FIMA CORPORATION BERHAD
(197401004110) (21185-P)

Positioning for the Future

2023
Annual Report

www.fimacorp.com

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WE ARE FIMACORP

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We encourage you to read our Annual Report 2023 at
http://www.fimacorp.com/annual-reports.php

48th ANNUAL GENERAL MEETING

will be held on a virtual basis via live streaming and online remote voting using Remote Participation and Electronic Voting facilities at https://meeting.boardroomlimited.my, from the Broadcast Venue at the Training Room, Kumpulan Fima Berhad.

9.30 a.m.

29 August 2023

Forward-Looking Statements

This Report contains certain forward-looking statements with respect to FimaCorp's financial condition, results, operations and businesses. These statements and forecasts involve risk and uncertainty as they relate to events and depend on circumstances that occur in the future. While we endeavour to progress with our strategies and plans, there are various factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements.

Feedback

We welcome your feedback, comments and enquiries on this Report. Please address any queries or comments to fima@fimacorp.com

About This Report

Fima Corporation Berhad ("the Company" or "FimaCorp") was incorporated on 5 December 1974 under the name Metal Box Holdings Malaysia Sendirian Berhad.

In 1976, the Company was listed on the Main Board of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia) and changed its name to Metal Box Berhad. In 1981, Kumpulan Fima Berhad became the Company's controlling shareholder. The Company assumed its present name in 1993.

The Company is principally an investment holding company with 13 subsidiaries and 1 associate company involved in the manufacturing, oil palm plantation and property management segments.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs) ADOPTED

FimaCorp's 2023 Annual Report ("Report") combines our financial reports and sustainability report to provide all our stakeholders with an overview of our business and activities, prospects and governance. This Report conveys our progress against our business strategies, where we endeavour to illustrate a comprehensive view of our businesses by analysing our performance against the Group's strategic objectives, highlighting successes and challenges experienced during the FYE2023.

The reporting period corresponds to our financial year, which runs from 1 April 2022 to 31 March 2023, unless otherwise stated. All references to FimaCorp/the Group, the Company, the business, 'our' and 'we' refer to Fima Corporation Berhad and its subsidiaries.

Reporting Principles

The preparation of this Report is made in adherence to:

- Bursa Malaysia Main Market Listing Requirements;
- Bursa Malaysia's Sustainability Reporting Guidelines;
- Malaysian Code on Corporate Governance 2021;
- Malaysian Financial Reporting Standards;
- International Financial Reporting Standards; and
- Global Reporting Initiatives (GRI) Standards: Core Option.

Materiality Process & Sustainability

This Report also provides information on the sustainability issues assessed as material to FimaCorp changes and trends in our operating environment and how we are presently addressing them. It identifies and quantifies the ways in which our sustainability practices and programmes deliver business value, support the communities in which we operate and protect our environment as contemplated under the UN Sustainable Development Goals. Material topics are identified and prioritised from a combination of stakeholder inputs, engagements with various teams from within the Group, regulations and guidelines, as well as sustainability trends.

The scope of our sustainability reporting in this Report covers the Group's wholly-owned operations and joint ventures that are at least 50% owned by FimaCorp. Contractors, vendors and outsourced services are excluded from the scope of all performance indicators unless otherwise indicated.

Limited Assurance Statement

Group Internal Audit ("GIA") has conducted a limited assurance review of selected performance indicators to be published in the Sustainability section of this Report. The objective was to ensure fair presentation and identify any issues requiring attention. Procedures involved testing a sample of source information for accuracy, examining evidence supporting the indicators and verifying calculation methodologies. The data collection process was also reviewed.

The selected indicators covered agricultural practices, water consumption, waste management, energy consumption, GHG emissions, employee profiles, human rights, injury rates and certified management systems. Non-financial data have inherent limitations and qualitative interpretations are subject to assumptions and judgments. Future projections and targets were not assessed. Based on the performed procedures, GIA is of the view that the reviewed indicators and related disclosures were found to be fairly prepared and presented in the Sustainability section.

Aspire to Create Value

A — **Accountability & Responsibility**
- We make business decisions based on vast experience, prudent judgment, and ownership of outcomes
- Committed and loyal to our clients and each other
- Integration of economic, social and environmental responsibility in all aspects and activities

S — **Safety**
- Committed to providing a safe and healthy work environment for our employees and neighbours

P — **Passionate**
- A strong commitment to delivering value to our customers and stakeholders

I — **Innovation**
- Commitment to fostering creativity, embracing new ideas, and driving positive change

R — **Reliability**
- Delivering consistent and dependable products, services, and experiences to customers

E — **Ethics & Integrity**
- Honest and professional conduct in all interactions and through our commitment to managing our resources wisely

Group Strategic Review

The Group's principal activities are organised into 2 core divisions: plantation and manufacturing. The businesses are spread across Malaysia and Indonesia. The Group currently employs 1,710 people.

Our Key Performance Objectives

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

Profitable Revenue Growth

To grow revenue in a sustainable manner via expansion of existing operations, products, services, growing market share and expanding into new markets.

Solid Return on Capital Employed

Long-term contracts, investment and ownership of productive assets with focus on efficiencies, cost structure and improved returns.

Strong Cash Generation

Operational strategies are necessary elements for a business and are directed towards cash generation.

Expansion and growth are focused towards high quality investment with steady cash flows.

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

What it means
- Drive strong cash generation
- Maintain 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 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

Group Corporate Structure

Plantation Division

Oil palm cultivation, including oil palm production and processing

- 100% FCB Plantation Holdings Sdn. Bhd.
  - 80% PT Nunukan Jaya Lestari (Indonesia Incorporated)
  - 100% Cendana Laksana Sdn. Bhd.
  - 70% Fima Sg. Siput Estate Sdn. Bhd.
  - 100% Next Oasis Sdn. Bhd.
    - 100% Etika Gangsa Sdn. Bhd.
    - 100% Taka Worldwide Trading Sdn. Bhd.
  - 100% FCB Eastern Plantations Sdn. Bhd.
    - 80% Ladang Bunga Tanjong Sdn. Bhd.
- 100% Gabungan Warisan Sdn. Bhd.

Manufacturing Division

Production and trading of security and confidential documents, and printing of banknotes

- 100% Percetakan Keselamatan Nasional Sdn. Bhd.
- 100% Security Printers (M) Sdn. Bhd.
- 20% Giesecke & Devrient Malaysia Sdn. Bhd. (Associate Company)

Property

(Non-core)

Property management services

- 100% Fima Technology Sdn. Bhd.

How We Create Value

In driving our strategies, we seek to create long-term value for all our stakeholders through the optimisation of resource use, prudent financial and risk management,

Key Performance Objectives

- Profitable revenue growth
- Solid return on capital employed
- Strong cash generation

Our Capitals

Intellectual Capital
Competitive advantage gained through our knowledge and intellectual property together with our brand and reputation

Financial Capital
Economic resources that fund our business, backed by a strong balance sheet that provides ability to attract capital

Social and Relationship Capital
The value we build through engagement, and working together with all stakeholders

Manufactured Capital
Our assets comprising manufacturing, processing, bulk storage facilities and capabilities, as well as tools/equipment for mechanisation and technology

Natural Capital
Natural assets and resources, specifically, land, energy, fuel and water

Human Capital
Experienced, diverse leadership team and employees

Governing The Value Creation Process

Divisional management handles the day-to-day operations and activities of their respective businesses whilst the Board of Directors are responsible for:

- Steering and setting strategic direction
- Approving policy and planning
- Overseeing and monitoring
- Ensuring accountability
- Driving the sustainability agenda

VISION

A dynamic organisation that drives sustainable growth and value

Primary Operations & Activities

Plantation

4 Strategic Drivers

Maintain Prudent Financial Profile

Strengthen Core Businesses

Our Profit Formula

(+) Revenue Drivers

- Sales of fresh fruit bunches, crude palm oil and crude palm kernel oil
- Sales and supply of travel, identity, licences and other security documents
- Property investments (non-core)

(-) Cost Drivers

- Investment in growth
- Regulatory and compliance costs
- Salaries and employee benefits
- Raw material costs (e.g. fuel)

Creating Value For

- Customers
- Employees
- Shareholders & Investors

as well as embedding elements of sustainability within our business decisions and operations.

MISSION
Drive the growth of our businesses and to be the industry partner of choice

Manufacturing

Property Management (Non-core)

Leverage Market Opportunities

Establish Strong Pillars for Future Growth

Operating Context: Factors Impacting Value

(-) Cost Drivers
- Negative exchange rate
- Development and project costs
- Finance costs
- Sourcing, procurement, logistics

- Post pandemic related impacts
- Challenging economic outlook
- Climate change
- Socio-political issues impacting our operations
- Cost inflation

Communities | National & Local Governments | Suppliers & Business Partners

Impact/Outcomes

Intellectual Capital
Adherence to industry best practices and accreditation of international standards as well as investments in systems will have a positive impact in developing our product offerings

Financial Capital
Consistent delivery of returns and sustained market confidence

Social and Relationship Capital
We strive to maintain positive relations with our stakeholders through responsible business practices, and create value for customers and communities through investments in strategic CSR activities, job security, skills development and economic opportunities

Manufactured Capital
Investments in the development and maintenance of property, plants, facilities and equipment has provided us with the capacity to generate long-term returns

Natural Capital
We seek to offset the environmental impact of our activities via the responsible delivery of socio-economic benefits through our core activities

Human Capital
We rely on the skills and wellbeing of our employees to generate value. Providing a safe working environment, supporting local employment, fair labour practices and investments in training are critical to maintaining positive employee relationships

How We Create Value

Strategic Priorities

PLANTATION

- Landbank expansion
- Increase productivity and cost efficiency through mechanisation
- Best estate management practices

OUR CAPITALS	ACTIVITIES TO SUSTAIN VALUE
Intellectual Capital • Robust safety, quality and information management systems • Brand and strong reputation • Strategic partnerships and alliances • R&D capabilities to develop solutions and respond to emerging customer preferences • Industry best practices • Key personnel with subject-matter expertise	• Continued progress towards international standard accreditations and implementation of industry best practices • Portfolio/Product Development • Innovation/implementation of measures to improve productivity and process efficiencies
Financial Capital • Shareholders' Funds **RM579.44 million** • Total Assets **RM718.53 million** • Cash and Bank Balances and Financial Investments **RM196.62 million** • Access to credit facilities/bank borrowings	• Disciplined financial management and capital allocation practices
Social and Relationship Capital • Maintain mutually beneficial relationships with employees, regulators and other stakeholders where we operate • Positive supplier and business partner relations as part of our supply chain management	• Proactive engagement with regulators on industry-specific matters • Community development and infrastructure projects • Enhanced labour practices • Job creation and opportunities for local businesses
Manufactured Capital • Palm oil mill **45 MT/HR** • Security printing facilities complex in Bangi and printing machines • Tools/equipment for mechanisation and technology	• Spent **RM16.68 million** on CAPEX for development works/infrastructure and purchase/replacement of assets • Deployed mechanisation practices to increase productivity/efficiency • Use of geospatial technologies in land planning
Natural Capital • **12 estates** with plantable landbank of **12,672 hectares** • Our operations also rely on fuel, water and electricity to run their activities	• Ongoing monitoring of resource intensity and efficiency • Climate change adaptation and mitigation • Compliance to regulatory requirements, standards, practices and ESG metrics • Use of renewable energy • Converting waste into resource
Human Capital • **1,710** dedicated employees Male **75.7%** Female **24.3%**	• Encouraging local employment • Competitive remuneration and benefits • Ensuring a safe, healthy and conducive work environment • Continuous training and development programmes for employees and other forms of engagement to keep employees motivated

For information on the Trade-offs, please refer to Segmental Review section.

MANUFACTURING

- Strategic partnerships and alliances
- Streamlining costs to maintain competitiveness
- Protection of niche markets

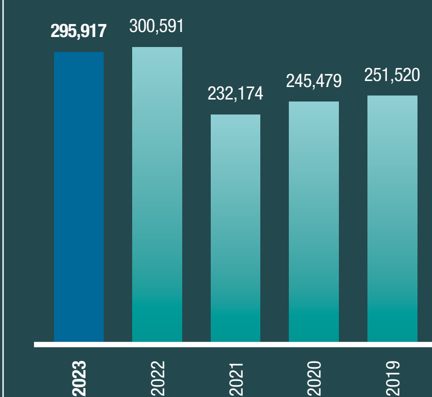
This value creation model describes in detail the resources that we own and utilise, the strategies and activities we employ to create value, as well as the outcomes from these activities that create value for all our stakeholders.

