair value	79,575	80,130	3,830	3,830

- (a) The land title of a freehold land and building of the Group with a net book value of approximately RM46,343,000 (2019: RM47,489,000) is pledged as security for certain unutilised credit facilities of the Group.
- (b) Factory buildings of a subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. with a net book value of RM4,940,944 (2019: RM5,199,857) are situated on a piece of leasehold land which will expire on 29 September 2086.
- (c) As at 31 March 2020 and 2019, the fair values of the investment properties are based on valuation performed by independent professional valuer. Valuations are performed by accredited independent valuer with recent experience in the location and category of properties being valued. The valuations are based on cost approach that makes reference to the valuation of land by comparing it with evidence of values of comparable lands and adding to it depreciated replacement cost of the buildings.
- (d) Rental income generated from and direct operating expenses incurred on income generated from investment properties are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Rental income	5,160	4,886	529	565
Direct operating expenses	3,877	3,970	139	122

Notes to the Financial Statements

As at 31 March 2020

17. Investment in subsidiaries

	Company	
	2020 RM'000	2019 RM'000
Unquoted ordinary shares, at cost		
In Malaysia	160,913	160,913
Outside Malaysia	44,415	44,415
	205,328	205,328
Redeemable preference shares	202,321	-
Advances to subsidiaries	12,167	14,399
	419,816	219,727
Less: Accumulated impairment losses	(22,238)	(21,855)
	397,578	197,872

Details of the subsidiaries are described in Note 44.

The summarised financial information (before intra-group elimination) for Fima Corporation Berhad and its subsidiaries ("FCB Group") and International Food Corporation Limited ("IFC") that has non-controlling interest that are material to the Group are as follows:

(i) Summarised statement of financial position

	FCB Group		IFC	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current assets	276,854	292,615	41,029	35,846
Cash and cash equivalents	47,551	57,855	49,312	15,587
Other current assets	306,270	323,257	61,314	75,261
Total assets	630,675	673,727	151,655	126,694
Non-current liabilities	(20,878)	(23,502)	(6,615)	(1,952)
Current liabilities	(43,807)	(53,067)	(61,690)	(54,297)
Total liabilities	(64,685)	(76,569)	(68,305)	(56,249)
Net assets	565,990	597,158	83,350	70,445
Equity attributable to equity holders of the company	547,243	573,775	83,350	70,445

(ii) Summarised statement of comprehensive income

Revenue	243,127	244,720	126,170	124,013
Profit for the financial year	8,807	65,326	9,959	4,666
Other comprehensive (loss)/income	(8,535)	1,953	-	-
Total comprehensive income	272	67,279	9,959	4,666
Dividends paid to non-controlling interests	11,560	15,488	-	-

Notes to the Financial Statements

As at 31 March 2020

17. Investment in subsidiaries (cont'd.)

(iii) Summarised statement of cash flows

	FCB Group		IFC	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net cash generated from/(used in) operating activities	17,574	35,063	36,217	(83)
Net cash generated from/(used in) investing activities	10,364	(108,371)	(3,896)	(3,399)
Net cash used in financing activities	(34,488)	(36,337)	-	-
Net (decrease)/increase in cash and cash equivalents	(6,550)	(109,645)	32,321	(3,482)
Cash and cash equivalents at beginning of year	57,855	165,596	15,587	18,643
Effect of exchange rate changes	(3,754)	1,904	1,404	426
Cash and cash equivalents at end of year	47,551	57,855	49,312	15,587

18. Investment in associates

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Unquoted shares, at cost	12,251	12,251	2,251	2,251
Impairment loss	-	-	(621)	-
Share of post acquisition results	20,986	19,023	-	-
	33,237	31,274	1,630	2,251

Details of the associates are described in Note 45.

The financial statements of the associates are coterminous with those of the Group, except for Giesecke & Devrient Malaysia Sdn. Bhd. ("G&D") which has a financial year end of 31 December to conform with its holding company's financial year end. For the purpose of applying the equity method of accounting, the financial statements of G&D for the year ended 31 December 2019 have been used and appropriate adjustments have been made for the effects of transactions between 31 December 2019 and 31 March 2020.

Notes to the Financial Statements

As at 31 March 2020

18. Investment in associates (cont'd.)

Summarised financial information in respect of Marushin Canned Products (Malaysia) Sdn. Bhd. ("Marushin") and G&D are set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

(i) Summarised statement of financial position

	Marushin		G&D	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Assets and liabilities				
Current assets	23,843	23,269	91,902	76,225
Non-current assets	2,740	1,316	176,129	191,501
Total assets	26,583	24,585	268,031	267,726
Current liabilities	24,373	19,637	37,693	41,592
Non-current liabilities	575	659	64,151	69,763
Total liabilities	24,948	20,296	101,844	111,355
Net assets	1,635	4,289	166,187	156,371

(ii) Summarised statement of comprehensive income

Revenue	36,465	12,476	166,829	184,080
(Loss)/Profit before tax	(2,654)	(10,527)	10,687	17,667
(Loss)/Profit for the year	(2,654)	(10,896)	9,816	18,660
Total comprehensive (loss)/income	(2,654)	(10,896)	9,816	18,660
Dividend received from the associates during the year (net)	-	-	-	13,303

Notes to the Financial Statements

As at 31 March 2020

18. Investment in associates (cont'd.)

- (iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates.

	Marushin		G&D	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net assets at 1 April 2019/2018	4,289	15,185	156,371	204,226
Total comprehensive (loss)/income	(2,654)	(10,896)	9,816	18,660
	1,635	4,289	166,187	222,886
Dividend paid (gross)	-	-	-	(66,515)
Net assets at 31 March	1,635	4,289	166,187	156,371
Interest in associates	38%	38%	20%	20%
Share of net assets	621	1,630	33,237	31,274
Unrecognised share of losses	2,347	1,338	-	-
Negative goodwill	(2,968)	(2,968)	-	-
Carrying value of Group's interest in associates	-	-	33,237	31,274

19. Goodwill on consolidation

	Group	
	2020 RM'000	2019 RM'000
At 1 April 2019/2018 and 31 March	12,710	12,710

(a) Impairment tests for goodwill

Goodwill has been allocated to the Group's cash generating units identified according to business segment as follows:

	Bulking RM'000	Plantation RM'000	Total RM'000
At 1 April 2019/2018 and at 31 March 2020/2019	12,200	510	12,710

Notes to the Financial Statements

As at 31 March 2020

19. Goodwill on consolidation (cont'd.)

(b) Key assumptions used in value-in-use calculations

The following describes each key assumption on which management has based its cash flow projections to undertake the impairment testing of goodwill:

	2020 %	2019 %
Average discount rate ¹	11.5	10.5
Terminal growth rate ²	-	2

Assumptions:

1. Pre-tax discount rate applied to the cash flow projections.
2. Weighted average growth rate used to extrapolate cash flows beyond the budget period.

(c) Sensitivity analysis

In assessing value-in-use and fair value, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

20. Inventories

	Group	
	2020 RM'000	2019 RM'000
At cost:		
Raw materials	21,451	18,463
Printing materials	22,776	11,135
Fertilizer	3,095	4,211
Oil palm products	4,015	10,957
Work-in-progress	8,639	33,133
Finished goods	9,274	20,331
Consumables	4,585	5,232
	73,835	103,462
At net realisable value:		
Finished goods	1,638	1,207
	75,473	104,669

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM126,402,598 (2019: RM100,934,055).

Notes to the Financial Statements

As at 31 March 2020

21. Biological assets

	Group	
	2020 RM'000	2019 RM'000
At 1 April 2019/2018	4,504	5,102
Fair value changes recognised in profit or loss	2,705	(744)
Exchange differences	(344)	146
At 31 March	6,865	4,504

The fair value of biological assets was based on the actual quantity of fresh fruit bunches ("FFB") for 2 weeks period and the observable current market price of FFB at each point of fair value.

Sensitivity analysis

A 10% increase/decrease in the average FFB selling price (RM/MT) would result in the following to the fair value change of the biological asset:

	Group	
	2020 RM'000	2019 RM'000
10% increase	442	230
10% decrease	(442)	(230)

22. Trade receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Third parties	143,461	135,019	12	10
Less: Allowance for impairment	(2,906)	(5,860)	(10)	(10)
Trade receivables, net	140,555	129,159	2	-

The Group's normal trade credit term ranges from 30 to 90 days (2019: from 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors except for a balance of RM60,806,000 (2019: RM41,827,000) due from the Government of Malaysia.

Notes to the Financial Statements

As at 31 March 2020

22. Trade receivables (cont'd.)

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Neither past due nor impaired	57,387	49,909	-	-
1 to 60 days past due but not impaired	25,917	27,185	2	-
61 to 120 days past due but not impaired	10,294	5,145	-	-
More than 121 days past due but not impaired	46,957	46,920	-	-
	83,168	79,250	2	-
	140,555	129,159	2	-
Impaired	2,906	5,860	10	10
	143,461	135,019	12	10

Trade receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM83,168,000 (2019: RM79,250,000) that are past due at the reporting date but not impaired.

No allowance for impairment is made as in the opinion of the directors, the outstanding debts are expected to be collected within the next twelve months.

Notes to the Financial Statements

As at 31 March 2020

22. Trade receivables (cont'd.)

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade receivables - nominal amount	2,906	5,860	10	10
Less: Allowance for impairment	(2,906)	(5,860)	(10)	(10)
	-	-	-	-

Movement in allowance accounts:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 April 2019/2018	5,860	7,057	10	10
Write back of impairment loss (Note 8)	(1,347)	(932)	-	-
Written off	(2,165)	(1,306)	-	-
Charge for the year (Note 8)	593	1,041	-	-
Exchange differences	(35)	-	-	-
At 31 March	2,906	5,860	10	10

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

23. Other receivables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Tax recoverables	8,844	4,948	752	770
Deposits	2,290	1,482	181	203
Prepayments	8,945	11,276	100	60
Sundry receivables	30,738	30,061	557	385
	50,817	47,767	1,590	1,418
Less: Allowance for impairment	(11,502)	(10,978)	(18)	(18)
	39,315	36,789	1,572	1,400

Notes to the Financial Statements

As at 31 March 2020

23. Other receivables (cont'd.)

The Group's and the Company's other receivables that are impaired at the date and the movement of the allowance used to record the impairment are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Gross amounts of impaired other receivables	11,502	10,978	18	18
Less: Allowance for individual impairment losses	(11,502)	(10,978)	(18)	(18)
	-	-	-	-

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

Movement in allowance accounts:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 April 2019/2018	10,978	12,587	18	18
Write back of impairment loss (Note 8)	-	(2,479)	-	-
Charge for the year (Note 8)	630	852	-	-
Exchange differences	(106)	18	-	-
As 31 March	11,502	10,978	18	18

24. Due from/(to) subsidiaries

	Company	
	2020 RM'000	2019 RM'000
Due from subsidiaries	53,734	248,909
Due to subsidiaries	(4,518)	(6,818)

Notes to the Financial Statements

As at 31 March 2020

24. Due from/(to) subsidiaries (cont'd.)

All the amounts due from/(to) subsidiaries are unsecured, interest free and repayable on demand except for the amount due from certain subsidiaries amounting to RM50,048,000 (2019: RM185,601,000), which bear interest of 5.5% (2019: 5.5%) per annum.