	OUTCOMES
• Continued progress towards international standard accreditations and implementation of industry best practices • Portfolio/Product Development • Innovation/implementation of measures to improve productivity and process efficiencies	• Market credibility and goodwill • **Maintained/obtained accreditations,** important prerequisites of our key customers and markets • Adoption of best estate management practices by Plantation support climate action and biodiversity conservation which benefits Natural Capital • **Improved productivity and process efficiencies**, which will benefit Natural, Manufactured, Social & Relationship and Financial Capitals
• Disciplined financial management and capital allocation practices	• Revenue decreased by **1.6%** to **RM295.92 million** • PBT down by **46.1%** to **RM51.29 million** • ROE down by **6.0%** to **6.5%** • ROCE down by **6.3%** to **7.7%** • Consistent dividend payouts
• Customised training programmes for customers and regulators • PROTÉGÉ and industrial collaboration programmes • Responsible business practices • CSR activities and welfare contributions	• Retained key customers and market segments • **Localisation of supply chain**, with **96.6%** of contracts awarded to local companies in Malaysia and **79.5%** in Indonesia • Investments in CSR activities and welfare contributions will have a long-term effect on all Capitals • **Regular engagements with authorities on industry-specific concerns** are essential for **ensuring compliance and building trust** with stakeholders and positively impact all Capitals
• Spent **RM3.13 million** on CAPEX for hardware, R&D projects and computer/machinery maintenance • Relocation to a new facility complex (ongoing) • Employ technology to achieve operational efficiency	• Enhanced safety and efficiency of facilities and assets which have a short-term impact on Financial Capital but essential for sustainable value-creation • Long-term synergies and cost savings by centralising Manufacturing's operations under one roof that will benefit Financial Capital • **Mechanisation improves Plantation's productivity** by **30.0%** and reduces workers' workload • Reduced downtime, improved efficiencies and customer engagement • Store and maintain a higher level of fish inventory thereby reducing the risk of stock-outs and production disruptions which have an impact on Financial Capital
• Ongoing monitoring of energy intensity and efficiency • Compliance to regulatory requirements • Responsible procurement and practices • Use of renewable energy and transition to 'greener' machinery/equipment	• Y-o-Y increment on GHG emissions intensity per RM million from **16.92** to **17.81** • Total waste reduced y-o-y from **202,970 MT** to **190,376 MT** • In Indonesia, EFB is also used as feedstock to power the cogeneration plant that supplies electricity to the oil mill and nearby communities. Energy generated increased from **3,341 MWh** to **3,413 MWh** will positively impact Financial and Social & Relationship Capitals • **Investing in infrastructure to reduce the Group's carbon footprint** impacts short-term Financial Capital but yields long-term savings in terms of resource use and benefits Natural and Financial Capitals • The Group has expanded the rollout of solar PV systems across the Group since 2018. Current capacity is **259 kWp** and we anticipate the capacity to increase over time. Total energy generated **1.05 MWh**
• Encouraging local employment • Competitive remuneration and benefits • Ensuring a safe, healthy and conducive work environment • Continuous training and development programmes for employees and other forms of engagement to keep employees motivated	• **Zero fatalities**. However, y-o-y LTIFR increased from **3.46** to **7.31** • Job security and creation. **Total new hires** was **594** (FYE2022: 528). Retention of headcount, salaries and benefits positively impacted Social & Relationship Capital • Positive work culture with skilled workforce • **95.0%** local employment rate • Zero cases of discrimination

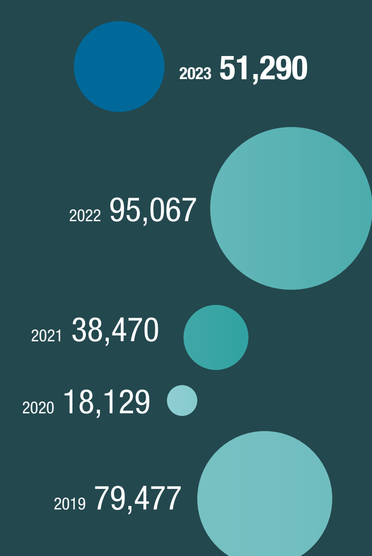
Five-Year Group Financial Highlights

Financial Year Ended 31 March (RM'000)	2023	2022	2021	2020	2019
Revenue	**295,917**	300,591	232,174	245,479	251,520
Profit					
Profit Before Tax and Zakat	**51,290**	95,067	38,470	18,129	79,477
Income Tax Expenses and Zakat	**12,284**	19,528	7,335	9,322	14,151
Non-Controlling Interests	**2,896**	14,870	4,002	(2,929)	7,880
Profit After Taxation and Non-Controlling Interest	**36,100**	60,561	27,133	11,736	57,446
Assets and Liabilities					
Total Assets	**718,529**	731,563	635,611	630,675	673,727
Total Liabilities	**118,264**	130,337	65,110	64,685	76,569
Non-Controlling Interests	**20,825**	21,997	22,221	18,747	23,383
Shareholders' Funds	**579,440**	579,229	548,280	547,243	573,775
Earnings and Dividend					
Earnings Per Share (Sen)					
Basic	**15.21**	25.48	11.37	4.90	23.90
Diluted	**15.21**	25.48	11.37	4.90	23.90
Gross Dividend Per Share (Sen)	**12.50**	15.00	12.50	12.50	12.50
Net Dividend Per Share (Sen)	**12.50**	15.00	12.50	12.50	12.50
Share Prices					
Transacted Price Per Share (RM)					
Highest	**2.14**	2.11	1.88	1.96	2.01
Lowest	**1.87**	1.77	1.15	1.01	1.75

Revenue
(RM'000)



Profit Before Tax and Zakat
(RM'000)



Chairman's Statement

Dear Shareholders,

The Group registered revenue of RM295.92 million, 1.6% lower compared to the previous year. Meanwhile, Group profit before tax and zakat ("PBT") was RM51.29 million, down by 46.1% compared to the previous year, primarily due to the decrease in the PBT of our plantation division. Plantation division's results were impacted by commodity prices which sharply receded in the second half of the year from the historical high experienced earlier. Realised Crude Palm Oil ("CPO") prices in FYE2023 averaged RM3,492 per metric tonne (MT), a year-on-year ("y-o-y") decline of 10.8% compared to RM3,914 per MT last year. Fresh fruit bunch ("FFB") production was also 2.8% lower y-o-y. On the other hand, manufacturing division's PBT increased to RM10.11 million, up 19.1% compared to the previous year. This growth was driven by volume recovery, particularly in the transport and travel document segments.

The Group has continued to be significantly cash generative, with net operating cash generated of RM39.01 million during the year. This has enabled the Group to maintain capital investment and continue to prioritise returns to shareholders.

Revenue

	FYE2023 RM Million	FYE2022 RM Million
Plantation	**159.57**	189.40
Manufacturing	**129.56**	104.13
Property Management *(non-core)*	**6.79**	7.06
Group Revenue	**295.92**	**300.59**

Profit Before Tax and Zakat

	FYE2023 RM Million	FYE2022 RM Million
Plantation	**39.33**	90.20
Manufacturing	**10.11**	8.49
Property Management *(non-core)*	**1.88**	2.24
Associated company	**3.63**	2.28
Others	**(3.66)**	(8.14)
Group PBT	**51.29**	**95.07**

Chairman's Statement

As you will see throughout this Annual Report, the Group's focus in FYE2023 had remained squarely on execution of key priority areas, managing what we could control and doing what was necessary despite the many macroeconomic distractions. In the circumstances, I would like to acknowledge the incredible contribution of the Group's employees under the leadership of the Managing Director in producing good progress on our priorities for the year.

Dividend

The Board has approved payments of 2 interim dividends for the year. The first single-tier interim dividend of 5.0 sen was paid on 30 December 2022 while the second single-tier interim dividend of 7.5 sen per share will be paid on 4 August 2023. This will bring total dividend for the full year to 12.5 sen per share (FYE2022: 15.0 sen per share). The dividend payout represents 82.1% of the Company's Profit After Tax and Non-Controlling Interests ("PATANCI"), in line with the Company's dividend policy to pay at least 40.0% of PATANCI, subject to the Company's financial position.

Governance and the Board

Your Board sets the tone of integrity and accountability for the Group and we recognise the essential role of governance in value creation and sustainability.

The Board is active and engaged, interacting with management to support delivery and ensure ongoing oversight. I am confident that we have a well-balanced, independent and diverse Board with a wide range of skills and industry experience to discharge our governance and oversight role, as well as to steer and set the strategic direction of the Group. This was affirmed by the externally facilitated Board Effectiveness Evaluation (BEE) process undertaken for the current financial year. The process involved the completion of questionnaires and individual meetings with each Director, covering various aspects of Board, Committee and Director effectiveness. The evaluation results are considered by the Nomination and Remuneration Committee, and escalated to the Board.

Key themes arising from the review was the Board's desire to delve deeper into strategic topics, enhancing the content of information provided (through more forward-looking reporting and analysis), and succession planning of key management positions. Accordingly, these process-focused recommendations are being taken forward and actioned in this current financial year.

In addition to Board and Board Committee meetings, several of our non-executive directors sit on major subsidiary boards, and are involved in new project initiatives, thus giving them a granular understanding of operations.

This level of engagement is important as it enables the Board to make its own independent appraisal and provide better oversight. It also helps in fostering dialogue and in building a shared understanding of the context in which the Group operates.

We have dedicated time in addressing Environmental, Social and Governance ("ESG") issues and have reviewed the Group's policies, terms of reference of the Board and Board Committees and assurance reports, and we are satisfied that the Group is addressing these issues appropriately.

ESG and Corporate Citizenry

In furtherance of our commitments to embed environmental considerations and to drive efforts to optimise energy and water consumption, many initiatives were rolled out to inculcate greater environmental responsibility across our operations and our commitment to managing carbon and water footprints.

The initiatives we implemented during the year have yielded positive results. Despite the increased levels of activities, we have observed y-o-y decline in the Group's overall GHG emissions intensity, as well as the water and diesel intensities across many of our operational segments. It is also noteworthy that no fatalities were recorded during FYE2023, although we do acknowledge the need to further improve the overall lost time injury frequency rate (LTIFR) within the Group.

We also undertook a materiality assessment to determine the issues that are most important to our stakeholders and the company's long-term sustainability. We value the input of our stakeholders and respect their interests and concerns. We believe the feedback from our stakeholders brings the necessary broader perspective that improves our strategy and activities moving forward.

These matters, together with a comprehensive overview of our sustainability efforts and progress in FYE2023, are addressed in the Sustainability section of this Annual Report.

Making a Difference through our Vision, Mission and Values

We have updated our vision and mission this year. Our vision is to become a dynamic organisation that drives sustainable growth and value, and our mission is to drive the growth of our businesses and to be the industry partner of choice. The vision statement aligns with the Group's mission to drive the growth of its businesses and be the industry partner of choice. The vision and mission statements, along with the Group's values, guide the strategies and ways of working across all operations and business units.

By staying true to these principles and focusing on sustainability, I believe we can create a lasting legacy that we can all be proud of, both in terms of our financial performance and our ability to create opportunities that can benefit the communities where we operate.

"This current financial year will be about making further progress against our strategy and delivering on our key priorities"

Our Long-term Strategic Direction

We have concluded FYE2023 with a strong balance sheet and healthy cash flows. Our current and long-term strategic growth plans remain on course, and we are committed to pursuing growth opportunities while adhering to our disciplined investment guardrails to increase shareholder returns. Management is responsible for implementing strategy, with ongoing oversight from the Board.

Consistency in strategy is important, but what's equally important is to test them against emerging risks and opportunities. During the most recent review of the Group's strategy in November 2022, the Board received and assessed the businesses' competitive strengths, industry attractiveness, and potential for organic and inorganic expansion. We had thoroughly considered, debated and challenged these insights, and as a result, gained clarity on our portfolio focus.

The review showed that our Group's 2 business segments are currently at different strategic verticals. In the circumstances, we believe that the best path forward to deliver sustainable top and bottom-line growth is to concentrate on businesses that are defensive, cash-generative and have stronger growth prospects which we think we can acquire and build value. For businesses with lower industry attractiveness and/or competitive strengths, we will take proactive measures to protect our position and refocus our efforts, taking into account the changing market conditions and structural changes in these segments.

Key Priority Areas in the Year Ahead

This current financial year will be about making further progress against our strategy and delivering on our key priorities.

Crop volumes from our Malaysian estates are projected to increase due to the age profile of our oil palms and improved labour availability. While we have plans to further expand our landbanks in the medium-term, the focus for now is on improving our estates' agronomic standards, completing the development and rehabilitation programmes at our Malaysian estates. We will intensify our mechanisation initiatives to improve operational efficiencies and reduce dependency on manual labour. We will also continue with our climate adaptation strategies through, among others, soil and flood management, to minimise the adverse impacts of weather-related events on our operations and crop yields.

Despite the rebound of the economy and travel, the security printing segment is expected to undergo a significant reset due to the government's push towards digitisation. This trend is expected to persist in this current financial year, potentially impacting the manufacturing division's performance.

Acknowledgement

I would like to take this opportunity to extend my gratitude to my colleagues on the Board for their valuable counsel and support in a challenging year. I also wish to thank the employees of the Group for their commitment and dedication in overcoming the multitude of challenges during the year and delivering satisfactory performance.

On behalf of the Board, I thank all our valued stakeholders, including suppliers, business partners and shareholders for their continued trust and loyalty.

Thank you.

Datuk Bazlan Bin Osman
Chairman

Management Discussion & Analysis

Dato' Roslan Bin Hamir
Managing Director

"We carefully assess each opportunity, considering its alignment with our corporate aspirations and its potential for long-term value creation. We prioritise businesses with predictable and stable cash flows, as they tend to provide a solid foundation for long-term growth and shareholder returns"

The purpose of this review is to highlight and provide brief insights into key financial and operating information. A more detailed explanation on operating performance is covered in the respective business segments reports.

Key Financial Highlights

	RM Million		Variance
	FYE2023	FYE2022	%
Revenue	**295.92**	300.59	(1.6)
Cost of Sales ("COS")	**182.40**	149.71	21.8
Gross Profit ("GP")	**113.51**	150.88	(24.8)
Earnings Before Interest and Taxation ("EBIT")	**52.59**	95.59	(45.0)
Profit Before Tax and Zakat ("PBT")	**51.29**	95.07	(46.1)
Profit After Tax ("PAT")	**39.00**	75.43	(48.3)
Profit Attributable to Equity Holders of the Company/ PATAMI	**36.10**	60.56	(40.4)
Net Cash Flow Generated from Operating Activities	**39.01**	97.17	(59.9)

	RM Million		Variance
	FYE2023	FYE2022	%
Total Assets	**718.53**	731.56	(1.8)
Total Liabilities	**118.26**	130.34	(9.3)
Capital Employed	**686.39**	683.85	0.4
Retained Earnings	**470.81**	470.34	0.1

	%		Variance
	FYE2023	FYE2022	%
Gross Profit Margin ("GPM")	**38.4**	50.2	(11.8)
Return on Shareholders' Equity ("ROE")	**6.5**	12.5	(6.0)
Return on Capital Employed ("ROCE")	**7.7**	14.0	(6.3)

Revenue

	FYE2023 RM Million	Contribution %	FYE2022 RM Million	Contribution %	Variance RM Million	Variance %
Plantation	**159.57**	**53.9**	189.40	63.0	(29.83)	(15.8)
Manufacturing	**129.56**	**43.8**	104.13	34.6	25.43	24.4
Others/Non-core						
Property Management (non-core)	**6.79**	**2.3**	7.06	2.4	(0.27)	(3.8)
Group Revenue	**295.92**	**100.0**	**300.59**	**100.0**	**(4.67)**	**(1.6)**

The Group's revenue for FYE2023 amounted to RM295.92 million, reflecting a decrease of 1.6% compared to RM300.59 million in FYE2022. The decline in revenue was primarily driven by lower contributions from the Plantation division and Property Management.

Despite the decline in revenue for the **Plantation division** in FYE2023, it remains a significant contributor to the Group, accounting for more than 53.9% (FYE2022: 63.0%) of the Group's total revenue. The division recorded a y-o-y revenue decrease of 15.8% to RM159.57 million, primarily due to lower prices of CPO and Crude Palm Kernel Oil ("CPKO"). The average selling price of CPO decreased by 10.8% y-o-y to RM3,492 per MT (FYE2022: RM3,914 per MT), while CPKO witnessed a significant decline of 42.1% to RM3,857 per MT (FYE2022: RM6,656 per MT). In FYE2023, our Indonesian subsidiary sold 3.3% less CPO, amounting to 36,896 MT (FYE2022: 38,145 MT), while our Malaysian estates FFB production decreased by 2.2% to 18,929 MT from 19,350 MT in the previous year. 2 main factors contributed to this decline: (1) there was a shortage of harvesters experienced in the first half of FYE2023, particularly during the peak crop season; (2) low yield per hectare was recorded from our Kelantan estates.

Manufacturing division's revenue increased 24.4% from RM104.13 million to RM129.56 million in FYE2023. This substantial growth is primarily attributed to higher sales volumes in most of their product segments. The travel documents segment in particular recorded the highest percentage growth with a 253.3% increase y-o-y, mainly driven by the higher contribution from foreign passports.

Profitability

	FYE2023 RM Million	Contribution %	FYE2022 RM Million	Contribution %	Variance RM Million	Variance %
Plantation	**39.33**	**76.7**	90.20	94.9	(50.87)	(56.4)
Manufacturing	**10.11**	**19.7**	8.49	8.9	1.62	19.1
Property Management	**1.88**	**3.6**	2.24	2.4	(0.36)	(16.1)
Share of Results of Associate	**3.63**	**7.1**	2.28	2.4	1.35	59.2
Others	**(3.66)**	**(7.1)**	(8.14)	(8.6)	4.49	(55.2)
Group PBT	**51.29**	**100.0**	**95.07**	**100.0**	**(43.78)**	**(46.1)**

Group PBT decreased by RM43.78 million to RM51.29 million, compared with RM95.07 million in FYE2022 mainly due to lower contributions from Plantation division.

Plantation division recorded PBT of RM39.33 million compared to RM90.20 million in the previous year, primarily due to lower prices realised for CPO and CPKO, higher operational (especially fertiliser prices) and rehabilitation costs associated with the estates acquired in the previous financial year, further impacting the PBT. Plantation estates in Malaysia which are presently in the development phase and partially mature registered a total pre-tax loss of RM7.25 million compared to RM1.04 million pre-tax profit recorded last year.

PT Nunukan Jaya Lestari ("PTNJL"), the Group's Indonesian subsidiary's PBT declined from RM89.16 million to RM46.58 million in FYE2023. This decrease was primarily attributed to lower prices for CPO and CPKO, as well as increased operational costs. As a result, the division's GPM also declined to 51.0% in FYE2023 (FYE2022: 65.7%).

Manufacturing division's PBT improved by 19.1% to RM10.11 million (FYE2022: RM8.49 million) due to higher revenue posted for FYE2023. The division's PBT was positively impacted by improvements in demand in most of the product segments. However, the division's GPM contracted slightly to 23.6% in FYE2023 from 23.8% last year.

The Group's **COS** for FYE2023 increased by 21.8% from RM149.71 million to RM182.40 million, mainly due to increased activity levels and higher input costs across most of the Group's operations, particularly the Plantation division. As a result, the Group's GPM declined from 50.2% to 38.4% in the year under review.

For FYE2023, the **Share of Results of Associate** increased to RM3.63 milllion from RM2.28 million recorded in FYE2022, mainly due to higher PAT contribution from Giesecke & Devrient Malaysia Sdn. Bhd. ("G&D"). G&D registered revenue of RM185.19 million compared to RM193.60 million in the previous year.

In FYE2023, the Group achieved a **PAT** of RM39.00 million, which is a 48.3% decrease compared to the previous year's PAT of RM75.43 million. This decline in PAT is consistent with the decrease in the Group's PBT. Income tax expenses and zakat for the period reduced from RM19.53 million to RM12.28 million.

The **Profit Attributable to Equity Holders of the Company** decreased by 40.4% or RM24.46 million, totalling RM36.10 million compared to RM60.56 million in FYE2022. The basic net earnings per share for FYE2023 were calculated to be 15.21 sen, based on a weighted average shares of 237.30 million. The basic net earnings per share for FYE2022 was 25.48 sen based on a weighted average shares of 237.64 million.

Shareholders' Funds amounted to RM579.44 million, indicating a y-o-y increase of RM0.21 million or 0.04%. The retained earnings was RM470.81 million, representing a rise of RM0.46 million compared to the previous year.

In tandem with the decrease of the Group's net earnings, ROE for FYE2023 was 6.5% compared to previous year's ROE of 12.5%. This calculation is based on the Group total equity of RM600.27 million (FYE2022: RM601.23 million).

Capital employed measures the value of all the assets utilised by the Group to generate earnings and achieve a satisfactory return on investment. In FYE2023, the Group EBIT declined from RM95.59 million to RM52.59 million. As a result, the **ROCE** also decreased from 14.0% in the previous year to 7.7%.

Revenue

RM295.92 million

(FYE2022: RM300.59 million)

PBT

RM51.29 million

(FYE2022: RM95.07 million)

ROCE

7.7%

(FYE2022: 14.0%)

Finance Cost and Liabilities

The Group's **Finance Cost** increased from RM0.52 million in FYE2022 to RM1.30 million in FYE2023. The increase was primarily driven by higher interest expenses related to the Plantation division's lease liabilities.

The Group's **Total Liabilities** decreased to RM118.26 million from RM130.34 million in FYE2022. As at 31 March 2023, the Group's gearing ratio stood at 0.20 times. The decrease in total liabilities was primarily driven by a significant reduction in tax payable in relation to PTNJL, which decreased from RM15.49 million to RM0.08 million.

Liquidity and Capital Resources

The Group's Capital Expenditure ("CAPEX") and working capital needs were funded through cash generated from operations. In FYE2023, the Group spent RM20.02 million in CAPEX, compared to RM12.86 million in FYE2022. The Plantation division accounted for the majority of the CAPEX spending, with RM16.68 million allocated for plantation development works, infrastructure, and asset acquisition or replacement.

As at 31 March 2023, the Group's financial position remains sound with **Cash and Bank Balances and Financial Investments** totalling RM196.62 million (FYE2022: RM219.43 million), 10.4% lower than the previous year. In FYE2023, the **Net Cash Used in Financing and Investing Activities** are largely for repayment of lease liabilities amounting RM6.79 million, payment of dividends of RM39.71 million and CAPEX of RM20.02 million. The Group's healthy cash flow position would support its ability to meet financial obligations and pursue growth initiatives.

The Group's **Net Cash Generated from Operating Activities** for FYE2023 maintained a surplus position of RM39.01 million (FYE2022: RM97.17 million). This is consistent with the 48.3% decline in PAT in FYE2023 compared to last year.

Free Cash Flow ("FCF") is the cash a company generates after accounting for the cash outflows necessary to support its operations and maintain its capital assets. The Group's FCF remained positive at RM18.99 million although 77.5% lower compared to the previous year's FCF of RM84.31 million. The lower FCF is attributed to higher expenditures on property, plant and equipment particularly on plantation development works, infrastructure, and assets acquisition or replacement. The Group's ability to maintain a positive FCF indicates its ability to generate healthy cash flow, which can be utilised for various purposes such as investments, and returning value to shareholders.

Total Assets decreased by 1.8% to RM718.53 million compared to RM731.56 million in FYE2022. Total assets decreased y-o-y mainly due to lower inventories, biological assets along with the decrease in financial investments.

Country Economic Outlook

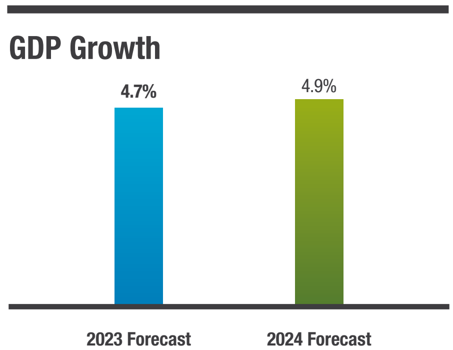
Malaysia

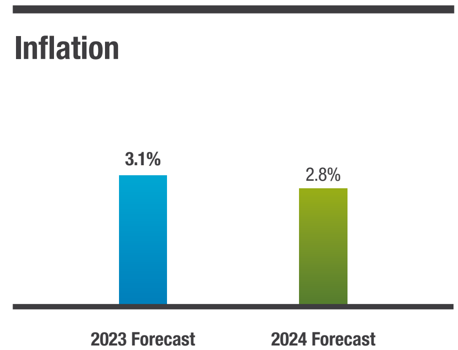
The Malaysian economy experienced significant growth in the first quarter of 2023, with a 5.6% expansion. This growth surpassed the performance of other regional economies such as Indonesia, China, and Vietnam. It also exceeded the growth achieved in the first quarter of the previous year. The strong economic performance was driven by growth in various sectors, particularly services and manufacturing. This expansion was supported by sustained domestic demand, including strong private expenditure and improvements in the labour market.

The labour market remained robust, maintaining full employment with a low unemployment rate of 3.5%. Inflation showed a positive trend during the first quarter of 2023, as the domestic inflation rate moderated and decreased to 3.4% in March 2023.

Despite global challenges such as weakening global trade, geopolitical tensions, and elevated price pressures, the economic outlook for Malaysia remains positive. The IMF and World Bank forecast a moderate growth rate for Malaysia in 2023. Domestically, extreme climate events like heatwaves and the expected El Nino season may slightly impact economic activities, particularly in the agriculture and construction sectors.

Source:
MOF Malaysia, May 2023





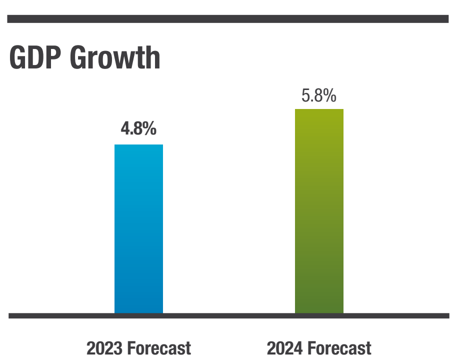
Source:
Asian Development Outlook (ADO) April 2023: Subregional Forecasts

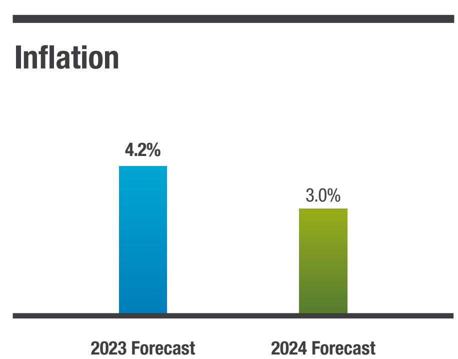
Indonesia

According to a report by the Asian Development Bank (ADB), Indonesia's economy is projected to have a positive outlook. The report forecasts a growth rate of 4.8% in 2023, which is expected to further increase to 5.0% in 2024. This anticipated growth is an improvement from the 5.3% growth recorded in 2022. This growth is primarily driven by the reopening of the economy, leading to increased private consumption, investment, and exports.