Movement in allowance accounts:

	Company	
	2020 RM'000	2019 RM'000
At 1 April 2019/2018	-	7,041
Advances to subsidiaries	-	(5,186)
Write back for the year (Note 8)	-	(1,855)
At 31 March	-	-

25. Short term cash investments

192

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At fair value				
Islamic short term cash investments	171,591	148,122	3,061	-

Short term cash investments represent funds placed with licensed fund managers. The portfolio of securities managed by the fund managers comprise money market funds, commercial papers and fixed deposits. Short term cash investments held as fixed deposit placements allow prompt redemption at anytime.

Other details of fair value of short term cash investments are further disclosed in Note 41.

26. Cash and bank balances

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cash in hand and at banks	94,409	72,781	10,590	12,776
Fixed deposits with licensed bank	29,920	69,415	415	4,403
Total cash and cash equivalents	124,329	142,196	11,005	17,179

Notes to the Financial Statements

As at 31 March 2020

26. Cash and bank balances (cont'd.)

The weighted average effective interest rates per annum of deposits at the reporting date were as follows:

	Group		Company	
	2020 %	2019 %	2020 %	2019 %
Licensed banks	3.02	3.17	2.12	2.85

The average maturity of deposits at the reporting date were as follows:

	Group		Company	
	2020 Days	2019 Days	2020 Days	2019 Days
Licensed banks	37	46	7	22

27. Share capital

	Number of ordinary shares		Amount	
	2020 '000	2019 '000	2020 RM'000	2019 RM'000
Issued and fully paid:				
At 1 April 2019/2018 and at 31 March	282,232	282,232	311,670	311,670

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

28. Treasury shares

This amount relates to the acquisition cost of treasury shares.

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 28 August 2019, gave their approval for the Company's plan to buy back its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the share buy back plan can be applied in the best interests of the Company and its shareholders.

Notes to the Financial Statements

As at 31 March 2020

28. Treasury shares (cont'd.)

During the financial year, the Company bought back 1,170,600 (2019: 466,100) of its issued ordinary shares from the open market at an average price of RM1.55 (2019: RM1.51) per ordinary share. The total consideration paid for the buy back including transactions costs was RM1,829,000 (2019: RM703,000). The shares bought back are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

Of the total 282,231,600 (2019: 282,231,600) issued and fully paid ordinary shares as at 31 March 2020, 1,933,000 (2019: 762,400) are held as treasury shares by the Company. As at 31 March 2020, the number of outstanding ordinary shares in issue and fully paid-up is therefore 280,298,600 (2019: 281,469,200).

29. Other reserves

Group	Capital reserve RM'000	Foreign currency translation reserve* RM'000	Capital reserve arising from bonus issue in subsidiary RM'000	Total RM'000
At 1 April 2019	437	(7,833)	66,459	59,063
Foreign currency translation	-	(3,347)	-	(3,347)
At 31 March 2020	437	(11,180)	66,459	55,716
At 1 April 2018	437	(22,038)	66,459	44,858
Foreign currency translation	-	14,205	-	14,205
At 31 March 2019	437	(7,833)	66,459	59,063

* The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

30. Retained earnings

As at 31 March 2020 and 31 March 2019, the Company may distribute the entire balance of the retained earnings under the single tier system.

Notes to the Financial Statements

As at 31 March 2020

31. Lease liabilities

As lessee

The carrying amount and the movement of lease liabilities for the year ended 31 March 2020 is as follows:

	Group	Company
	2020	2020
	RM'000	RM'000
At 1 April 2019	-	-
Effects of MFRS 16 adoption	70,205	3,145
Accretion of interest	2,752	143
Payments	(12,520)	(852)
At 31 March	60,437	2,436
Analysed as:		
Current	11,789	837
Non-current	48,648	1,599

The following are the amounts recognised in profit or loss:

	Group	Company
	2020	2020
	RM'000	RM'000
Depreciation expense of right-of-use assets (Note 10)	15,990	1,330
Interest expense on lease liabilities	2,752	143

Notes to the Financial Statements

As at 31 March 2020

32. Finance lease obligations

The minimum lease payments and the present value of the obligations under finance leases for the year ended 31 March 2019 is as follows:

	Group 2019 RM'000
Mimumum lease payments:	
- due no later than one year	865
- due later than one year and no later than 5 years	4,781
- due later than 5 years	81,159
Total minimum lease payments	86,805
Less: Amounts representing finance charges	(71,294)
Present value of minimum lease payments	15,511

Present value of finance lease payables:

- due no later than one year	643
- due later than one year and no later than 5 years	2,550
- due later than 5 years	12,318
Present value of minimum lease payments	15,511
Less: Amount due within 12 months	(643)
Amount due after 12 months	14,868

33. Retirement benefit obligations

	Group	
	2020 RM'000	2019 RM'000
At 1 April 2019/2018	1,831	1,813
Recognised in profit or loss (Note 6)	273	240
Contributions paid	(77)	(141)
Remeasurement of defined benefit liability	201	(110)
Exchange differences	(155)	29
At 31 March	2,073	1,831

The foreign subsidiary in Indonesia operates an unfunded defined benefit plan for its eligible employees. The obligations under the retirement benefit scheme are calculated using the projected unit credit method, is determined by a qualified independent actuary, considering the estimated future cash outflows using market yields at the reporting date of high quality corporate bonds. The latest actuarial valuation was carried out using the employee data as at 31 March 2020.

Notes to the Financial Statements

As at 31 March 2020

33. Retirement benefit obligations (cont'd.)

- (a) The amounts recognised in the statement of financial position are determined as follows:

	Group	
	2020 RM'000	2019 RM'000
Present value of unfunded defined benefits obligations	2,073	1,813
Analysed as:		
Non-current	2,073	1,813

- (b) The amounts recognised in the profit or loss are as follows:

	Group	
	2020 RM'000	2019 RM'000
Current service cost	163	147
Interest cost	110	93
Total, included in employee benefits expense (Note 6)	273	240

- (c) The principle assumptions used by the foreign subsidiary in Indonesia in determining employee benefits liability as of 31 March 2020 and 2019 are as follows:

	2020	2019
Discount rate	6.97%	8.00%
Annual salary increase	7.00%	7.00%
Retirement age	55	55

The discount rate is determined based on the values of AA rated corporate bond yields with 3 to 15 years of maturity, converted to estimated spot rates.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on changes to individual assumptions, with all other assumptions held constant.

	2020 RM'000	2019 RM'000
A 1 per cent decrease/increase in discount rate will increase/decrease the defined benefit obligation by	144	146
A 1 per cent increase/decrease in expected salary growth will increase/decrease the defined benefit obligation by	145	128

Notes to the Financial Statements

As at 31 March 2020

33. Retirement benefit obligations (cont'd.)

The sensitivity analysis presented above may not be representative of the actual change in defined benefit obligation as it is unlikely the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

34. Deferred tax

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 April 2019/2018	30,824	29,158	5,857	6,066
Recognised in:				
- profit or loss (Note 11)	3,659	1,639	(106)	(209)
- other comprehensive income	50	27	-	-
At 31 March	34,533	30,824	5,751	5,857
Presented after appropriate offsetting as follows:				
Deferred tax assets	(8,718)	(11,207)	-	-
Deferred tax liabilities	43,251	42,031	5,751	5,857
	34,533	30,824	5,751	5,857

Notes to the Financial Statements

As at 31 March 2020

34. Deferred tax (cont'd.)

Deferred tax assets of the Group:

	Retirement benefit obligations RM'000	Other payables RM'000	Tax losses and unabsorbed capital allowances RM'000	Property, plant and equipment RM'000	Total RM'000
At 1 April 2018	(448)	(1,921)	(4,990)	(1,847)	(9,206)
Recognised in:					
- profit or loss	(31)	(1,451)	(483)	(63)	(2,028)
- other comprehensive income	27	-	-	-	27
At 31 March 2019	(452)	(3,372)	(5,473)	(1,910)	(11,207)
Recognised in:					
- profit or loss	(110)	4,352	(1,617)	(186)	2,439
- other comprehensive income	50	-	-	-	50
At 31 March 2020	(512)	980	(7,090)	(2,096)	(8,718)

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	Others RM'000	Total RM'000
At 31 March 2018	33,771	4,593	38,364
Recognised in profit or loss	4,060	(393)	3,667
At 31 March 2019	37,831	4,200	42,031
Recognised in profit or loss	1,142	78	1,220
At 31 March 2020	38,973	4,278	43,251

Notes to the Financial Statements

As at 31 March 2020

34. Deferred tax (cont'd.)

Deferred tax liabilities/(assets) of the Company:

	Accelerated capital allowances RM'000	Provision for liabilities RM'000	Total RM'000
At 1 April 2018	6,356	(290)	6,066
Recognised in profit or loss	(117)	(92)	(209)
At 31 March 2019	6,239	(382)	5,857
Recognised in profit or loss	(101)	(5)	(106)
At 31 March 2020	6,138	(387)	5,751

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2020 RM'000	2019 RM'000
Unutilised tax losses	87,488	67,371
Unabsorbed capital allowances	23,420	31,424
Unabsorbed reinvestment allowances	183	1,528
	111,091	100,323

The unabsorbed capital allowances of the Group are available indefinitely against future taxable profit of the respective entities within the Group subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profit of other entities in the Group and they have arisen in entities that have a recent history of losses.