The oil palm sector in Indonesia, a significant contributor to the country's GDP (approximately 5%) and exports (around 10.0%), is expected to experience growth in the coming years. It is projected to grow by 4.5% in 2023 and 4.0% in 2024, primarily driven by strong global demand for palm oil. However, it is essential to address certain challenges for sustainable growth in the sector, including the rising production costs and environmental concerns associated with palm oil production.

Although Indonesia's economic growth is expected to moderate in 2023 and 2024 as the impacts of the pandemic subside and domestic demand returns to normal, the country possesses robust fundamentals and a resilient private sector. These factors enhance Indonesia's capacity to withstand potential shocks and challenges that may arise in the future.





Source:
Asian Development Outlook (ADO) April 2023: Subregional Forecasts

Segmental Review

Sustaining Growth
Plantation Division

Revenue

RM159.57 million

15.7% Decrease Y-o-Y

(FYE2022: RM189.40 million)

PBT

RM39.33 million

56.4% Decrease Y-o-Y

(FYE2022: RM90.20 million)

FYE2023 FOCUS AREAS

- Improve operational cost efficiencies and effectiveness through stringent monitoring, increased usage of ICT and mechanisation
- Improve accessibility to facilitate mechanisation to improve crop evacuation efficiency
- Good agricultural practices in all our operations
- Replanting programme using high yielding oil palm planting materials
- 100% Malaysian Sustainable Palm Oil ("MSPO") certification achieved
- Implement training programmes for newly recruited workers to ensure their successful integration into the workforce, and to provide them with the necessary tools and competencies

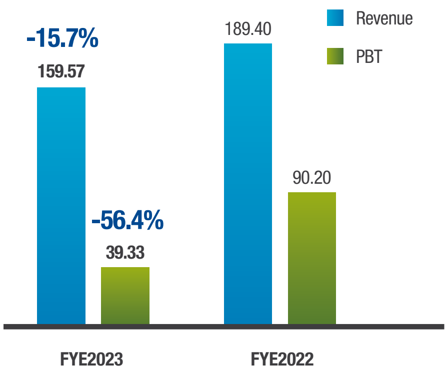
BUSINESS OVERVIEW

The Group now owns and operates 12 estates in Malaysia and Indonesia with a total plantable landbank area of 12,672 hectares (FYE2022: 12,809 hectares) of which 9,242 hectares (FYE2022: 8,702 hectares) have been planted with oil palm. 7,951 hectares (FYE2022: 7,329 hectares) of the oil palm are mature. The Group also owns a 45 MT/HR palm oil mill in Indonesia.

In FYE2023, the Plantation division's revenue decreased by 15.7% to RM159.57 million compared to RM189.40 million in FYE2022. This decline was primarily attributed to the weakening of palm oil prices starting from the second quarter of FYE2023. Prices of Crude Palm Oil ("CPO") and Crude Palm Kernel Oil ("CPKO") experienced a sharp decline in the second half of the year after reaching historical highs earlier. Average realised CPO prices was RM3,492 in FYE2023, a decrease of 10.8% y-o-y (FYE2022: RM3,914 per MT). Similarly, CPKO price decreased 42.1% to RM3,857 per MT (FYE2022: RM6,656 per MT). Sales of CPO and CPKO made up 89.0% of the total revenue, while the remaining revenue was generated from the sales of FFB in Malaysia. The division's overall production of FFB decreased by

2.8% y-o-y. Our Malaysian estates, in particular, had been impacted by issues related to labour shortage. In FYE2023, our Malaysian estates were operating at only 34.2% of our actual harvester's requirement, which negatively affected harvesting operations. This shortage was further worsened by the return of many of our guest workers to their home countries after the reopening of the country's borders.

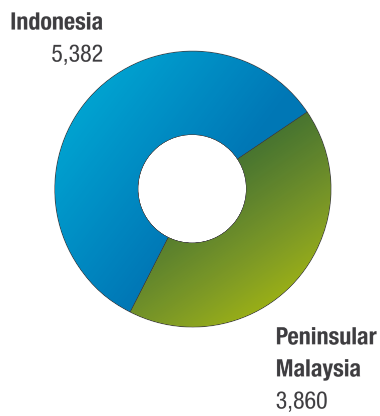
Revenue & PBT Performance (RM Million)



Accordingly, PBT decreased to RM39.33 million compared to RM90.20 million in the previous year due to lower CPO and CPKO prices. Additionally, the division incurred higher operational and rehabilitation costs associated with the estates acquired in the previous financial year, further impacting the PBT. Since the beginning of 2022, fertiliser prices have risen by approximately 15% to 20%. The upward trend in fertiliser prices has been ongoing since 2021 when prices surged by 80%.

As at 31 March 2023, our total planted area in Malaysia and Indonesia increased to 9,242 hectares, compared to 8,702 hectares last year. Approximately 40.0% of our plantations fall within the age range of 4 to 18 years, while 46.0% are above the age of 19 years which is majority are palms in Indonesia estates. However, we also have an additional immature area totalling 1,291 hectares, which holds great potential for increased yields and productivity in the future.

Oil Palm Planted Area (Hectares)



The division recorded lower average yield per mature hectare from 20.91 MT in FYE2022 to 18.73 MT. Our total FFB production amounted to 148,958 MT, representing a decrease of 2.8% compared to the previous year's production of 153,279 MT. Our Indonesian and Malaysian estates recorded lower volumes y-o-y at 2.9% and 2.2% respectively.

In tandem with the decrease in FFB production in Indonesia, our CPO production decreased by 6.4% from 38,220 MT in FYE2022 to 35,783 MT. Similarly, CPKO production decreased by 4.3% to 3,272 MT in FYE2023 compared to 3,419 MT in FYE2022. As a result of the decreased production, our CPO sales volume also declined by approximately 3.3% to 36,896 MT in FYE2023 (FYE2022: 38,145 MT).

Indonesia

PTNJL produced 130,029 MT of FFB in FYE2023, 2.9% lower compared to last year's 133,929 MT. This decline in FFB production can be attributed to several factors, including the age profile of PTNJL's estates, where more than 66.3% of the estates are 19 years old and above. FFB yield per mature hectare decreased by 2.0% to 24.04 MT in FYE2023 (FYE2022: 24.54 MT). PTNJL's oil extraction rate (OER) was 20.41%, which is lower than the 21.10% achieved last year.

Malaysia

FFB production from our Malaysian estates declined 2.17% to 18,829 MT due to some setbacks that affected the yields. The FFB yield per mature hectare declined to 7.37 MT from the previous year's 10.25 MT. 2 main factors contributed to this decline: (1) there was a shortage of harvesters experienced in the first half of FYE2023, particularly during the peak crop season; (2) low yield per hectare was recorded from our Kelantan estates.

In FYE2023, the mature areas increased by 36.1% y-o-y to 2,570 hectares. Palms aged between 4 to 9 years accounted for the majority of the mature area, representing 54.2% of the total.

Ladang Cendana, Kemaman, Terengganu

Ladang Cendana's FFB production decreased to 9,061 MT (FYE2022: 9,935 MT). This decline can be attributed to various factors, including a shortage of harvesters which affected harvesting and collection works. As a result, the average yield per mature area decreased to 13.57 MT from 14.88 MT in FYE2022.

During FYE2023, a total of 722 palm trees were damaged by elephants between April and July 2022, compared to 757 palms in the previous year. We are actively working on various initiatives to mitigate elephant intrusions, which include the installation of fences and trenches, as well as the application of a biological pest control. Only 2 cases of intrusion were recorded during FYE2023.

To further enhance operational efficiency in view of the reduction in manpower, Ladang Cendana is utilising the Land Surf, which is a motorised wheelbarrow, for collecting and evacuating FFB from the fields to the collecting point. This method has significantly improved the harvesters' productivity throughout FYE2023.

Segmental Review

As at 31 March 2023, our total planted area in Malaysia and Indonesia increased to 9,242 hectares, compared to 8,702 hectares last year

Ladang Bunga Tanjong, Jeli, Kelantan

Total FFB production increased by 13.3% to 5,751 MT compared to the previous year's 5,078 MT, primarily due to the expansion of the mature area which reached 882 hectares. Within this mature area, 46.6% consisted of newly matured palms while, 53.4% consisted of palms aged 10 to 18 years. Despite the increase in FFB volumes, the average yield per mature area was significantly lower at 6.52 MT, compared to the previous year's yield of 10.78 MT.

One of the main challenges affecting production performance was that the majority of the newly mature area being planted on white clay soil, which is considered marginal soil. To overcome this issue, we have established *Nephrolepis Biserata* to improve soil conditions and water infiltration, reduced the weeded palm circle to mitigate surface run-offs, and sought new fertiliser recommendations from the agronomist.

To address the shortage of skilled harvesters, several initiatives were implemented. Existing local workers were trained to perform maintenance work in both mature and immature areas, as well as sanitation work in upcoming newly mature areas. Furthermore, newly recruited workers were assigned to harvest in the newly mature areas and received training to effectively harvest palm trees at taller heights.

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

Ladang Dabong has a total planted area of 191 hectares, out of which 94 hectares are mature. During the year, the estate harvested 526 MT of FFB, a 5.2% decrease from the previous year's harvest of 555 MT. Despite the increase in average yield per hectare increased to 5.57 MT compared to the previous year, the estate encountered challenges due to a shortage of skilled harvesters. This shortage led to a reduced number of harvesting rounds and potentially affected the estate's overall productivity.

Mature areas at Ladang Aring expanded to 243 hectares. However, FFB harvested during the year declined to 1,091 MT compared to 1,654 MT in the previous year. The yield per mature hectare also decreased to 4.49 MT from 6.90 MT. This decline in production is attributed to the shortage of harvesters which affected the harvesting activities and overall productivity of the estate. The application of biological pest control, combined with the installation of fencing and trenching has been effective in reducing the number of elephant intrusion during the year under review. The damage caused by elephant intrusions to the palms was significantly reduced, with 531 palms affected compared to 1,760 palms in FYE2022.

Ladang Sg. Siput, Perak

Despite the challenges posed by difficult terrain and labour shortages, the estate has made progress on its development programmes. Approximately 136 hectares have been planted during the year, bringing the total planted area to 339 hectares as at 31 March 2023. For this current financial year, focus will be given to accelerating completion of land development and planting works on another 200 hectares at the estate.

The estate has established 2 dedicated test plots measuring 5 acres for durian cultivation in the hilly part of the estate where oil palm planting is less feasible. These plots feature a range of durian tree variants, including Musang King, Black Thorn, and Tekka. These test plots will enable the estate to gather data on the growth and productivity of the different durian varieties under the estate's specific conditions, and facilitate informed decision-making by management regarding any potential expansion of durian cultivation in the future.

Ladang Fima Aring and Ladang Fima Kuala Betis, Gua Musang, Kelantan

At Ladang Fima Kuala Betis, 282 hectares have been successfully rehabilitated during the year, bringing the total rehabilitated area to 682 hectares. The rehabilitation works have had a positive impact on FFB production, which increased to 2,500 MT (FYE2022: 2,128 MT). However, the yield per mature hectare declined to 3.66 MT (FYE2022: 5.32 MT), mainly due to lower crop production from the rehabilitated areas. It is not uncommon for newly rehabilitated areas to have lower yields initially as the palm trees establish themselves. The low stand of 75 palms per hectare had also contributed to the lower yield. It is important to highlight that this situation is temporary as once the estate completes the development of the unplanted areas, the rehabilitated area will be replanted.

Ladang Fima Kuala Betis had initiated development works after obtaining approval for its Environmental Management Plan ("EMP") from Department of Environment in July 2022. The estate successfully completed the development works for 455 hectares in Phase 1, out of which 208 hectares have been planted during the year.

Similarly, Ladang Fima Aring also commenced its development works in November 2022 following approval of its EMP in August 2022. As at 31 March 2023, 205 hectares have been developed, out of which 47 hectares have been planted.

Capital Expenditure

During FYE2023, the division allocated RM16.68 million for CAPEX, which was primarily directed towards key priority areas such as mechanisation and plantation development works as well as infrastructure enhancements and asset acquisitions/replacement.

Skilling the Workforce

The division has recruited 228 new workers, both local and foreign, to work at the various estates across Malaysia mainly in the second half of FYE2023. The foreign workers we employ are from Indonesia and Bangladesh, and as at 31 March 2023 they make up 17.0% of the division's total workforce. All our guest workers are provided with comfortable housing with amenities such as recreational spaces and internet connection.

To ensure their successful integration into the workforce, the division has implemented training programmes for all newly recruited workers. These training programmes are also designed to provide them with the necessary tools and competencies to perform their job functions safely and effectively, covering various aspects related to plantation operations, with a focus on areas such as harvesting and collection methods, equipment operation, safety protocols and environmental practices.

Outlook

CPO prices are expected to be sustained at current levels in the near term. CPO prices will continue to be dependent on economic and market volatilities, overall supply and demand balance of the global edible oil markets, as well as Indonesia's biodiesel mandate and export policies[1].

We expect a y-o-y recovery of our FFB production this year with the easing of labour shortage in Malaysia, rising yields of our new and young fields in Malaysia, and in line with the seasonal crop cycle uptrend. However, palms yields could be affected by the potential onset of El Nino, which generally brings abnormally dry conditions, and exacerbate a downturn in production in H1 of 2024[2].

For this current financial year, we intend to focus on enhancing our yields and climate adaptation initiatives to improve our estates' productivity and resilience. Cost efficiency remains a key focus for us as well, and we will continue to invest in mechanisation and sustainable practices to optimise our operations.

We believe in the long-term growth prospects of the palm oil industry, given its versatility and importance as a raw material for both the food and non-food sectors. We also see significant opportunities to grow the division through M&A activities as our strong capital structure provides us with the flexibility to execute our growth strategy and fund potential acquisitions. We will continue to assess opportunities and make strategic investments that align with our long-term objectives.

[1] *https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/agriculture/010323-lower-palm-oil-prices-likely-in-2023-but-markets-wary-of-supply-recession-risks*

[2] *https://www.gro-intelligence.com/insights/as-la-nina-exits-palm-oil-production-could-rise-in-2023-but-drop-in-2024*

Oil Palm Plantation Statistics as at 31 March 2023

Year	FYE2023	FYE2022	FYE2021	FYE2020	FYE2019
Palm Age Profile (Hectares)					
> 19 years	**4,251**	2,076	-	-	-
10 – 18	**2,304**	4,259	5,942	6,702	6,560
4 – 9	**1,396**	994	901	546	390
	7,951	7,329	6,843	7,248	6,950
Rehab	**-**	-	-	-	-
Replanting	**-**	-	-	-	-
Immature	**1,291**	1,373	1,321	1,595	1,560
Total Planted Area	**9,242**	**8,702**	**8,164**	**8,843**	**8,510**
Total FFB (MT)					
FFB Production	**148,958**	153,279	148,759	156,450	166,080
FFB Purchased	**46,379**	47,233	34,339	40,257	49,902
	195,337	**200,512**	**183,098**	**196,707**	**215,982**
Yield Per Hectare (MT)	**18.73**	20.91	20.39	21.58	24.19
CPO Production (MT)	**35,783**	38,220	35,424	40,934	47,966
Oil Extraction Rate (%)	**20.41**	21.10	21.08	21.68	22.34
Average CPO Price Realise (RM/MT)	**3,492**	3,914	2,883	2,127	2,066

Segmental Review

How We Create Value

Strategic Priorities

Landbank expansion	Increase productivity and cost efficiency through mechanisation	Best estate management practices

Intellectual Capital

Key Inputs

- Robust safety, quality and information management systems.
- Production and processing of palm oil.
- Land ownership rights.
- Industry best practices.
- High yielding planting materials.

Activities to Sustain Value in FYE2023

- Continued progress towards international standard accreditations.
- Application for land title of planted areas (Indonesia).
- Implementation of best estate management practices.

Outcomes

- ✓ Maintained/obtained accreditations, important prerequisites of our key customers and markets.
- ✓ Rollout of upgraded estate management system across our Malaysian estates provides more visibility and control over estate operations across different locations.
- ✓ All Malaysian estates are MSPO certified.
- ✗ Protracted time in processing land title (Indonesia). As a result, Indonesian Sustainable Palm Oil (ISPO) accreditation for Indonesian estate is still pending.
- ✓ High yielding planting materials will support Financial Capital in the long run.

Trade-Offs

Capital Depleted:

- Investment outlay on compliance costs (e.g. certifications) and high yielding planting materials will affect Financial Capital in the short run but supports profitability in the long-term.

Capital Increased:

- Market credibility and goodwill.
- Improved productivity and process efficiencies through close monitoring of operational expenses, maintenance and consumption of resources which will support Natural, Manufactured and Financial Capitals.

Financial Capital

Key Inputs

- Strong cash flow.
- Access to credit facilities/bank borrowings.

Activities to Sustain Value in FYE2023

- Disciplined financial management and capital allocation practices.

Outcomes

- ✗ Revenue down y-o-y by 15.7% to RM159.57 million.
- ✗ PBT down y-o-y by 56.4% to RM39.33 million.
- ✓ Most of our Malaysian greenfield estates are now financially self-sustaining.
- ✓ Consistent dividend payouts (PTNJL).

Trade-Offs

Capital Depleted:

- Higher operational costs, specifically in fertiliser expenses, have resulted in increased working capital utilisation and reduced profit margins.

Capital Increased:

- Higher long-term financial returns to company and shareholders.

Social and Relationship Capital

Key Inputs

- Positive employee relationships.
- Maintain mutually beneficial relationships with employees, regulators and other stakeholders where we operate.

Activities to Sustain Value in FYE2023

- Continuous engagement with regulators e.g. MPOB and local governments.
- Use expertise and other resources to give back to communities e.g. development and infrastructure projects.
- Enhance labour practices.

Outcomes

- ✓ Minimal disruption to operation days.
- ✓ Better understanding of environmental/industry regulations especially on newly developed estates.
- ✓ Maintained support of the communities, regulators and other stakeholders where we operate which will have a positive long-term effect on all Capitals.
- ✓ Our supply chain management ensures that we have a sizeable inventory of raw materials e.g. fertiliser, enabling us to reasonably mitigate supply chain interruptions.

Trade-Offs

Capital Depleted:

- Despite the initial financial outlay, investment in strategic CSR efforts will drive meaningful community relationships over the long-term.

Capital Increased:

- Improved community and government relations.
- Maintain our social licence to operate which will benefit Financial and Social & Relationship Capitals over the long-term.
- Efficient supply chain management will support Financial and Manufactured Capitals.

Manufactured Capital

Key Inputs

- 45 MT/HR palm oil mill in Indonesia.
- 12 estates in Malaysia and Indonesia.
- Estate offices and facilities.
- Tools/equipment for mechanisation and technology.

Activities to Sustain Value in FYE2023

- Spent RM16.68 million on CAPEX on plantation development works/ infrastructure and purchase/replacement of assets.
- Progressed on our mechanisation initiatives to increase productivity/ efficiency.
- Employ geospatial technologies to facilitate efficient land use and development planning.

Outcomes

- ✓ Purchased Land Surf and Badang to improve harvesting interval and infield collection. Overall productivity improved by 30.0% which positively impacts Financial Capital.
- ✓ Enhanced safety and efficiency of assets.
- ✗ Depreciation and amortisation.
- ✓ Maximising the planting density of potential areas as well as in the planning of optimal routes for harvesting which positively impacts Financial Capital and Human Capital.
- ✓ Adoption of best estate management practices support climate action and biodiversity conservation which benefits Natural Capital.

Trade-Offs

Capital Depleted:

- Investment in mechanisation equipment/tools and technology costs will impact Financial and Natural Capitals through the consumption of fuel.

Capital Increased:

- More efficient harvesting and evacuation process due to mechanisation and effective land planning will strengthen Financial Capital in the long-term.
- Mechanisation improves employee productivity and their earnings potential thus supporting Social & Relationship Capital.

Segmental Review

Natural Capital

Key Inputs

- 12 estates in Malaysia and Indonesia.
- Total plantable landbank of 12,672 hectares.
- Our operations rely on fuel, water and electricity to run their activities.

Activities to Sustain Value in FYE2023

- Ongoing monitoring of resource intensity and efficiency.
- Climate change adaption and mitigation.
- Compliance to regulatory requirements, standards, practices and ESG metrics.
- Use of renewable energy.
- Converting waste into a resource.

Outcomes

- ✓ Reduction in total waste generated from 202,846 MT to 190,228 MT.
- ✗ Decline in FFB production to 148,958 MT (FYE2022: 153,279 MT).
- ✓ In FYE2023 Ladang Fima Aring and Ladang Fima Kuala Betis in Kelantan have both commenced development works after obtaining approval for their EMP from the Department of Environment.
- ✗ Fuel intensity (per tonne FFB produced) increased for both our Indonesian and Malaysian estates.
- ✗ GHG emissions intensity (tCO_2eq/RM million revenue) from 17.36 to 19.82.
- ✓ Since its installation in 2019, the 25 kWp solar PV capacity in Ladang Cendana has generated a total energy output of 64,142 kWh.
- ✓ In Indonesia, EFB is also used as feedstock to power the cogeneration plant that supplies electricity to the palm oil mill and nearby communities. Energy generated increased from 3,341 MWh to 3,413 MWh will positively impacts Financial and Social & Relationship Capitals.
- ✓ Completed rehabilitation works on 282 hectares at Ladang Fima Kuala Betis.

Trade-Offs

Capital Depleted:

- Higher fuel consumption on the back of higher levels of activity will impact Financial Capital.
- Investments to reduce our carbon footprint and protect biodiversity as well as compliance costs will have a short-term impact on Financial Capital.
- Investments to rehabilitate low-yielding areas will increase working capital utilisation and have a short-term impact on Financial Capital.

Capital Increased:

- Completion of plantation development and rehabilitation works will strengthen the division's Financial Capital in the long-term.
- Savings on fertiliser through conversion of EFB into compost/organic fertiliser and energy costs through use of renewable energy will support Financial Capital.
- Good reputation through sustainable business practices e.g. supply of electricity to nearby communities will benefit Financial and Social & Relationship Capitals over the long-term.

Human Capital

Key Inputs

- 1,422 employees.
- Strong and diverse management team.

Activities to Sustain Value in FYE2023

- Encouraging local employment.
- Competitive remuneration and benefits.
- Ensuring a safe, healthy and conducive work environment.
- Continuous training and development programmes for employees and other forms of engagement to keep employees motivated.
- Enhance labour practices and ensuring that all relevant labour standards are adhered to.

Outcomes

- ✓ 100% of our Malaysian estates are MSPO certified and have during the year conducted human rights reviews as part of the MSPO's requirements and zero non-compliance achieved.
- ✓ Achieved 89.0% and 99.5% of local headcount ratio in our Malaysia and Indonesia operations respectively with zero cases of discrimination reported.
- ✓ Job security and creation of employment. Total new hires are 529 (FYE2022: 484).
- ✓ Zero fatality.
- ✗ Higher LTIFR of 8.82 (FYE2022: 4.16).
- ✓ Higher training hours from 1,339 to 1,977 hours.
- ✓ Mechanisation improves workers productivity, harvesting intervals and infield collection efficiency which leads to improved earnings and lighter workload for harvesters which in turn supports Social & Relationship Capital. Mechanisation will over the long-term lead to reduced Human Capital requirements.

Trade-Offs

Capital Depleted:

- Short-term impact on Financial Capital arising from regulatory and compliance costs, and mechanisation initiatives.
- FFB produced decreased due to shortage of harvesters especially for Malaysian estates which negatively impacted Financial Capital.

Capital Increased:

- Retention of headcount, salaries and benefits, and improvement in earnings due to mechanisation positively impacts Social & Relationship Capital.
- Over the long-term investments in mechanisation will strengthen Financial and Natural Capitals e.g. through less fuel consumption.

Staying Agile
Manufacturing Division

Revenue
RM129.56 million
24.4% Increase Y-o-Y
(FYE2022: RM104.13 million)

PBT
RM10.11 million
19.1% Increase Y-o-Y
(FYE2022: RM8.49 million)

FYE2023 FOCUS AREAS

- Strengthen nationwide support service
- Local and international strategic partnerships
- Shift towards end-to-end solutions
- Customer and portfolio retention
- Develop talents and subject matter experts in technology-based security solutions

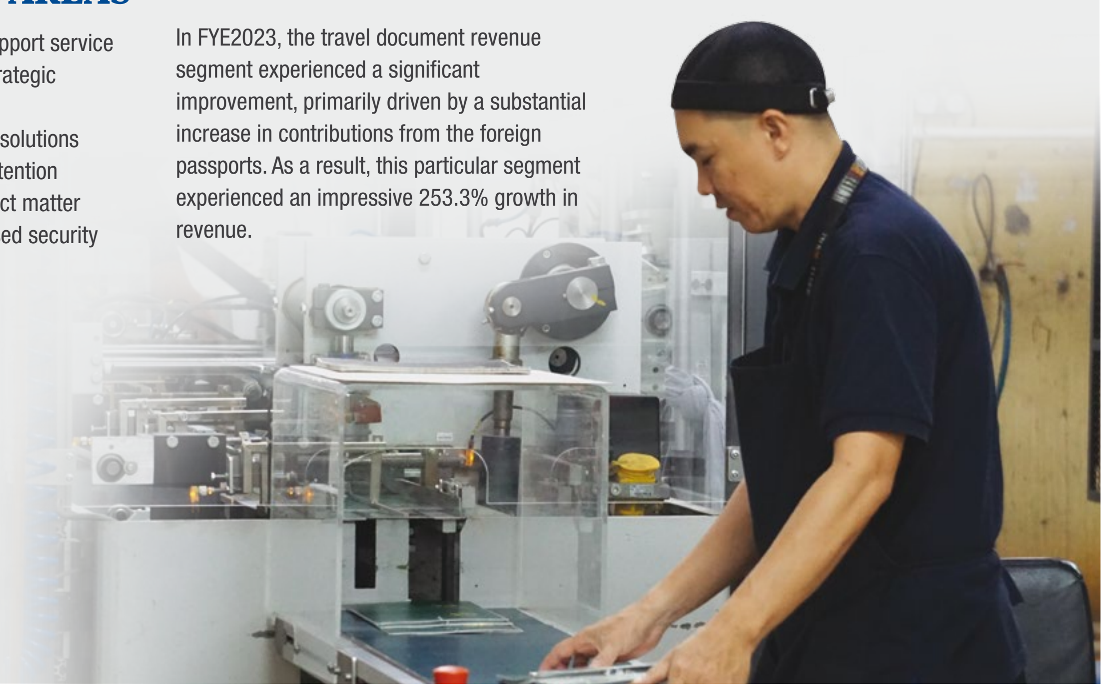
BUSINESS OVERVIEW

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

The division's performance in FYE2023 improved, which was consistent with the positive trend in Malaysia's economy after the easing of movement restrictions and the reopening of domestic and international borders. The division's revenue in FYE2023 increased to RM129.56 million, a growth of 24.4% from the RM104.13 million recorded in the previous year.