Effective from year of assessment 2019 as announced in the Malaysia Annual Budget 2019, the unutilised tax losses of the Group as at 31 March 2019 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised tax losses will be disregarded.

Notes to the Financial Statements

As at 31 March 2020

35. Borrowings

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Short term borrowings				
Unsecured:				
- Bankers' acceptances	3,490	4,506	3,490	4,506
- Revolving credit	30,000	30,000	30,000	30,000
	33,490	34,506	33,490	34,506

Maturity of borrowings

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Within one year	33,490	34,506	33,490	34,506

The revolving credit facility is rolled over every three months.

The weighted average effective interest rate of the facilities during the financial year was 4.74% (2019: 5.07%) per annum.

36. Trade and other payables

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade payables	19,225	13,675	184	111
Other payables				
Accruals	20,250	19,149	570	530
Deposits	1,398	429	88	30
Receipt in advance	1,897	5,731	-	-
Sundry payables	20,447	24,689	1,605	1,581
	43,992	49,998	2,263	2,141
Total trade and other payables	63,217	63,673	2,447	2,252

Trade payables amount are non-interest bearing which are normally settled from 30 to 90 days (2019: from 30 to 90 days) term.

Notes to the Financial Statements

As at 31 March 2020

37. Provisions

	Group	
	2020 RM'000	2019 RM'000
Provision for warranty (Note (a))	8,078	9,192
Provision for compensation claim (Note (b))	-	2,120
Others	687	687
	8,765	11,999

- (a) Provision for warranty is based on current volumes of products sold still under warranty and on historic quality rates as well as estimates and assumptions regarding future quality rates for new products.
- (b) Provision for compensation claim is for a tenant's renovation costs and general damages arising from an early termination of a tenancy agreement by a subsidiary of the Company, Fima Corporation Berhad ("FCB"). On 27 September 2011, the Court of Appeal had allowed FCB's appeal against the decision handed down by the High Court in favour of the tenant and directed that the matter be remitted back to the High Court for a full trial.

During the case management held on 30 June 2020, the Court has directed that the matter to be struck out by virtue of Order 34 Rule 6 of Rules of Court 2012 with no order as to costs and no liberty to file afresh, resulting a reversal of RM2,120,000 which has been reflected in Note 10.

The movement of the provisions are as follows:

	Group	
	2020 RM'000	2019 RM'000
<u>Provision for warranty:</u>		
As at 1 April 2019/2018	9,192	9,961
Reversal of provision	(2,897)	(2,558)
Charge for the year	1,783	1,789
As at 31 March	8,078	9,192
<u>Provision for compensation claim:</u>		
At 1 April 2019/2018	2,120	2,120
Reversal of provision (Note 10)	(2,120)	-
At 31 March	-	2,120

Notes to the Financial Statements

As at 31 March 2020

38. Commitments

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Capital expenditure:				
Approved and contracted for:				
Property, plant and equipment	3,683	3,018	-	-
Approved but not contracted for:				
Property, plant and equipment	36,286	33,853	340	65
	39,969	36,871	340	65

39. Related party disclosures

(a) Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

Group	(Income)/expense	
	2020 RM'000	2019 RM'000
Transaction with companies connected to directors and substantial shareholders:		
- Rental charges	(76)	(88)
- Purchase of products	(5,925)	(6,572)
- Service rendered	444	148

Company	(Income)/expense	
	2020 RM'000	2019 RM'000
Transaction with corporate shareholder:		
- Advisory services	120	120
Transaction with subsidiaries:		
- Dividend income from subsidiaries	(38,390)	(51,453)
- Management fees from subsidiaries	(2,953)	(1,509)
- Interest charged to subsidiaries	(2,018)	(10,885)
- Sales of fish to a subsidiary	(11,159)	(10,593)
- Rental income from subsidiaries	(343)	(347)

Notes to the Financial Statements

As at 31 March 2020

39. Related party disclosures (cont'd.)

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, including any director (whether executive or otherwise).

The key management personnel of the Group and of the Company include directors of the Company and subsidiaries and certain members of senior management of the Group and of the Company. Their compensation are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Salaries and other short-term employee benefits	7,587	6,786	2,440	2,229
Contributions to defined contribution plan	1,339	1,284	436	387
	8,926	8,070	2,876	2,616

Included in the total key management personnel above are the remuneration in respect of the directors of the Company and directors of subsidiaries:

	Group		Company	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Directors remuneration:				
Directors of the Company (Note 7)	3,264	3,013	1,578	1,401
Directors of subsidiaries	2,751	2,485	-	-
Total directors remuneration	6,015	5,498	1,578	1,401

Notes to the Financial Statements

As at 31 March 2020

40. Segmental information

(a) Business segments

The Group is principally engaged in the following activities:

- (i) Manufacturing - Production and trading of security and confidential documents.
- (ii) Bulking - Providing bulk handling and storage of various types of liquid and semi-liquid products; as well as transportation and forwarding services.
- (iii) Plantation - Oil palm and pineapple estate operations.
- (iv) Food - Fish processing, canning and distribution and packaging of food products.
- (v) Others - Investment holding, rental and management of commercial properties and trading.

Notes to the Financial Statements

As at 31 March 2020

40. Segmental information (cont'd.)

(a) Business segments (cont'd.)

	Manufacturing		Plantation		Food	
	2020	2019	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External sales	134,004	134,780	123,382	118,345	131,691	130,316
Inter-segment sales	-	-	-	-	-	-
Total revenue	134,004	134,780	123,382	118,345	131,691	130,316
Results						
Segment results	25,996	30,558	(20,193)	32,980	14,915	8,331
Profit from operations	-	-	-	-	-	-
Finance costs, net	(8)	-	(361)	(177)	-	-
Share of profit of associates	-	-	-	-	-	(2,802)
Income tax expense						
Profit net of tax						
Non-controlling interests						
Profit attributable to equity holders of the Company						
Assets						
Segment assets	267,318	275,381	451,490	459,097	155,550	132,395
Interest in associate	-	-	-	-	-	-
Consolidated total assets						
Liabilities						
Segment liabilities	33,159	37,314	65,546	263,916	70,612	60,708
Consolidated total liabilities						
Other information						
Capital expenditure	462	2,380	20,197	28,564	4,116	3,404
Depreciation of:						
Property, plant and equipment	1,528	2,801	14,565	14,941	2,273	2,342
Right-of-use assets	322	-	5,907	-	-	-
Investment property	344	344	92	92	-	-
Impairment loss on:						
Property, plant and equipment	-	-	8,940	-	-	-
Right-of-use assets	-	-	8,851	-	-	-
Trade receivables	51	24	-	-	-	1,017
Other receivables	-	-	315	-	-	852

Notes to the Financial Statements

As at 31 March 2020

Bulking		Others		Eliminations		Consolidated	
2020	2019	2020	2019	2020	2019	2020	2019
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
106,664	81,146	5,160	4,886	-	-	500,901	469,473
-	-	13,407	13,758	(13,407)	(13,758)	-	-
106,664	81,146	18,567	18,644	(13,407)	(13,758)	500,901	469,473
37,675	43,130	(4,039)	881	-	-	54,354	115,880
-	-	-	-	-	-	54,354	115,880
(2,381)	-	(1,736)	(1,748)	-	-	(4,486)	(1,925)
-	-	1,963	3,732	-	-	1,963	930
						(24,363)	(29,677)
						27,468	85,208
				(1,746)	25,368	1,746	(25,368)
						29,214	59,840
147,068	85,691	607,655	605,528	(408,812)	(355,467)	1,220,269	1,202,625
-	-	33,237	31,274	-	-	33,237	31,274
						1,253,506	1,233,899
75,941	20,284	62,585	69,071	(93,008)	(274,353)	214,835	176,940
						214,835	176,940
7,641	5,207	183	912	-	-	32,599	40,467
4,139	4,536	353	797	-	-	22,858	25,417
9,247	-	514	-	-	-	15,990	-
-	-	1,201	1,202	-	-	1,637	1,638
-	-	-	-	-	-	8,940	-
-	-	-	-	-	-	8,851	-
250	-	292	-	-	-	593	1,041
215	-	100	-	-	-	630	852

Notes to the Financial Statements

As at 31 March 2020

40. Segmental information (cont'd.)

(b) Geographical segments

	Total revenue from external customers RM'000	Segment assets RM'000	Capital expenditure RM'000
31 March 2020			
Malaysia	274,874	1,406,956	23,272
Papua New Guinea	126,170	153,138	4,103
Indonesia	99,857	102,224	5,224
Eliminations	-	(408,812)	-
Consolidated	500,901	1,253,506	32,599
31 March 2019			
Malaysia	243,076	1,337,503	33,147
Papua New Guinea	124,013	126,694	3,372
Indonesia	102,384	125,169	3,948
Eliminations	-	(355,467)	-
Consolidated	469,473	1,233,899	40,467

41. Financial instruments

(a) Fair value measurement

The fair value measurement hierarchies used to measure assets would have the following levels are as follows:

- Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements

As at 31 March 2020

41. Financial instruments (cont'd.)

(a) Fair value measurement (cont'd.)

The following table presents the Group's and the Company's assets that are measured at fair value as at 31 March 2020 and 2019 respectively.

	Date of valuation	Group Level 1 RM'000	Company Level 1 RM'000
As at 31 March 2020			
Assets disclosed at fair value:			
Short term cash investments	31 March 2020	171,591	3,061
As at 31 March 2019			
Assets disclosed at fair value:			
Short term cash investments	31 March 2019	148,122	-
	Date of valuation	Group Level 3 RM'000	Company Level 3 RM'000
As at 31 March 2020			
Assets disclosed at fair value:			
Investment properties (Note 16)	31 March 2020	79,575	3,830
Assets measured at fair value:			
Biological asset (Note 21)	31 March 2020	6,865	-
As at 31 March 2019			
Assets disclosed at fair value:			
Investment properties (Note 16)	31 March 2019	80,130	3,830
Assets measured at fair value:			
Biological asset (Note 21)	31 March 2019	4,504	-

Notes to the Financial Statements

As at 31 March 2020

41. Financial instruments (cont'd.)

(b) Classification of financial instruments

The financial instruments of the Group and of the Company as at the reporting date are categorised into the following classes:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
(i) Financial assets measured at amortised cost				
Trade receivables (Note 22)	140,555	129,159	2	-
Other receivables (Note 23)	39,315	36,789	1,572	1,400
Less: Prepayments (Note 23)	(8,945)	(11,276)	(100)	(60)
Tax recoverable (Note 23)	(8,844)	(4,948)	(752)	(770)
	21,526	20,565	720	570
Due from subsidiaries (Note 24)	-	-	53,734	248,909
Cash and bank balances (Note 26)	124,329	142,196	11,005	17,179
Total financial assets measured at amortised cost	286,410	291,920	65,461	266,658
(ii) Fair value through profit or loss Short term cash investments (Note 25)	171,591	148,122	3,061	-
(iii) Financial liabilities measured at amortised cost				
Trade payables (Note 36)	19,225	13,675	184	111
Other payables (Note 36)	43,992	49,998	2,263	2,141
Due to subsidiaries (Note 24)	-	-	4,518	6,818
Borrowings (Note 35)	33,490	34,506	33,490	34,506
Total financial liabilities measured at amortised cost	96,707	98,179	40,455	43,576

Notes to the Financial Statements

As at 31 March 2020

42. Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity/funding and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(a) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debt as at year end. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

The Group and the Company do not have significant interest rate exposures at the reporting date.

(b) Liquidity/funding risk

The Group defines liquidity/funding risk as the risk that funds will not be available to meet liabilities as they fall due.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible instruments to meet its working capital requirements. To ensure availability of funds, the Group closely monitors its cash flow position on a regular basis.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Contractual cashflow on demand or within one year	
	2020 RM'000	2019 RM'000
Group		
Financial liabilities:		
Trade and other payables	63,217	63,673
Short term borrowings	33,490	34,506
Total undiscounted financial liabilities	96,707	98,179

Notes to the Financial Statements

As at 31 March 2020

42. Financial risk management objectives and policies (cont'd.)

(b) Liquidity/funding risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	Contractual cashflow on demand or within one year	
	2020 RM'000	2019 RM'000
Company		
Financial liabilities:		
Trade and other payables	2,447	2,252
Due to subsidiaries	4,518	6,818
Short term borrowings	33,490	34,506
Total undiscounted financial liabilities	40,455	43,576

(c) Foreign exchange risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Indonesian Rupiah, Papua New Guinea Kina and United States Dollar. The Group does not practise any fund hedge for its purchases and sales transaction.

Sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the Indonesian Rupiah ("IDR"), United States Dollar ("USD") and Papua New Guinea Kina ("PNGK") exchange rates against the functional currency of the affected group companies ("RM") with all other variables held constant.

	Group	
	2020 Effect on profit net of tax RM'000	2019 Effect on profit net of tax RM'000
USD - strengthen 5% (2019: 5%)	12	11
USD - weaken 5% (2019: 5%)	(12)	(11)
IDR - strengthen 5% (2019: 5%)	2,113	1,765
IDR - weaken 5% (2019: 5%)	(2,113)	(1,765)
PNGK - strengthen 5% (2019:5%)	2,718	1,811
PNGK - weaken 5% (2019:5%)	(2,718)	(1,811)

Notes to the Financial Statements

As at 31 March 2020

42. Financial risk management objectives and policies (cont'd.)

(d) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty except with the government agencies as disclosed in Note 22. The Group does not have any major concentration of credit risk related to any financial instruments.

During the financial year, the Group changed its risk management practices in response to the COVID-19 outbreak. Accordingly, the Group changed its ECL methodology in order to better estimate the impact of the outbreak in accordance with the requirements of MFRS 9. The Group has accordingly, calculated any overlays and adjustments to these simplified models. In order to accelerate the reflection of changes in credit quality not yet detected at an individual customer level, the Group adjusts the probabilities of default (PD) on a collective basis.

Whilst it is not possible to estimate the full impact of the outbreak's short-term and longer-term effects or the Government's varying efforts to combat the outbreak and support businesses, it is likely that the ECL would increase by a further 2% within the next financial year.

43. Capital management

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure in order to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders. The Group's approach in managing capital is based on defined guidelines that are approved by the Board.

There were no changes in the Group's approach to capital management during the year.

Notes to the Financial Statements

As at 31 March 2020

44. Subsidiaries and activities

Set out below is a list of the subsidiaries of the Company as at 31 March 2020, all of which are incorporated in Malaysia, unless otherwise indicated

Name of subsidiaries	Proportion of ownership interest		Principal activities
	2020 %	2019 %	
Manufacturing			
Security Printers (M) Sdn. Bhd.®	60.02	60.02	Trading of security and confidential documents
Percetakan Keselamatan Nasional Sdn. Bhd.®	60.02	60.02	Production of security and confidential documents
Property investment			
Fima Metal Box Holdings Sdn. Bhd.®	100.0	100.0	Investment holding
Fima Corporation Berhad®	60.02	60.02	Investment holding and property management
Fima Technology Sdn. Bhd.®	60.02	60.02	Property management and engineering consultation services
FCB Plantation Holdings Sdn. Bhd.®	60.02	60.02	Investment holding
Bulking			
Fima Bulking Services Berhad®	100.0	100.0	Providing bulk handling storage of liquid and semi-liquid products and investment holding
Fimachem Sdn. Bhd.®	100.0	100.0	Providing bulk storage of liquid and semi-liquid hazardous products
Fima Liquid Bulking Sdn. Bhd.®	100.0	100.0	Providing bulk storage of latex and palm oleo based products
Fima Palmbulk Services Sdn. Bhd.®	100.0	100.0	Bulk handling of liquid and semi-liquid products
Fima Freight Forwarders Sdn. Bhd.®	100.0	100.0	Provision of warehousing, transportation and forwarding services
Fima Butterworth Installation Sdn. Bhd. (formerly known as Boustead Oil Bulking Sdn. Bhd.)®	100.0	100.0	Bulk handling of palm oil and edible oils
Fima Logistics Sdn. Bhd.®	100.0	100.0	Inactive
Biodiesel			
Fima Biodiesel Sdn. Bhd.®	100.0	100.0	Manufacturing of biodiesel and trading of its related products

Notes to the Financial Statements

As at 31 March 2020

44. Subsidiaries and activities (cont'd.)

Set out below is a list of the subsidiaries of the Company as at 31 March 2020, all of which are incorporated in Malaysia, unless otherwise indicated (cont'd.) :

Name of subsidiaries	Proportion of ownership interest		Principal activities
	2020	2019	
	%	%	
Plantation			
Pineapple Cannery of Malaysia Sendirian Berhad [@]	100.0	100.0	Pineapple and oil palm cultivation
PT Nunukan Jaya Lestari [^]	48.02	48.02	Oil palm production and processing
Victoria Square Plantation Sdn. Bhd. [@]	80.0	80.0	Investment holding
Amgreen Gain Sdn. Bhd. [@]	52.0	52.0	Oil palm plantation
Ladang Fima Sdn. Bhd. [@]	100.0	100.0	Inactive
Fima-TLP Feedlot Sdn. Bhd. [@]	85.0	85.0	Inactive
Cendana Laksana Sdn. Bhd. [@]	60.02	60.02	Oil palm plantation
Gabungan Warisan Sdn.Bhd. [@]	60.02	60.02	Oil palm plantation
Next Oasis Sdn. Bhd. [@]	60.02	60.02	Investment holding
Taka Worldwide Trading Sdn. Bhd. [@]	60.02	60.02	Oil palm plantation
Etika Gangsa Sdn. Bhd. [@]	60.02	60.02	Oil palm plantation
R.N.E. Plantation Sdn. Bhd. [@]	42.01	42.01	Oil palm plantation
FCB Eastern Plantations Sdn. Bhd. [@]	60.02	60.02	Investment holding
Ladang Bunga Tanjong Sdn. Bhd. [@]	48.02	48.02	Oil palm plantation
Fima Overseas Holdings Sdn. Bhd. [@]	100.0	100.0	Investment holding
Endell Pte. Ltd. ^{φ*}	80.0	80.0	Investment holding
Fima Fraser's Hill Sdn. Bhd. [@]	60.0	60.0	Inactive
Food			
International Food Corporation Limited ⁺	95.6	95.6	Fish processing, canning and distribution
Fima Instanco Sdn. Bhd. [@]	100.0	100.0	Packaging of food products
Fima-Mr. Juicy Sdn. Bhd. [@]	100.0	100.0	Inactive
IFC Marketing and Distribution Limited ⁺	95.6	95.6	Inactive
Others			
Malaysian Transnational Trading (MATTRA) Corporation Berhad [@]	100.0	100.0	Inactive
Matra Premier Sdn. Bhd. [@]	100.0	100.0	Inactive
KF Commodities Sdn.Bhd. [@]	100.0	100.0	Inactive

^φ Incorporated in Singapore.

⁺ Incorporated in Papua New Guinea, audited by member firms of Ernst & Young Global in Papua New Guinea.

[@] Audited by Ernst & Young PLT.

[^] Incorporated in Indonesia, audited by member firms of Ernst & Young Global in Indonesia.

^{*} Audited by firms of auditors other than Ernst & Young PLT.

Notes to the Financial Statements

As at 31 March 2020

45. Associates and activities

Details of associates are as follows:

Name of associates	Proportion of ownership interest		Principal activities
	2020	2019	
	%	%	
Marushin Canneries (Malaysia) Sdn. Bhd.*	38.0	38.0	Manufacturer and sale of canned fish
<i>Held through subsidiary:</i>			
Giesecke & Devrient Malaysia Sdn. Bhd.*	20.0	20.0	Printing and production of bank notes

* Associates audited by firms of auditors other than Ernst & Young PLT.

46. Material litigation

Hak Guna Usaha No. 01/Nunukan Utara

- (a) On 13 May 2003, the National Land Body of Indonesia ("NLB") issued a certificate, Hak Guna Usaha ("HGU") providing the Company's subsidiary, PT Nunukan Jaya Lestari ("PTNJL") a right to use a land covering a total size of 19,974 hectares ("Total Parcel") identifiable as No. 1/Nunukan Barat for the purposes of plantation. The HGU is set to expire on 12 May 2038.