In FYE2023, the travel document revenue segment experienced a significant improvement, primarily driven by a substantial increase in contributions from the foreign passports. As a result, this particular segment experienced an impressive 253.3% growth in revenue.

In addition, both the confidential document and licence segments also reported noteworthy y-o-y revenue growth, with increases of 95.4% and 3.3%, respectively as procurement for confidential document from existing customers increased as well as a general rise in demand.



Segmental Review

Meanwhile, the transport documents segment recorded a more modest y-o-y increase of 6.1%, reflecting normalisation of the demand side following the post-Covid surge in the previous year.

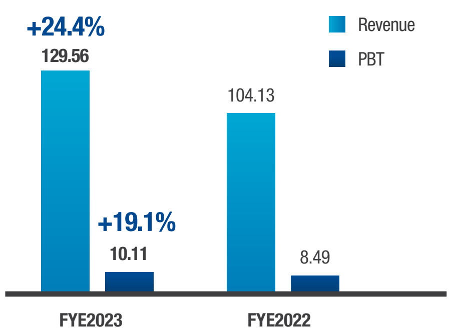
As a result of the increased revenue, the division's profitability also improved in FYE2023. PBT rose by 19.1% to RM10.11 million, compared to RM8.49 million in the previous year.

Moreover, the division's associate company, Giesecke & Devrient Malaysia Sdn. Bhd. ("G&D"), saw its share of results increase by 59.2% y-o-y, from RM2.28 million in FYE2022 to RM3.63 million, driven by higher PAT in FYE2023. G&D registered revenue of RM185.19 million compared to RM193.60 million in the previous year.

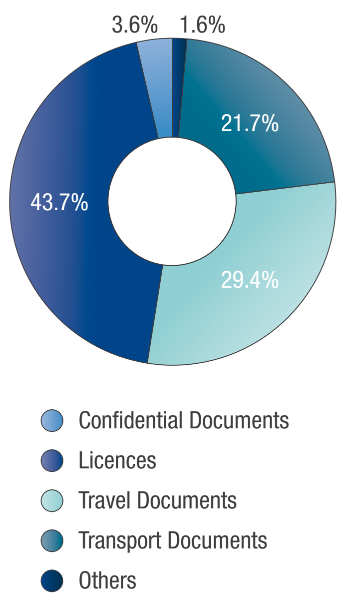
The division is currently undergoing a relocation process to its own new and larger complex located in Bangi, Selangor, which is expected to be completed by the second quarter of this current financial year. The new complex will house the division's head office, production and printing machines, and warehousing under one roof, a dedicated security printing manufacturing facility. Construction of the new complex began in Q4 FYE2022, and the timing and transition of the division's operations from the current facility are being carefully managed to avoid any disruption to our customers.

We anticipate that the move to this new facility complex will yield significant cost savings over time. With more space, the new facility will enable us to scale and meet the evolving demands of our customers, while also improving our operational efficiencies. The division's CAPEX for FYE2023 amounted to RM3.13 million, representing an increase compared to the previous year.

Revenue & PBT Performance (RM Million)



Revenue Contribution by Product (%)



> **The travel document revenue segment experienced a significant improvement, primarily driven by a substantial increase in contributions from the foreign passports segment. As a result, this particular segment experienced an impressive 253.3% growth in revenue**

Outlook

The current financial year is expected to be particularly challenging as the shift towards digital identity solutions in place of physical documents increases. We also continue to see inflationary cost pressures driven by higher wages, raw materials, fuel, and other supply chain costs which may impact our margins.

In this current financial year, we expect the volumes of the foreign passports and certificates segments to remain at current levels. We also anticipate that certain transport documents which are currently not part of the government's digitisation initiatives, to maintain stable volumes.

We acknowledge the importance of adapting to the evolving landscape of the industry. In this regard and we are actively exploring potential collaborations and new investments particularly in the integration of e-passports and national IDs into physical and hybrid digital solutions to meet the changing demands of our customers effectively. We also remain committed to protecting our niche markets and lowering our cost base. Further, our end-to-end, value-added service offerings continue to play a crucial role in driving growth and ensuring that we remain aligned to the evolving needs of our customers.

How We Create Value

Strategic Priorities

- Strategic partnerships and alliances
- Streamlining costs to maintain competitiveness
- Protection of niche markets

Intellectual Capital

Key Inputs

- Robust safety, quality and information management systems.
- Brand and strong reputation.
- Strategic partnerships and alliances.
- R&D capabilities to develop solutions and respond to emerging customer preferences.
- Industry best practices.
- Key personnel with subject-matter expertise.

Activities to Sustain Value in FYE2023

- Continued progress towards international standard accreditations.
- Portfolio/product development i.e. digital based and other niche solutions and services.
- R&D collaboration with technical partners.

Outcomes

- ✓ Maintained our competitive edge through new product development e.g. digital certificate, data matching, and travel documents, ID Cards Personalisation Systems and after sales service e.g. Forensic Services; and R&D to enhance product features and/or to extend product lifecycle, which benefits Financial, Manufactured and Social & Relationship Capitals.
- ✓ Retained key customers and market segments.
- ✓ Certified and compliant:
  - ISO 27001:2013 Information Security Management.
  - ISO 9001:2015 Quality Management System.
  - ISO 14298:2013 Graphic Technology - Management of Security Printing Processes.
  - ISO 37001:2016 Anti Bribery Management system.

  all of which are important prerequisites of our key customers and markets.

Trade-Offs

Capital Depleted:

- Investment outlay on compliance costs and R&D will affect Financial Capital in the short-term but supports financial performance in the long-term.

Capital Increased:

- Market credibility and goodwill which supports Social & Relationship and Financial Capitals.
- Improved productivity and process efficiencies.

Financial Capital

Key Inputs

- Strong cash flow and cash position.
- Access to credit facilities/bank borrowings.

Activities to Sustain Value in FYE2023

- Disciplined financial management and capital allocation practices.
- Strong and proactive relationships with our principals.

Outcomes

- ✓ Revenue up y-o-y by 24.4% to RM129.56 million.
- ✓ PBT up y-o-y by 19.1% to RM10.11 million.
- ✓ Consistent dividend payouts.
- ✓ Resilient balance sheet with strong cash flows.
- ✗ Margin pressures due to increased competition from new and existing players in certain product segments.
- ✗ Higher input and logistics costs impacting margins.

Trade-Offs

Capital Depleted:

- Profitability margins reduced due to higher input and logistics costs.

Capital Increased:

- Strong financial position allows us to flex in line with market demands and pursue new business opportunities as and when they arise.

Segmental Review

Social and Relationship Capital

Key Inputs

- Maintain mutually beneficial relationships with employees, regulators and other stakeholders where we operate.
- Positive supplier and business partner relations as part of our supply chain management.

Activities to Sustain Value in FYE2023

- Customised training programmes for customers and regulators.
- PROTÉGÉ and Industrial Collaboration Programme.
- Responsible business practices i.e. accreditation of ISO 37001:2016 Anti Bribery Management System.
- CSR activities and welfare contributions.

Outcomes

- ✓ Established trust with customers, business partners and regulators.
- ✓ Retained key customers and markets segment.
- ✓ Since 2018, 113 university graduates have undergone PROTÉGÉ programme.
- ✓ Our supply chain management ensures that we have a sizeable inventory of raw materials, enabling us to reasonably mitigate supply chain interruptions and maintain production.

Trade-Offs

Capital Depleted:

- Short-term impact on Financial Capital arising from training and compliance costs.
- Investments in strategic CSR efforts to drive meaningful community relationships over the long-term.

Capital Increased:

- Improved community and government relations will enable us to maintain our social licence to operate and positively impacts all Capitals.
- Efficient supply chain management will support Manufactured and Financial Capitals.
- Nurturing future talent pool supports Human and Intellectual Capitals.

Manufactured Capital

Key Inputs

- Security and confidential printing document facilities.
- Security facility complex in Bangi.
- 20 Main Printing Machines.
- 45 million security documents printed.
- Technology tools.

Activities to Sustain Value in FYE2023

Spent RM3.13 million on CAPEX for hardware, R&D projects and computer/machinery maintenance and relocation to a new facility complex (ongoing).

Employ technology to achieve operational efficiency namely:

- a tracking system detailing progress of products delivered to customers on real-time basis.
- equip IT support staff with mobile devices to access, store and report information.

Outcomes

- ✓ Long-term synergies and cost savings by centralising Manufacturing's operations under one roof that will benefit Financial Capital.
- ✓ Scheduled preventive maintenance of machinery ensures less downtime and better planning on stock of parts.
- ✗ Depreciation and amortisation.
- ✓ Enhanced safety and efficiency of assets.
- ✓ Improved efficiencies and customer engagement which will support Social & Relationship and Financial Capitals.
- ✗ Product substitution due to new technologies/processes.

Trade-Offs

Capital Depleted:

- Investment in ICT equipment/tools, systems and infrastructure upgrades/replacement, and ongoing maintenance costs will impact Financial Capital.

Capital Increased:

- By relocating to a new facility, we can optimise our operations and streamline processes, leading to increased efficiency and productivity which in turn can positively impact Financial Capital.
- Reduction in operational staff time, production downtimes and improved customer engagement all of which will benefit Social & Relationship and Financial Capitals.
- Use of ICT tools will facilitate reporting and data accuracy, and process efficiencies.

Natural Capital

Key Inputs

Electricity consumption increased from 2,013 MWh to 2,344 MWh in FYE2023.

Activities to Sustain Value in FYE2023

- Ongoing monitoring of energy intensity and efficiency.
- Compliance to regulatory requirements.
- Use of renewable energy and transition to 'greener' machinery/equipment.
- Responsible procurement and practices.

Outcomes

- ✗ Increase in total waste generated from 124 MT to 148 MT.
- ✗ Increase in electric consumption intensity per square feet by 16.5% from 26.87 to 31.29 due to higher level of business activities.
- ✓ Generated 62,160 kWh of solar energy in FYE2023.
- ✓ Y-o-Y reduction in GHG emissions intensity (tCO_2eq/RM million revenue) from 16.67 to 15.82.
- ✓ 80% of the paper used in the production of transport documents is Forest Stewardship Council-certified paper.
- ✓ Our new facility complex in Bangi will utilise energy-efficient equipment and machineries to run our operations.

Trade-Offs

Capital Depleted:

- Investments to reduce our carbon footprint will have a short-term impact on Financial Capital.

Capital Increased:

- Savings on energy costs through use of renewable energy in the long-term and will positively impact Financial Capital.
- Improved reputation and stronger customer relationships which will benefit Financial and Social & Relationship Capitals.

Human Capital

Key Inputs

- 272 employees.
- Strong and diverse management team.
- Strong technical support teams across Malaysia.

Activities to Sustain Value in FYE2023

- Encouraging local employment.
- Competitive remuneration and benefits.
- Ensuring a safe, healthy and conducive work environment.
- Continuous training and development programmes for employees and other forms of engagement to keep employees motivated.

Outcomes

- ✓ Improvement in the livelihoods of our employees.
- ✓ Increase in job security and creation of employment. Total new hires are 64 (FYE2022: 43). No downsizing of permanent employees' headcount. Salaries and benefits are maintained.
- ✓ Positive work culture with skilled workforce. Zero disruption to production days due to industrial action.
- ✓ Achieved 3,110 (FYE2022: 2,745 days) or equivalent to 8.5 years without any lost time incident.
- ✓ Continued emphasis on safety culture - zero fatalities in FYE2023.
- ✓ Higher training hours from 1,864 to 2,880 hours.
- ✓ Anticipate that the collective agreements will be renewed during the current financial year. The agreements were last renewed in August 2020.

Trade-Offs

Capital Depleted:

- Short-term impact on Financial Capital arising from regulatory and compliance costs and investments in training.

Capital Increased:

- Retention of headcount of permanent employees, provision of competitive remuneration and conducive work environment positively impacts Social & Relationship Capital.
- Maintained goodwill and reputation.
- Nurturing our talent pool through ongoing investments in training will support Financial and Intellectual Capitals in the long-term.
- Our ongoing commitment to maintaining positive relationships with our employees and ensuring fair and equitable working conditions.