Notwithstanding the HGU, the Minister of Agrarian Affairs and Spatial Planning ("Minister") vide letter dated 25 July 2016 ("Revocation Letter") informed the PTNJL among others, of the following:

- There were administrative irregularities performed by officer(s) of the Regional Land Body of East Kalimantan in respect of the HGU. Due to these irregularities, it was identified that 17,165 hectares ("Irregular Parcel") of the Total Parcel is delineated for forestry.
- A third party situated adjacent to the Total Parcel ("Third Party") has requested to revise/amend the HGU as there are overlaps between the Total Parcel with the Third Party's interests on the land pursuant to their operating permits (approximately 3,500 hectares) ("Overlapping Parcel").

Following the above, the Minister vide the Revocation Letter has provided the following decisions:

- the HGU is revoked effectively immediately ("Revocation");
- PTNJL to apply for a new certificate for the remaining 2,809 hectares of land located at Land Allocated for Other Purposes ("APL"); and
- The Irregular Parcel is to be surrendered to the Minister of Environmental Affairs and Forestry of Republic of Indonesia.

Notes to the Financial Statements

As at 31 March 2020

46. Material litigation (cont'd.)

Hak Guna Usaha No. 01/Nunukan Utara (cont'd.)

On 21 October 2016, PTNJL initiated an action against the Revocation ("Lawsuit") in the Administrative Court ("State Administrative Court") of Jakarta, Indonesia. In the Lawsuit, PTNJL applied for an order for stay of enforcement of the Revocation until the final judgment is issued.

PTNJL's basis for the Lawsuit are inter alia as follows:

- i) The status of the Total Parcel is State Land, aligned with the condition imposed by prevailing laws and regulations in Indonesia; and
- ii) The revocation of the HGU certificate is contrary to the prevailing laws and regulations in Indonesia.

On 13 June 2017, the State Administrative Court dismissed the Lawsuit ("State Administrative Court's Decision") resulting in an appeal lodged by PTNJL in the High Administrative Court ("High Court") of Jakarta, Indonesia, on 24 July 2017 ("Appeal").

Vide written decision dated 11 December 2017, the High Court partly allowed the Appeal with costs and ordered that (i) the Revocation to be void and the Revocation Letter be annulled, save for the Overlapping Parcel; (ii) that the Overlapping Parcel be increased to 5,138 hectares. ("High Court Decision").

On 23 January 2018, PTNJL has lodged an appeal to the Supreme Court of Indonesia ("Supreme Court") against the High Court Decision. On 21 August 2018, the Supreme Court allowed PTNJL's appeal and similarly ordered that the Revocation Letter be annulled ("Decision of the Supreme Court"). The Supreme Court also ordered the Minister to simultaneously:

- (i) issue an order cancelling PTNJL's rights over the Overlapping Parcel measuring 3,500 hectares; and
- (ii) ensure the issuance of a new certificate in favour of PTNJL to use the remaining area measuring 16,474.130 hectared, (which is 19,974.130 hectares less than 3,500 hectares referred to in paragraph (i) above).

On 8 February, 2019, the Minister filed an application in the Supreme Court to review the Decision of the Supreme Court ("JR Application").

On 27 November 2019 the Supreme Court overturned the Decision of the Supreme Court in favor of the Minister upholding the legitimacy and the validity of the Revocation ("JR Decision").

Notes to the Financial Statements

As at 31 March 2020

46. Material litigation (cont'd.)

Hak Guna Usaha No. 01/Nunukan Utara (cont'd.)

PTNJL subsequently filed a further application for judicial review against the JR Decision ("2nd JR Application"). PTNJL's application for the 2nd JR Application is made on grounds that the JR Decision contradicts some aspects of other established cases and the discovery of new material evidence that was not previously available. As at today, the Supreme Court has not issued any decision in respect of the 2nd JR Application.

- (b) On 28 November 2019, PTNJL has filed a civil suit in the State Administrative Court ("the Court") against the NLB and a Third Party (collectively, Defendants"). The President Republik Indonesia and Minister of Environmental Affairs and Forestry of Republic of Indonesia ("Ministry") have been named as co-defendants in the said suit.

PTNJL is seeking legal recognition of its rights over HGU; an injunction to:

- (i) order NLB and Ministry to issue permit, recommendation, or approval for PTNJL to undertake its plantation activities;
- (ii) bar the Third Party from preventing PTNJL from undertaking its plantation activities within the HGU areas which overlap with the Third Party's operating permits/interests; and
- (iii) restrain the Minister from issuing any new licences permits or approvals to any parties on or within the HGU.

PTNJL is also seeking an order from the Court to stay the enforcement of the Ministerial Order dated 25 July 2016 pending full and final determination of the matter by the Indonesian Courts.

On 6 May 2020, the mediation held between PTNJL, Defendants and Co-defendants has failed. Accordingly, the matter will now proceed to Court for determination.

Legal action against Datasonic Technologies Sdn. Bhd.

On 30 July 2018, Percetakan Keselamatan Nasional Sdn. Bhd. ("PKN"), a wholly-owned subsidiary of the Company's subsidiary, Fima Corporation Berhad ("FimaCorp"), has on the same day, commenced a High Court action against Datasonic Technologies Sdn. Bhd. ("DTSB").

The claim is for a sum of RM24,975,000 (excluding interest and cost), being the amount due and owing by DTSB to PKN for 1.5 million Malaysian passport booklets which were supplied by PKN to DTSB.

At the request of DTSB during the case management on 3 October 2018, PKN agreed to attempt mediation with the aim of arriving at an amicable resolution. The mediation took place on 17 October 2018 and 19 October 2018. However, the parties could not reach a resolution.

The matter has been fixed for trial on 13, 14, 27 and 28 August 2020.

This civil suit is not expected to have any material impact on the financial and operational position of the Company.

Notes to the Financial Statements

As at 31 March 2020

47. Significant event

Covid-19 outbreak

Prior to the financial year end, the World Health Organization ("WHO") had on 11 March 2020 declared Covid-19 a pandemic and there has since been growing concerns on the effects of the Covid-19 pandemic globally. On 18 March 2020, the Government of Malaysia imposed a Movement Control Order ("MCO"), on 16 April 2020, the Government of Papua Guinea issued National Emergency Order ("NEO") and on 19 April 2020, the Government of Indonesia imposed a Large-scale Social Restrictions ("LSR") for North Kalimantan area which involves movement restrictions and closure of all government and private premises. The Covid-19 pandemic has significantly disrupted many businesses operations around the world. For the Group, the impact on business operations has not been a direct consequence of the Covid-19 outbreak, but a result of the measures taken by the governments of Malaysia, Indonesia and Papua Guinea to contain it. As the outbreak continues to evolve subsequent to the financial year, it is challenging to predict the full extent and duration of its impact on business and the economy.

Up to the date of these financial statements, the Group has seen an impact of COVID-19 outbreak on the Group's revenue, earnings, cash flow and financial condition. At this juncture, it is not possible to estimate the full impact of the outbreak's short-term and longer-term effects or the Governments' varying efforts to combat the outbreak and support businesses.

However, there is uncertainty about the length and severity of Government or regulatory intervention which could have unexpected impacts. A prolonged economic downturn could also lead to further Government or regulatory intervention and more adverse outcomes to the Group's business.

The Group will continue to monitor the development of these events and have implemented measures to mitigate the impact of COVID-19 to the Group's business, including the prudent management of its cash flows from its operating, investing and financing activities.

Changes in shareholding

Following the transfers of the Company's shares by and between BHR Enterprise Sdn. Bhd. ("BHR"), Roshayati binti Basir, Rozana Zeti binti Basir and Rozilawati binti Haji Basir, the Company has ceased to be the subsidiary of BHR effective 23 July 2019. Roshayati binti Basir and Rozana Zeti binti Basir have emerged as the Company's major shareholders with 17.60% and 17.45% interest, respectively. Rozilawati binti Haji Basir's interest in the Company subsequent to the transfer is 0.09%.

Subsequent to the transfer, BHR remains as one of the Company's major shareholders holding 16.95% interest.

48. Comparative

The comparative figures in respect of financial year ended 31 March 2019 have been audited by a firm which also a member of the global network of Ernst & Young firms.

49. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2020 were authorised for issue in accordance with resolution of the directors on 24 July 2020.

Properties of the Group

As at 31 March 2020

No.	Location	Description/ Existing Use	Latest Valuation/ Acquisition Date	Tenure Expiry Date	Land Area (acre)	Built-Up Area (sq.ft)	NBV As At 31/03/2020 (RM'000)	Approximate Age Of Buildings (years)
KUMPULAN FIMA BERHAD								
1	HS(D) 1396, PTD 257 Mukim Ulu Sg. Sedili Besar Daerah Kota Tinggi Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Leasehold expiring 17/02/2077	1,010.27	N/A	22,795	N/A
2	HS(D) 1397, PTD 258 Mukim Ulu Sg. Sedili Besar Daerah Kota Tinggi Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Leasehold expiring 17/02/2077	47.88	N/A	1,080	N/A
3	HS(D) 1398, PTD 331 Mukim Kota Tinggi Daerah Kota Tinggi Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Leasehold expiring 17/02/2077	18.82	N/A	425	N/A
4	GRN 558083 Lot 8020 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	172.00	N/A	1,582	N/A
5	GRN 497075 Lot 8021 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	320.98	N/A	2,951	N/A
6	GRN 497074 Lot 8022 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	5.91	N/A	54	N/A

Properties of the Group

As at 31 March 2020

No.	Location	Description/ Existing Use	Latest Valuation/ Acquisition Date	Tenure Expiry Date	Land Area (acre)	Built-Up Area (sq.ft)	NBV As At 31/03/2020 (RM'000)	Approximate Age Of Buildings (years)
KUMPULAN FIMA BERHAD (CONT'D.)								
7	GRN 346599 Lot 8024 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple	23/03/2015	Freehold	496.42	N/A	4,565	N/A
8	GRN 346571 Lot 8025 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple Plantation	23/03/2015	Freehold	382.51	N/A	3,517	N/A
9	GRN 346581 Lot 8026 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple Plantation	23/03/2015	Freehold	217.58	N/A	2,001	N/A
10	GRN 561307 Lot 14771 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	136.00	N/A	1,251	N/A
11	PJ Trade Centre (3 units) Menara Bata No. 8, Jalan PJU 8/8A Bandar Damansara Perdana 47820 Petaling Jaya Selangor	Office Units	23/03/2015	Leasehold expiring 13/05/2108	N/A	8,852	3,019	10
Sub Total					2,808.37	8,852	43,240	

Properties of the Group

As at 31 March 2020

No.	Location	Description/ Existing Use	Latest Valuation/ Acquisition Date	Tenure Expiry Date	Land Area (acre)	Built-Up Area (sq.ft)	NBV As At 31/03/2020 (RM'000)	Approximate Age Of Buildings (years)
AMGREEN GAIN SDN. BHD.								
1	Lot No. 1, Block 10 Puyut Land District Sg Karap and Sg Kulak, Baram Miri, Sarawak	Mixed Zone Land / Oil Palm Plantation	23/03/2015	Lease of State Land 60 years expiring 12/08/2069	12,080.47	25,244	47,863	N/A
Sub Total					12,080.47	25,244	47,863	

FIMA CORPORATION BERHAD								
1	H.S.(D) 13531 PTD 4656 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Industrial Land / Factory & Office Buildings	23/03/2015	Freehold	2.71	66,608	771	52
2	Lot 1176 Mukim Pasir Panjang Port Dickson Negeri Sembilan Darul Khusus	Bungalow	23/03/2015	Freehold	0.82	3,114	1,627	71
3	Lot 52068 GRN 50064 Mukim of Kuala Lumpur Wilayah Persekutuan	Office Building	23/03/2015	Freehold	1.45	270,372	46,344	22
Sub Total					4.98	340,094	48,742	

Properties of the Group

As at 31 March 2020

No.	Location	Description/ Existing Use	Latest Valuation/ Acquisition Date	Tenure Expiry Date	Land Area (acre)	Built-Up Area (sq.ft)	NBV As At 31/03/2020 (RM'000)	Approximate Age Of Buildings (years)
CENDANA LAKSANA SDN. BHD.								
1	PN 7602, Lot 2925 and H.S.(D) 398, PT 757 P Mukim Tebak Daerah Kemaman Terengganu	Oil Palm Plantation	23/3/2015 / 06/01/2014	Leasehold expiring 8/2/2048 (PN 7602) 8/8/2039 (HSD 398)	1,940.73	N/A	24,534	N/A
Sub Total					1,940.73	-	24,534	
GABUNGAN WARISAN SDN. BHD.								
1	H.S.(D) 9350 PT 4718 Mukim Kuala Stong Jajahan Kuala Krai Kelantan	Oil Palm Plantation	23/03/2015 / 17/10/2014	Leasehold expiring 22/07/2112	617.27	N/A	6,200	N/A
Sub Total					617.27	-	6,200	
TAKA WORLDWIDE TRADING SDN. BHD.								
1	H.S. (D) 2345 PT 6943 Mukim Relai Jajahan Gua Musang Kelantan	Oil Palm Plantation	18/03/2015	Leasehold expiring 05/03/2107	500.00	N/A	3,854	N/A
Sub Total					500.00	-	3,854	
ETIKA GANGSA SDN. BHD.								
1	H.S. (D) 2346 PT 6944 Mukim Relai Jajahan Gua Musang Kelantan	Oil Palm Plantation	18/03/2015	Leasehold expiring 05/03/2107	500.00	N/A	3,854	N/A
Sub Total					500.00	-	3,854	

Properties of the Group

As at 31 March 2020

No.	Location	Description/ Existing Use	Latest Valuation/ Acquisition Date	Tenure Expiry Date	Land Area (acre)	Built-Up Area (sq.ft)	NBV As At 31/03/2020 (RM'000)	Approximate Age Of Buildings (years)
PERCETAKAN KESELAMATAN NASIONAL SDN. BHD.								
1	Lot 27306 Section 13 Mukim Kajang Daerah Hulu Langat Selangor	Industrial Land / Building	26/01/2006	Leasehold expiring 29/09/2086	8.30	250,560	10,541	33
Sub Total					8.30	250,560	10,541	
R.N.E. PLANTATION SDN. BHD.								
1	PT 14352 H.S(D) 16214 Mukim Sungai Siput District of Kuala Kangsar Perak	Agriculture	04/12/2015	Leasehold expiring 03/08/2075	4,942.00	N/A	22,079	N/A
Sub Total					4,942.00	-	22,079	
LADANG BUNGA TANJONG SDN. BHD.								
1	GRN 36415 Lot 2429 Mukim Lubok Bungor Jajahan Jeli Kelantan	Agriculture Oil Palm Plantation	20/02/2018	Leasehold expiring 28/09/2069	3,288.90	N/A	25,347	N/A
Sub Total					3,288.90	-	25,347	
PT NUNUKAN JAYA LESTARI								
1	Hak Guna Usaha (HGU) No. 1 and Hak Guna Bangunan (HGB) No.50 Kelurahan Nunukan Barat Kabupaten & Kecamatan Nunukan Propinsi Kalimantan Timur Indonesia	Agriculture / Oil Palm Plantation / Palm Oil Mill	09/04/2007 / 31/12/2014	Leasehold expiring: 12/05/2038 (HGU) 17/03/2035 (HGB)	49,355.75 286.15	N/A 112,375	9,671 796	N/A 15
Sub Total					49,641.90	112,375	10,467	

Properties of the Group

As at 31 March 2020

No.	Location	Description/ Existing Use	Latest Valuation/ Acquisition Date	Tenure Expiry Date	Land Area (acre)	Built-Up Area (sq.ft)	NBV As At 31/03/2020 (RM'000)	Approximate Age Of Buildings (years)
PINEAPPLE CANNERY OF MALAYSIA SDN. BHD.								
1	H.S.(D) 62211 PTD 5525 Mukim Machap Daerah Kluang Johor Darul Takzim	Agriculture / Pineapple	23/03/2015	Leasehold expiring 16/10/2038	209.89	N/A	842	N/A
2	Lot 1790, GM 1721 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm	23/03/2015	Freehold	4.39	N/A	381	N/A
3	Lot 4552, GM 280 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	2.63	N/A	228	N/A
4	Lot 4554, GM 278 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	2.40	N/A	208	N/A
5	Lot 1681, GM 4287 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Vacant Land	23/03/2015	Freehold	2.43	N/A	250	N/A
6	H.S.(D) 13531 PTD 4656 & H.S.(D) 13532 PTD 4657 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Industrial Land / Factory & Office Buildings / Residential / Single Storey House	23/03/2015	Freehold	17.98 7.14	235,160	8,312	52
7	Lot 3886, GN 96493 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	10.00	N/A	2,647	N/A

Properties of the Group

As at 31 March 2020

No.	Location	Description/ Existing Use	Latest Valuation/ Acquisition Date	Tenure Expiry Date	Land Area (acre)	Built-Up Area (sq.ft)	NBV As At 31/03/2020 (RM'000)	Approximate Age Of Buildings (years)
PINEAPPLE CANNERY OF MALAYSIA SDN. BHD. (CONT'D.)								
8	Lot 3887, GN 96495 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	10.00	N/A	2,647	N/A
9	Lot 3890, GN 96497 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	6.46	N/A	1,710	N/A
10	Lot 3891, GN 96499 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	10.00	N/A	2,647	N/A
11	Lot 1789, GM 1720 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm	23/03/2015	Freehold	4.06	N/A	352	52
12	Lot 180, GM 136 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Storey Factory Building	23/03/2015	Freehold	7.22	42,782	341	47
13	Lot 181, GM 137 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	6.78	40,175	320	47

Properties of the Group

As at 31 March 2020

No.	Location	Description/ Existing Use	Latest Valuation/ Acquisition Date	Tenure Expiry Date	Land Area (acre)	Built-Up Area (sq.ft)	NBV As At 31/03/2020 (RM'000)	Approximate Age Of Buildings (years)
PINEAPPLE CANNERY OF MALAYSIA SDN. BHD. (CONT'D.)								
14	Lot 182, H.S.(D) 1976 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Industrial Land / Single Storey Factory Building	23/03/2015	Leasehold expiring 03/01/2079	1.59	9,422	25	47
15	Lot 183, GM 135 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	3.80	22,517	179	47
16	Lot 184, GM 134 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	2.73	16,532	129	47
17	Lot 185, GM 85 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	3.19	N/A	187	N/A
18	Lot 560, GM 132 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Residential Buildings & One Hostel Block	23/03/2015	Freehold	3.34	16,310	169	47
19	Lot 561, GM 133 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Two Single Storey Hostel Blocks	23/03/2015	Freehold	2.16	4,800	103	47

Properties of the Group

As at 31 March 2020

No.	Location	Description/ Existing Use	Latest Valuation/ Acquisition Date	Tenure Expiry Date	Land Area (acre)	Built-Up Area (sq.ft)	NBV As At 31/03/2020 (RM'000)	Approximate Age Of Buildings (years)
PINEAPPLE CANNERY OF MALAYSIA SDN. BHD. (CONT'D.)								
20	Lot 2945, GM 138 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	2.31	13,984	109	47
21	HS(D) 1396, PTD 257 & HS(D) 1397 PTD 258 Mukim Ulu Sg. Sedili Besar & Mukim Kota Tinggi Daerah Kota Tinggi Johor Darul Takzim	Office & Staff / Workers Quarters	23/03/2015	Land owned by KFima	N/A	12,376	419	42
22	GRN 346571 Lot 8025 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Office Building & Workers Quarters	23/03/2015	Land owned by KFima	N/A	5,520	1,050	8
Sub Total					320.50	419,578	23,255	

BULKING GROUP OF COMPANIES

1	Part of HS(D) 24616 PT 11689 Mukim Kapar Daerah Klang Selangor Darul Ehsan	Office Building	23/03/2015	Leasehold expiring 14/07/2022	12.41	38,438	353	38
2	Part of HS(D) 24616 PT 11689 Mukim Kapar Daerah Klang Selangor Darul Ehsan	Office Building	23/03/2015	Leasehold expiring 14/07/2022	14.02	14,560	-	31
3	Part of HS(D) 24616 PT 11689 Mukim Kapar Daerah Klang Selangor Darul Ehsan	Office Building	23/03/2015	Leasehold expiring 14/07/2022	3.80	15,752	2	28