Sustainability Report

Foreword

We aim to deliver profitable and sustainable long-term growth to create value for all our stakeholders.

To accomplish this, we have set priorities and targets for issues that we and our stakeholders have deemed most important. We have selected the areas where we have the resources to make the most significant impact by developing practical, economically viable and environmentally sustainable solutions. Through these efforts, we strive to create opportunities to benefit society and contribute to nation-building.

Our Approach

At FimaCorp, the long-term success of our businesses is driven by our ability to create lasting value for our host countries and local communities, and by our sustainable use of natural resources. Our commitment to sustainability demands that we uphold responsible business conduct at all times, protect the environment and prioritise the safety of our people, customers and communities.

The Group has in place a robust framework consisting of 5 interconnected approaches that are essential for its effective functioning. Through careful analysis of the linkages within this framework, we manage, mitigate and avoid any adverse impacts. These approaches align our efforts and guide our businesses and operations toward achieving our strategic objectives, which is to create sustainable value.

The Board leads the direction and implementation of our sustainability policies, which the Group and our stakeholders must abide by. We identify the most material matters to the Group and our stakeholders. We map these against the United Nations Sustainable Development Goals (SDGs) so that we can determine the relevant indicators that may be useful when measuring and reporting our contributions to the Environmental, Social and Governance ("ESG") dimensions of sustainable development.

Sustainability Report

Stakeholder Engagement

Stakeholders refer to groups that will impact or be impacted by our business decisions and activities. As a conglomerate whose operations span many industries with varied business portfolios across several regions, our aim is to cultivate positive relationships, establish meaningful connections, and earn the trust and confidence of our stakeholders. We recognise the importance of addressing issues that may have a positive or negative impact on them.

Active engagement with our stakeholders is crucial for the sustainable growth of our company. By listening to their needs and responding to their key concerns, we can effectively define and develop strategies to mitigate risks and identify opportunities across the Group's value chain. We value each stakeholder group and have implemented various communication channels and platforms to cater to their specific requirements. We engage with stakeholders periodically, regularly, or as needed, depending on their profile and level of involvement.

The following table presents a list of our stakeholder groups, their concerns, and our corresponding mode of engagement and response.

Stakeholders	Engagement Platform	Key Concerns	Our Response
Employees	➤ Employee Engagement Survey ➤ Performance and career development reviews ➤ Labour union meetings and negotiations ➤ Virtual meetings ➤ Internal communications	➤ Job security and wages ➤ Conducive workplace ➤ Career development and growth development ➤ Occupational safety and health and well-being ➤ Human rights	Investing in attracting, retaining, and developing a knowledgeable and talented labour force. Providing diverse employment prospects and opportunities for career development, as well as offering competitive remuneration and benefits packages. Implementing grievance redress procedures and maintaining a Whistle-blowing Policy that ensures anonymity and confidentiality, when needed, to address employees' concerns and complaints. Implementing policies and procedures and investing in Occupational Safety and Health Management Systems to prioritise the well-being and safety of employees. Adhering to the Human Rights Policy established by the United Nations Human Rights Council to promote and safeguard basic rights and freedoms, ensuring fair treatment of the workforce. Providing ongoing integrity and anti-bribery training for staff to promote a culture of ethics and compliance.
Shareholders & Investors	➤ AGM meetings ➤ Corporate website ➤ Comprehensible reports and timely disclosure of financial and ESG matters ➤ Response to queries ➤ Meetings with fund managers ➤ Investor Relations Channel	➤ Timely disclosure of information ➤ Financial performance and resilience ➤ Transparent communication	Ensuring communications about business performance and policies are conducted in a precise, concise and timely manner to boost the confidence of shareholders.

Stakeholders	Engagement Platform	Key Concerns	Our Response
Customers	➤ Physical or virtual meetings ➤ Audit ➤ Survey ➤ Meetings ➤ Training and support	➤ Changing needs of customers and consumers ➤ Business ethics ➤ Innovation ➤ Traceability ➤ Food safety ➤ Health and safety certification ➤ Transparent supply chain	Uphold a commitment to honesty and fairness in all our dealings with customers. Our focus is on delivering products and services that consistently meet the agreed-upon standards of quality and satisfaction. Ensuring that the goods and services we provide are fit-for-purpose and comply with the necessary safety and quality standards. Aiming to meet or surpass industry and international standards certifications, as this helps us gain trust from our stakeholders and enhance our market share. Continuously evaluate consumer feedback, audit reports, and satisfaction surveys to identify key areas for improvement and further development. This proactive approach ensures that we meet current standards and prevents us from becoming complacent.
Communities	➤ Town hall with local residents ➤ Community volunteering activities ➤ Environmental and Social Impact Assessment	➤ Economic empowerment ➤ Livelihood protection ➤ Community safety and health ➤ Environmental protection	Support local communities by providing employment opportunities and fostering business relationships with local suppliers. Improving the lives and livelihoods of the local communities by building, maintaining and upgrading infrastructure and through welfare contributions, which include financial assistance in times of difficulty or disaster. Financial assistance to support the education of school-going children.
Suppliers & Business Partners	➤ Meetings ➤ Training and support	➤ Quality control ➤ Business ethics ➤ Transparency ➤ Sustainability requirements	Ensuring that ethics and integrity policies are followed to guarantee fair and unbiased procurement practices, establishing and maintaining harmonious long-term relationships with suppliers. Providing timely updates on regulatory requirements to suppliers, ensuring smooth business operations without disruptions. Engaging in collaborative efforts with suppliers to secure a stable supply of materials, ensuring long-term availability and exploring potential future opportunities. Identifying areas for improvement based on auditors' reports, internal assessments, and other evaluations.

Sustainability Report

Stakeholders	Engagement Platform	Key Concerns	Our Response
National & Local Governments	➤ Meetings and dialogues	➤ Updated licences and permits ➤ "Zero" compliance issues ➤ Community issues ➤ Community development	Proactively engaging with federal and local governments and regulatory bodies to advocate for industry-specific policies and collaborate with legislators. Supporting national agendas and actively contributing to the economic and social progress of the countries where the Group operates to foster continued growth.

Materiality Assessment

Materiality Transition

Group Material Matters	GRI	SDGs
Climate Risk	GRI 305	SDG 13,14
Water Impact and Waste Management	GRI 303, 306	SDG 6,12,13,14
Biodiversity and Deforestation	GRI 304	SDG 12, 13, 14, 15
Human Rights	GRI 405, 408, 409, 412	SDG 1, 2, 4
Occupational Safety and Health and Well-being	GRI 403	SDG 8
Sustainable and Traceable Supply Chains	GRI 102, 204	SDG 12, 14, 15
Product Quality and Safety	GRI 416, 417	SDG 2, 12
Community Investments	GRI 203, 413	SDG 1, 2, 4
Innovation and Technology Excellence	Non-GRI Indicator	SDG 8
Code of Ethics and Governance	GRI 205	SDG 8, 14

Materiality assessments play a crucial role in our sustainability journey as they enable us to identify the most significant ESG issues for our organisation and stakeholders. These assessments help us gauge our Group's performance in ESG areas as perceived by our stakeholders and the level of importance each issue holds for different stakeholder groups. This survey allowed us to prioritise and assess material ESG issues, and to identify the top tier topics that the Group must focus on. The most recent materiality assessment was carried out in FYE2023 by our Group Corporate Services Department. The assessment involved conducting an online survey involving over 200 respondents which included shareholders, employees, suppliers and government agencies. We also aligned our material topics with the definitions set by the GRI Standards and the SDGs for better clarity and context.

Considering the diverse contributions of each business division, the materiality assessment results were evaluated based on factors such as the division's impact on the Group's financial performance, employee headcount, and potential for expansion. Further, and to ensure a comprehensive analysis, we also conducted a desktop review comparing current sustainability trends, peer reports, and relevant regulations and guidelines.

1. Identify issues that could have an impact on the Group's value creation processes as well as internal strengths and weaknesses and broader contextual trends
2. Distribution of surveys
3. **Internal Survey** — Evaluate internal issues; **External Survey** — Evaluate external issues
4. Final scoring and issue prioritisation (based on their significance)

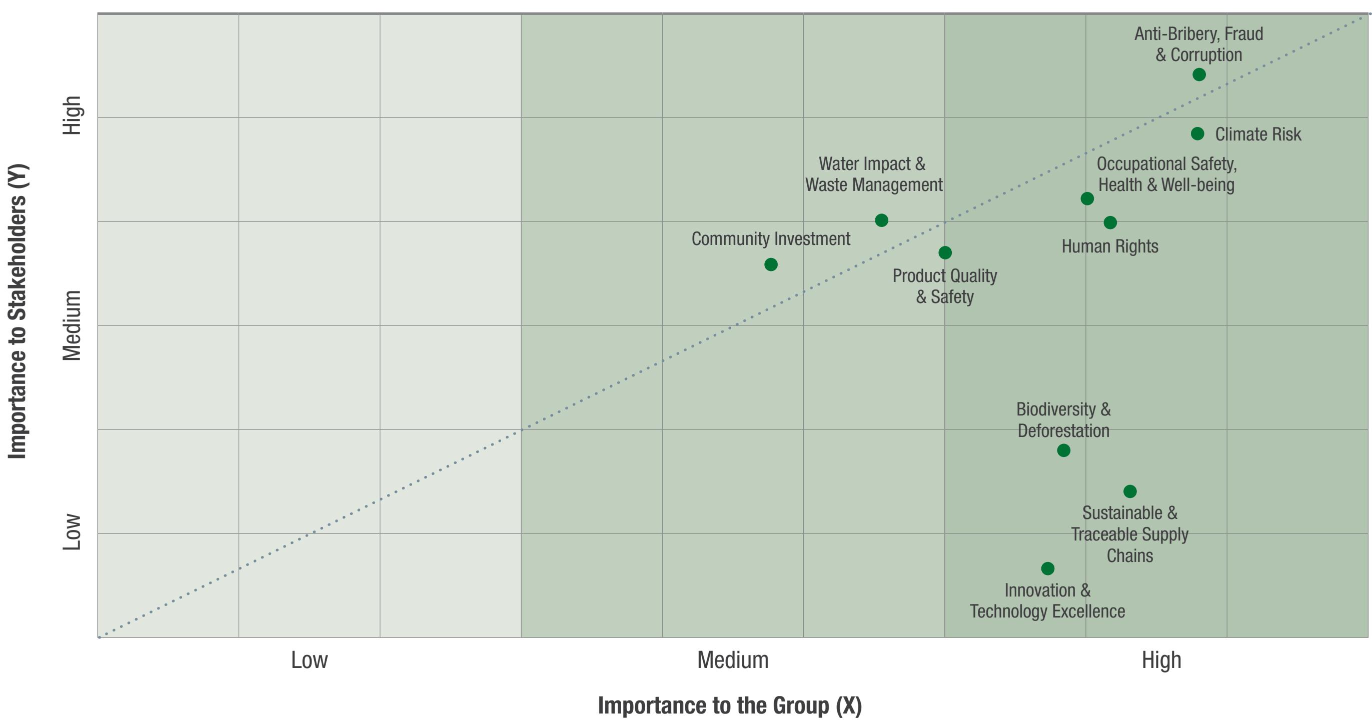
Reviewed by and presented to Group Sustainability Committee

5. Determine matters to be disclosed in the report

Materiality Matrix and Understanding the Materiality Results

The output of the assessment process is the materiality matrix where the issues are placed in order of their importance as perceived by the stakeholders. The X-axis denotes the significance of ESG issues to the Group, and the Y-axis denotes their significance to stakeholders. The matrix is divided into 3 quadrants.

ESG issues that fall within the top right-hand quadrant of the matrix are considered the most critical, as they represent issues that are highly significant to the Group and stakeholders. Prioritising issues through this process enables us to focus our efforts on effectively managing our impact as well as our stakeholder relationships.



The 4 most prominent themes that have emerged from the matrix are: (1) anti-bribery, fraud and corruption; (2) occupational safety, health and well-being; (3) climate risk; and (4) human rights.

It is noted that these issues are closely interconnected, with each one influencing and being influenced by the others. A safe and healthy workplace is essential for upholding human rights, as it ensures the well-being and dignity of employees. Addressing anti-bribery, fraud, and corruption is crucial for protecting human rights and maintaining occupational safety, as unethical practices can undermine both. Additionally, water impact and waste management are linked to climate risk, which is a material issue for the Group.

The interdependencies between these issues highlight the need for the Group to adopt a comprehensive and effective response. By taking into account the interdependencies and developing strategies that address these issues collectively, the Group can make significant strides towards creating a more sustainable and responsible business environment, benefiting both the organisation and its stakeholders.

Our approach and performance on these and other issues can be found in the subsequent sections of this Sustainability Report.

Sustainability Report

United Nations Sustainable Development Goals

SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals are a collection of 17 interlinked global goals designed to be a 'blueprint for a better and more sustainable future for all'. The SDGs were established in 2015 by the United Nations General Assembly and are intended to be achieved by 2030. The SDGs aim to fight inequality, address climate change issues and end poverty through the cooperation of member states.