Properties of the Group

As at 31 March 2020

No.	Location	Description/ Existing Use	Latest Valuation/ Acquisition Date	Tenure Expiry Date	Land Area (acre)	Built-Up Area (sq.ft)	NBV As At 31/03/2020 (RM'000)	Approximate Age Of Buildings (years)
BUKING GROUP OF COMPANIES (CONT'D.)								
4	Plot 'A' H.S.(D) HBM.1 Town of Butterworth- Seksyen 4 Daerah Seberang Perai Utara Pulau Pinang	Office Building	23/03/2015	Leasehold expiring 30/06/2023	5.17	27,238	348	36
Sub Total					35.40	95,988	703	
INTERNATIONAL FOOD CORPORATION LIMITED								
1	Portion 361 Malahang, Lae Papua New Guinea	Industrial Land / Office Building, Amenities Building & 2 Factory Buildings		State Lease expiring 19/10/2093	35.65	204,999	34,586	25
Sub Total					35.65	204,999	34,586	
FIMA FRASER'S HILL SDN. BHD.								
1	Lot 4509, PN 4503 Mukim Teras Daerah Raub Pahang Darul Makmur	Agriculture	23/03/2015	Leasehold expiring 01/01/2036	130.17	N/A	956	N/A
Sub Total					130.17	-	956	
GRAND TOTAL					76,854.64	1,457,690	306,221	

Analysis of Shareholdings

As at 11 August 2020

THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% of Total Shareholdings
1.	ROZANA ZETI BINTI BASIR	49,250,000	17.62
2.	ROSHAYATI BINTI BASIR	49,200,000	17.61
3.	BHR ENTERPRISE SDN BHD	47,852,300	17.12
4.	SUBUR RAHMAT SDN BHD	11,509,200	4.12
5.	HSBC NOMINEES (ASING) SDN BHD KBL EURO PB FOR SAMARANG UCITS - SAMARANG ASIAN PROSPERITY	10,469,200	3.75
6.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUBUR RAHMAT SDN BHD (M&A)	7,500,000	2.68
7.	NEOH CHOO EE & COMPANY, SDN. BERHAD	4,420,900	1.58
8.	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	2,547,900	0.91
9.	LEONG KOK TAI	1,995,000	0.71
10.	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KUANG (D)	1,916,400	0.69
11.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROSLAN BIN HAMIR	1,291,000	0.46
12.	TAN KIM KEE @ TAN KEE	1,096,500	0.39
13.	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR ASIA HUMANISTIC CAPITAL INC	1,035,300	0.37
14.	ROZILAWATI BINTI HAJI BASIR	1,000,000	0.36
15.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN	983,900	0.35
16.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR K.B.LOH SDN BHD (23MG00001)	926,500	0.33
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD JINCAN SDN BHD	900,000	0.32
18.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND SD4N FOR ALBERTA INVESTMENT MANAGEMENT CORPORATION	885,300	0.32
19.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	825,100	0.30
20.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN TIAN SANG @ TAN TIAN SONG (E-PPG)	803,000	0.29

Analysis of Shareholdings

As at 11 August 2020

No.	Name of Shareholder	No. of Shares	% of Total Shareholdings
21.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN TEE JIN	800,000	0.29
22.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	766,900	0.27
23.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KHIAN BENG (003)	756,300	0.27
24.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	737,000	0.26
25.	HSBC NOMINEES (ASING) SDN BHD TNTC FOR LSV EMERGING MARKETS SMALL CAP EQUITY FUND, LP	690,100	0.25
26.	M&A NOMINEE (TEMPATAN) SDN BHD PLEDGES SECURITIES ACCOUNT FOR ZAILINI BINTI ZAINAL ABIDIN (M&A)	680,000	0.24
27.	HSBC NOMINEES (ASING) SDN BHD JPMBL SA FOR STICHTING SHELL PENSIONFONDS	647,600	0.23
28.	LIM KHUAN ENG	640,000	0.23
29.	ROSHAYATI BINTI BASIR	616,800	0.22
30.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG HAN PENG (MY0915)	613,000	0.22

SUBSTANTIAL SHAREHOLDERS

No.	Name	DIRECT HOLDINGS		INDIRECT HOLDINGS	
		No. of Shares	% of Shareholdings	No. of Shares	% of Shareholdings
1.	ROSHAYATI BINTI BASIR	49,816,800	17.83	119,343,500 ^(a)	42.71
2.	ROZANA ZETI BINTI BASIR	49,250,000	17.62	119,910,300 ^(a)	42.91
3.	BHR ENTERPRISE SDN BHD	47,852,300	17.12	101,092,800 ^(b)	36.18
4.	SUBUR RAHMAT SDN BHD	11,509,200	4.12	8,706,000 ^(c)	3.12

Analysis of Shareholdings

As at 11 August 2020

Notes:

- (a) Deemed interested by virtue that:
- Puan Sri Datin Hamidah binti Abdul Rahman is the mother of Roshayati binti Basir, Rozilawati binti Haji Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir and her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.
 - Roshayati binti Basir, Rozilawati binti Haji Basir and Rozana Zeti binti Basir are sisters and their shareholdings in BHR of more than 20%.
 - Ahmad Riza bin Basir is the son of Puan Sri Datin Hamidah binti Abdul Rahman and brother of Roshayati binti Basir, Rozilawati binti Haji Basir and Rozana Zeti binti Basir and:
 - His indirect shareholdings in the Company which are held through M&A Nominees (Tempatan) Sdn. Bhd. of 360,000 (or 0.13%) and Subur Rahmat Sdn. Bhd. (SRSB) pursuant to Section 8 of the Act. SRSB holds 11,509,200 (or 4.12%) and 8,706,000 (or 3.12%) direct and indirect interests, respectively in KFima.
 - His wife, Zailini binti Zainal Abidin's shareholding in SRSB pursuant to Section 8 of the Act and her indirect shareholding in KFima.
- (b) Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir, Rozana Zeti binti Basir and Rozilawati binti Haji Basir's direct and indirect shareholdings, respectively, in the Company. Deemed interested by virtue of their shareholdings in BHR Enterprise Sdn. Bhd. ("BHR") of more than 20%. Puan Sri Datin Hamidah binti Abdul Rahman is the mother of Roshayati binti Basir, Rozilawati binti Haji Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir. Deemed interested by virtue of her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.
- (c) Subur Rahmat Sdn Bhd's ("SRSB") indirect shareholding in the Company is held under M & A Nominee (Tempatan) Sdn. Bhd., Ahmad Riza bin Basir and Zailini binti Zainal Abidin. Ahmad Riza bin Basir and his wife, Zailini binti Zainal Abidin are deemed interested by virtue of their interest in SRSB pursuant to Section 8 of the Companies Act, 2016.

DIRECTORS' SHAREHOLDINGS

Directors	DIRECT HOLDINGS		INDIRECT HOLDINGS	
	No. of Shares	% of Shareholdings	No. of Shares	% of Shareholdings
DATO' IDRIS BIN KECHOT	10,000	0.00	-	-
DATO' ROSLAN BIN HAMIR	320,000	0.11	1,291,000 ^(a)	0.46
AZIZAN BIN MOHD NOOR	-	-	-	-
ROZANA ZETI BINTI BASIR	49,250,000	17.62	119,910,300 ^(b)	42.91
DATO' ROSMAN BIN ABDULLAH	195,000	0.07	-	-
ROZILAWATI BINTI HAJI BASIR	1,000,000	0.36	168,160,300 ^(c)	60.18
DATUK ANUAR BIN AHMAD	-	-	-	-

Notes:

- (a) 1,291,000 shares are held under Maybank Nominees (Tempatan) Sdn. Bhd..
- (b) Deemed interested by virtue of her shareholding in BHR of more than 20% and the direct and indirect shareholdings of her family members namely, Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir, Rozilawati binti Haji Basir and Ahmad Riza bin Basir, respectively, in the Company.
- (c) Deemed interested by virtue of her indirect interest of 461,000 ordinary shares and 200,000 ordinary shares in the Company which is held under M & A Nominees (Tempatan) Sdn. Bhd. and CGS-CIMB Nominees (Tempatan) Sdn. Bhd., respectively and the direct and indirect shareholdings of her family members namely, Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir, respectively, in the Company.

Analysis of Shareholdings

As at 11 August 2020

DISTRIBUTION BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shareholdings
Less than 100	251	3.18	3,101	0.00
100 - 1,000	3,012	38.18	2,780,002	1.00
1,001 - 10,000	3,536	44.83	15,614,579	5.59
10,001 - 100,000	923	11.70	28,445,000	10.18
100,001 to less than 5% of issued shares	163	2.07	86,305,018	30.88
5% and above of issued shares	3	0.04	146,302,300	52.35
TOTAL	7,888	100.00	279,450,000	100.00

CLASSIFICATION OF SHAREHOLDERS

Category	No. of Holders	% of Holders	No. of Shares	% of Shareholdings
1. Government Agencies	0	0.00	0	0.00
2. Bumiputra				
a. Individuals	922	11.69	105,867,600	37.88
b. Companies	29	0.37	59,637,500	21.34
c. Nominees Company	407	5.16	12,634,852	4.52
3. Non-Bumiputra				
a. Individuals	5,999	76.05	50,089,134	17.92
b. Companies	85	1.08	9,128,100	3.27
c. Nominees Company	307	3.89	18,282,020	6.54
MALAYSIAN TOTAL	7,749	98.24	255,639,206	91.47
4. Foreign				
a. Individuals	65	0.82	911,544	0.33
b. Companies	3	0.04	105,000	0.04
c. Nominees Company	71	0.90	22,794,250	8.16
FOREIGN TOTAL	139	1.76	23,810,794	8.53
GRAND TOTAL	7,888	100.00	279,450,000	100.00

Directory of Group Operation

MANUFACTURING DIVISION

www.fimacorp.com

Fima Corporation Berhad (197401004110) (21185-P)

Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2092 5923

Percetakan Keselamatan Nasional Sdn. Bhd. (198701007433) (166151-T)

No.1, Jalan Chan Sow Lin
55200 Kuala Lumpur
Telephone : +603-9222 2511
Facsimile : +603-9222 4401

Security Printers (M) Sdn. Bhd. (197701003239) (34025-W)

No.1, Jalan Chan Sow Lin
55200 Kuala Lumpur
Telephone : +603-9222 2511
Facsimile : +603-9222 4401

BULKING DIVISION

www.fimabulking.com

Fima Bulking Services Berhad (197901008826) (53110-X)

Jalan Parang
2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 7211
Facsimile : +603-3176 5641

Fimachem Sdn. Bhd. (198601002740) (151893-X)

PT11689 Jalan Parang
2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 6514 / 2609

Fima Biodiesel Sdn. Bhd. (200501033681) (715822 -K)

Lot 11689, Jalan Parang
2nd Extension, North Port
42000 Port Klang, Selangor
Telephone : +603-3176 3373

Fima Liquid Bulking Sdn. Bhd. (198901005599) (182904-W)

PT11689 Jalan Siakap
2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 9286

Fima Freight Forwarders Sdn. Bhd. (199101013538) (223850-P)

PT11689 Jalan Parang
2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 2681

Fima Palmbulk Services Sdn. Bhd. (198001007675) (61459-M)

PPSB Deep Water Wharves
P.O. Box 243
12720 Butterworth, Pulau Pinang
Telephone : +604-332 7019

Fima Butterworth Installation Sdn. Bhd. (formerly known as Boustead Oil Bulking Sdn. Bhd.) (198201001762) (81508-K)

PPSB Deep Water Wharves
P.O. Box 243
12720 Butterworth, Pulau Pinang
Telephone : +604-332 7019

PLANTATION DIVISION

Pineapple Cannery of Malaysia Sendirian Berhad (196401000036) (5367-U)

Ladang Kota Tinggi
Batu 6, Jalan Mawai
81900 Kota Tinggi, Johor
Telephone : +607-891 0054

Ladang Ayer Baloi
Jalan Parit Panjang
82100 Ayer Baloi
Pontian, Johor
Telephone : +6013 839 2180

Ladang Fima Ayer Hitam
Plot 49, Batu 8
Jalan Felda Ayer Hitam
86000 Kluang, Johor

Directory of Group Operation

Victoria Square Plantation Sdn. Bhd.**(200601013547) (733298-K)**

Lot 1, Block 10 Puyut Land District
Miri, Sarawak
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Amgreen Gain Sdn. Bhd.**(200401016733) (655236-V)**

Lot 1, Block 10, Puyut Land District
Miri, Sarawak
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

PT Nunukan Jaya Lestari**(NPWP 02.033.898.4-723.000)**

Jln. Jenderal Sudirman
Komplek Ruko Liem Hie Djung
No. A2 18, RT 01, Kec. Nunukan, Kab. Nunukan
Kalimantan Utara 77482, Indonesia
Telephone : 006 2 55624551

Cendana Laksana Sdn. Bhd.**(201201039689) (1024167-W)**

Ladang Fima Cendana
Batu 40, Jerangau-Jabor Highway
Air Putih, 24050 Kemaman
Terengganu
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Gabungan Warisan Sdn. Bhd.**(199401042148) (327836-P)**

Ladang Fima Dabong
PT 4718, Mukim Kuala Stong
Jajahan Kuala Krai, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Next Oasis Sdn. Bhd.**(201401033412) (1109497-D)**

Ladang Fima Aring
PT 6943 & PT 6944
Mukim Relai, Jajahan Gua Musang
Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Taka Worldwide Trading Sdn. Bhd.**(200501032715) (714855-P)**

Ladang Fima Aring
PT 6943 Mukim Relai
Jajahan Gua Musang, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Directory of Group Operation

Etika Gangsa Sdn. Bhd.
(200601035188) (754947-D)

Ladang Fima Aring
PT 6944 Mukim Relai
Jajahan Gua Musang, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

R.N.E. Plantation Sdn. Bhd.
(201301038071) (1067900-V)

HSD 16214, PT 14352 Mukim Sungai Siput
Daerah Kuala Kangsar, Perak
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

FCB Eastern Plantations Sdn. Bhd.
(199101000385) (210695-H)

Lot 2429, Mukim Lubok Bongor
Daerah Kuala Balah
17600 Jeli
Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Ladang Bunga Tanjong Sdn. Bhd.
(199601017476) (389827-K)

Lot 2429, Mukim Lubok Bongor
Daerah Kuala Balah
17600 Jeli, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

FOOD DIVISION

International Food Corporation Limited
(C.1-19260)

Portion 361, Busu Road
Malahang, P.O. Box 1334
Lae, Papua New Guinea
Telephone : 00 675 4720 655
Facsimile : 00 675 4720 607

Fima Instanco Sdn. Bhd.
(197401002015) (19196-T)

1st Floor, Main Building
Lot 6, Jalan P/1A
Seksyen 13, 43650 Bandar Baru Bangi, Selangor
Telephone : +603-8927 5650
Facsimile : +603-8927 5654

OTHERS

Fima Technology Sdn. Bhd.
(199301010009) (264746-K)

Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

ASSOCIATE COMPANIES

Marushin Canneries (Malaysia) Sdn. Bhd.
(198701004293) (162963-U)

PLO 213, Jalan Timah Satu
Pasir Gudang Industrial Estate
81700 Johor Bahru, Johor
Telephone : +607-251 4802
Facsimile : +607-251 4798

Giesecke & Devrient Malaysia Sdn. Bhd.
(200201005367) (573030-M)

Lot 6, Off Jalan Delima 1/1
Batu 3, 40150 Shah Alam, Selangor
Telephone : +603-5629 2929
Facsimile : +603-5629 2820

PROXY FORM



I/We _____ NRIC/Company No. _____
 (Full Name in Capital Letters)

of _____
 (Full Address)

being a Member of **KUMPULAN FIMA BERHAD** ("the Company"), do hereby appoint
 _____ NRIC/Company No. _____

(Full Name in Capital Letters)
 of _____

(Full Address)

or failing him/her _____ NRIC/Company No. _____
 (Full Name in Capital Letters)

of _____
 (Full Address)

as my/our* proxy to vote for me/us* and on my/our* behalf at the Forty-Eighth (48th) Annual General Meeting ("AGM") of the Company to be held as a fully virtual meeting via live streaming and online remote voting from the Broadcast Venue at Training Room, Kumpulan Fima Berhad, Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur on Tuesday, 29 September 2020 at 3.00 p.m.

Please indicate the manner in which you wish your votes should be cast with an "X" in the appropriate spaces below. Unless voting instructions are specified herein, the proxy will vote or abstain from voting as he/she thinks fit.

RESOLUTIONS		FOR	AGAINST
1.	To re-elect Encik Azizan bin Mohd Noor who retire by rotation in accordance with Article 102 of the Company's Constitution. - Ordinary Resolution 1		
2.	To re-elect Puan Rozana Zeti binti Basir who retire by rotation in accordance with Article 102 of the Company's Constitution. - Ordinary Resolution 2		
3.	To approve the payment of Directors' fees for the Non-Executive Directors of the Company for the ensuing financial year. - Ordinary Resolution 3		
4.	To approve the increase in fees payable to the Audit and Risk Committee members (excluding the Committee Chairman) from 1 April 2020 until the conclusion of the next AGM of the Company. - Ordinary Resolution 4		
5.	To approve the payment of Directors' fees for the Non-Executive Directors who sit on the Boards of subsidiary companies from 30 September 2020 until the conclusion of the next AGM of the Company. - Ordinary Resolution 5		
6.	To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors from 30 September 2020 until the conclusion of the next AGM of the Company. - Ordinary Resolution 6		
7.	To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company and to authorize the Directors to fix their remuneration. - Ordinary Resolution 7		
AS SPECIAL BUSINESS			
8.	Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature. - Ordinary Resolution 8		
9.	Proposed renewal of the authority for shares buy-back. - Ordinary Resolution 9		
10.	Proposed continuation in office as Independent Non-Executive Director for Encik Azizan bin Mohd Noor. - Ordinary Resolution 10		
11.	Proposed continuation in office as Independent Non-Executive Director for Dato' Rosman bin Abdullah. - Ordinary Resolution 11		

* Strike out whichever not applicable

No. of Shares held

Signature (If Shareholder is a Corporation, this part should be executed under seal)

CDS Account No.

Dated this _____ day of _____ 2020

Notes:-

1. The 48th AGM of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Electronic Voting facilities (collectively referred as "48th Virtual AGM"). Kindly refer to the procedures provided in the Administrative Guide for the 48th Virtual AGM in order to register, participate and vote remotely.
2. The broadcast venue of the 48th Virtual AGM which is the main venue of the meeting is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 that requires the Chairman of the meeting to be present at the main venue of the meeting. No shareholders/proxies/corporate representatives should be physically present nor admitted at the broadcast venue on the day of the 48th Virtual AGM of the Company.
3. Only members registered in the General Meeting Record of Depositors as at 22 September 2020 shall be entitled to participate in the 48th Virtual AGM or appoint proxy(ies) to participate and/or vote on their behalf.
4. A member of the Company who is entitled to participate and vote at the 48th Virtual AGM, may appoint up to 2 proxies by specifying the proportion of his shareholding to be represented by each proxy. A proxy may not be a member of the Company.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

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**AFFIX
STAMP**

BOARDROOM SHARE REGISTRARS SDN BHD

(Registration No. 199601006647/378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

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6. The instrument appointing a proxy must be deposited at the Company's Share Registrar's office in the following manner:
 - (a) by electronic means through the Boardroom Smart Investor Online Portal at www.boardroomlimited.my by lodging in and selecting "E-PROXY LODGEMENT" not less than 48 hours before the time of holding the meeting or adjournment thereof; or
 - (b) by hand or post to Boardroom Share Registrars Sdn Bhd ("Boardroom Share Registrars"), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time of holding the meeting or adjournment thereof. Boardroom Share Registrars will provide a box at the ground floor of its office building to facilitate drop-off of proxy forms.
7. If the appointer is a corporation, the proxy form or certificate of appointment of corporate representative must be deposited by hand or post to Boardroom Share Registrars' office not less than 48 hours before the time of holding the meeting or adjournment thereof. Alternatively, the proxy form or certificate of appointment of corporate representative may also be send to Boardroom Share Registrars via email at BSR.Helpdesk@boardroomlimited.com.
8. If you have submitted your proxy form prior to the 48th Virtual AGM and subsequently, decide to participate in the 48th Virtual AGM yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of your proxy(ies) 48 hours before the 48th Virtual AGM. Your proxy(ies) on revocation would not be allowed to participate in the 48th Virtual AGM. In such event, you should advise your proxy(ies) accordingly.
9. The voting at the 48th Virtual AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the poll results.

WWW.FIMA.COM.MY

Suite 4.1, Level 4, Block C, Plaza Damansara,
No. 45, Jalan Medan Setia 1,
Bukit Damansara, 50490 Kuala Lumpur.

Tel : +603-2092 1211
Fax : +603-2092 5923
Email : info@fima.com.my