The Group aims to use its direct business activities to meet some of the standards set out by the SDGs, especially with regards to:

1. The manufacturing and sale of the products it produces and the way in which they are produced.
2. The use by host governments of the taxes that the Company pays.
3. The creation of economic and social value in the communities where we operate by creating local jobs.
4. Supporting local supplier development and providing opportunities through training and other investments.
5. The efforts undertaken to reduce the environmental footprint of the business.

https://www.un.org/sustainabledevelopment/sustainable-development-goals/

Prioritised SDGs

1 NO POVERTY; 2 ZERO HUNGER; 4 QUALITY EDUCATION; 6 CLEAN WATER AND SANITATION; 8 DECENT WORK AND ECONOMIC GROWTH; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND

The Group has considered all the 17 SDGs and identified 9 that are most relevant to present business model and are most in line with our corporate vision and future plans. Although only 9 SDGs are prioritised, most of our targets and values are aligned with all global goals.

FimaCorp Prioritised SDGs Mapped with Materiality, GRI, Key Risks and Our Contribution

Our Environment

Land, Water & Climate

6 CLEAN WATER AND SANITATION; 12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION; 14 LIFE BELOW WATER; 15 LIFE ON LAND

Sustainability Matters

- Climate Risk
- Water Impact & Waste Management
- Biodiversity & Deforestation
- Innovation & Technology Excellence
- Community Investment

Alignment with GRI

302, 303, 304, 305, 306

Our Contribution

- Establishing sustainable agricultural practices and best management practices across our estates Malaysian Sustainable Palm Oil ("MSPO") and Good Agricultural Practices (GAP).
- Ensuring the quality of wastewater discharge meets regulatory compliance to mitigate water pollution.
- Optimising alternate water sources (water harvesting and water recycling).
- Utilising renewable energy sources to reduce the Group's carbon footprint (solar power, biodiesel and biomass).
- Having efficient water and energy management systems that meets industry and international standards (ISO 14001, 5001).
- Making use of natural resources in the most efficient manner (Recycling, Reuse, Reduce and Refuse).

Our People

Livelihood, Health & Well-Being

Sustainability Matters

- Community Investment
- Human Rights
- Product Quality & Safety
- Sustainable & Traceable Supply Chains
- Occupational Safety, Health & Well-being

Alignment with GRI

102, 202, 203, 401, 402, 403, 404, 405, 406, 407, 409, 412, 413

Our Contribution

- Creating business opportunities and economic empowerment and other means of gainful employment for members of the local community to earn a livelihood.
- Establishing human resources policies on minimum wage and fair pay for work done in place.
- Ensuring that employees' personal and professional development needs are met through investments of time, money and other resources in training programmes.
- Providing educational assistance and youth development.
- Acting in response to the greater demand for affordable protein.
- Looking after the health and well-being of local communities.
- Sharing company infrastructures such as provision of solar energy and clean water to the neighbouring communities.
- Providing humanitarian assistance in times of adversity or in the wake of natural disasters.
- Reducing and avoiding food waste and utilising waste as by-products.
- Ensuring greater yields and higher rates of extraction through the adoption of agricultural best practices.
- Procuring from environmentally and socially responsible and reputable vendors with sustainable infrastructure and practices.
- Ensuring good, healthy and safe work environment.

Our Business

Fair, Inclusive and Decent Society

Sustainability Matters

- Code of Ethics & Governance
- Sustainable & Traceable Supply Chains
- Occupational Safety, Health & Well-being

Alignment with GRI

102, 201, 204, 205, 417, 418

Our Contribution

- Implementing and maintaining transparency in the supply chain and steadfast adherence to international standards (MSPO, ISO 37001).
- Ensuring that Occupational Health and Safety standards are met and adhered to so that the workplace remains in good condition, the workforce remains healthy and the work environment is safe.
- Incorporating human rights commitments and standards in our operations (non-discrimination, modern slavery, child labour, anti-harassment).
- Procuring from environmentally and socially responsible and reputable vendors with sustainable infrastructure and practices.
- Established corporate and sustainability governance policies (Code of Conduct, Anti-Bribery Policy, Whistle-blowing Policy).
- Engaging with non-government organisations that promote fair, inclusive and decent society.
- Practising freedom of association by recognising union members.

Sustainability Report

Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures ("TCFD") helps companies understand what financial markets want from disclosure to measure and respond to the effects of climate change. The following gives an overview of our progress and future priorities across this framework as we endeavour to integrate the assessment of climate-related risks and opportunities into our governance, strategy, risk management and reporting frameworks in line with the TCFD guidelines, emerging best practice and feedback from key stakeholders.

Governance

The Group's strategic approach to sustainability (including climate change) is overseen by the Board with related responsibilities delegated to certain Board Committees premised on their overall purpose and remit.

The allocation of responsibilities is summarised below:

- The Audit and Risk Committee ("ARC") is responsible for overseeing material ESG reporting, including climate-related reporting.
- The Group Sustainability Committee ("GSC") is responsible for monitoring performance against the Group's sustainability strategy, including climate strategy and related opportunities.
- The Nomination & Remuneration Committee is responsible for ensuring appropriate ESG elements (including climate-related targets) are included in the Managing Director's ("MD") Key Performance Indicators ("KPIs").
- The Risk Steering Committee ("RSC") considers climate risk as part of its review of key enterprise and emerging risks and oversees climate related risks within the Group Enterprise Risk Management (ERM) framework.

The Group Corporate Services Department oversees the Group's sustainability reporting, with guidance from the MD and the Chairman of the GSC as well as counsel from the ARC and the Board. Sustainability working groups have been established at the divisional level to assess, measure and report the sustainability performance of their respective operations.

Strategy

For the Group, we have identified 3 areas of climate risk impact which are considered most material: changing stakeholder/societal demand favouring low-carbon products; emerging government policies, regulatory and legal changes; and reputational damage if climate risks are not appropriately managed.

Our climate change strategy therefore, focuses on both adaptation and mitigation measures through cutting our greenhouse gas ("GHG") emissions, improving infrastructure resilience, and continuous innovation.

To ensure the effective implementation of the sustainability strategies as well as managing the climate-related risks, appropriate ESG elements/indicators have been embedded in the MD's KPIs which will be cascaded down to the management/divisional levels. Management will establish their own granular KPIs and actionable plans that align with the specific MD's KPIs that are applicable to them, and gauge the effectiveness, productivity, efficiency, cost controls or ESG performance of those actions.

Further details on our sustainability strategy are available in the Sustainability section of this Annual Report

Risk Management

The Group's commitment to minimise its environmental impact is espoused in the Group's Key Enterprise Risks. Further, all our key risks are aligned with our prioritised material matters and SDGs.

Information on the Group's Key Enterprise Risks and the risk management are available in the Statement on Risk Management and Internal Control section of this Annual Report

Metrics And Targets

The Group has been reporting its climate-related performance since 2018 in its Sustainability and Annual Reports.

Our sustainability strategy has continued to evolve in response to changing stakeholder needs and expectations.

This includes measuring and monitoring our energy, water usage and GHG emissions, as well as measuring the intensity of production and consumption of our resources (energy and water) in evaluating the efficiency of our economic activities.

On track/Completed · Work in progress · Pending

Progress Made in FYE2023	Status	What's Next
Governance		
Integrated sustainability targets (including climate-related targets) into the MD's KPIs in FYE2023 which is then cascaded down to divisional management.	On track/Completed	Enhancing and reviewing our sustainability KPIs to ensure alignment with industry best practices and address the significant ESG issues. These KPIs may vary based on factors such as the pace of industry changes, emerging sustainability trends, regulatory developments, and stakeholder expectations.
	Work in progress	Climate-risk training programmes to develop skills of key personnel and general knowledge of the wider Group.
	Pending	Undertake pilot quantitative scenario exercise to develop relevant methodologies.
Review of the Terms of Reference for the ARC and RSC was completed to ensure they included appropriate oversight of sustainability matters.	On track/Completed	Regular review of our Terms of Reference to maintain their relevance and effectiveness.
Risk Management		
The Group's commitment to minimise its environmental impact is espoused in the Group's Key Enterprise Risks. Further, all our key risks are aligned with our prioritised material matters and SDGs.	On track/Completed	Regular review of our Group's Key Enterprise Risks to ensure their ongoing relevance.
	Pending	Develop internal climate-risk reporting formats.
	Work in progress	To further embed climate-risk in our risk management and decision-making processes.
Strategy		
Strategic investments in resources and infrastructure adaptation to improve resilience e.g., land development planning, energy-efficient lighting and heating systems, plant and machinery. In FYE2023: • We have successfully increased our Group's solar power capacity from 250 kWp to 259 kWp. • Aggressive mechanisation initiatives across our estates. This includes the acquisition of machinery such as Land Surf. These efforts enhance workers' productivity, reduce harvesting intervals, and improve infield collection efficiency as well as fuel consumption.	On track/Completed	To continuously review and improve our sustainability practices.
	On track/Completed	Currently committed to further advancing our adaptation efforts by investing in mechanisation and expanding our renewable energy initiatives across the entire Group. These strategic actions align with our ongoing goals of enhancing operational efficiency, reducing our environmental footprint, and promoting long-term sustainability.

Sustainability Report

Progress Made in FYE2023			What's Next
Metrics and Targets	**FYE2023**	**FYE2022**	
Intensity Our GHG emissions intensity (tCO_2eq/RM million revenue) by divisions are as follows: • Plantation • Manufacturing	 **19.82** **15.82**	 17.36 16.67	Continue to analyse the impact of our strategy to reduce GHG emissions/resource use as we pursue value creation. This involves ongoing assessment of the effectiveness of our initiatives to achieve greater efficiency in resource consumption and generation while maintaining our business's growth.
GHG (tCO_2eq) • Scope 1 emissions • Scope 2 emissions • Scope 3 emissions	 **3,094** **2,100** **77**	 3,221 1,783 83	Measure and reduce our emission through monitoring of our intensity levels and allows us to identify trends and patterns of our operational efficiency.
Energy Consumption (GJ) • Plantation • Manufacturing	 **52,422** **8,941**	 54,066 7,511	Remain focused on energy efficiency efforts.
Waste (MT) • Plantation • Manufacturing	 **190,228** **148**	 202,846 124	Continuously prevent and minimise waste by reusing, recycling and energy recovery as well as practising safe waste disposal.

Main Risks and Opportunities

Transition Risks

- Changing societal demand favouring low-carbon products.
- Emerging government policies, regulatory and legal changes (e.g. carbon tax).
- Reputational damage if climate risks are not appropriately managed.
- Product substitution due to new technologies/processes.

Potential Impacts

Increased compliance costs
- Adapting to new regulations and policies may require investment in processes which in turn may impact our Financial Capital and Social & Relationship Capital.

Required investment in new technologies and process change costs
- To meet changing demand for low carbon products and services may impact our Natural Capital and Manufactured Capital.
- Transitioning to more sustainable practices and processes involve costs related to retraining employees may impact our Human Capital and Financial Capital.

Physical Risks

- Chronic risks i.e., change in rainfall patterns and rising average temperatures.
- Acute risks such as extreme weather and sea conditions.

Potential Impacts

Disruptions to business operations, risk to workforce due to illness/injury, damage to physical assets and infrastructure may impact our Financial, Manufactured and Human Capital.

Opportunities

- Potential opportunities for developing new "green" products and services.
- Reduced operating costs through greater resource and energy efficiency.
- Innovation to improve productivity and drive sustainability efforts to address climate-related challenges, which can simultaneously reinforce the Group's reputation as a responsible corporate citizen.

Our Alignment to SDGs

6 Clean Water and Sanitation, 12 Responsible Consumption and Production, 13 Climate Action, 14 Life Below Water, 15 Life on Land

STRATEGIC COMMITMENTS

- ✓ We promote responsible stewardship of the environment
- ✓ We strive to use natural resources efficiently and minimise waste
- ✓ We foster partnerships with local communities and stakeholders to address environmental issues
- ✓ We continuously work on improving our energy efficiency and reducing the use of non-renewable energy
- ✓ We strictly practise zero burning in our oil palm plantation operations
- ✓ We commit to complying with legislation and regulations on the environment
- ✓ We employ the use of sustainable agricultural practices

Our Environment

We are driving concerted efforts to integrate sustainable practices into our business operations, and are actively seeking ways to reduce our impact on the environment and build resilience to climate change by focusing on energy, waste and understanding the impact of global climate change on our operations. Our environmental management approach aligns with the principles outlined in the Group's Environmental Policy, ensuring that our actions are in line with our sustainability objectives.

Please scan this QR code to view Environmental Policy

Biodiversity and Deforestation

GRI 304-1, 304-2, 304-3, 304-4

Given the diversity of our business operations, we are aware that our activities may affect the ecological systems and the communities residing in these areas, as well as those who rely on the natural resources for their livelihood.

At the heart of our approach is effective environmental management. To deliver the greatest impact, our environmental management framework which is in line with SDG 14: Life Below Water and SDG 15: Life on Land, integrates habitat conservation, water use and quality, soil conservation, climate change adaptation and waste management. Our water stewardship strategy for example, contributes to maintaining biodiversity, soil health and water accessibility to communities, while our biological pest management programmes help to protect the natural capital and minimise risks to human health as well as beneficial and non-target organisms.

Sustainable Agricultural Practices

In our efforts to preserve biodiversity, we focus primarily on areas that are most at risk as a consequence of our operations. At our palm

Sustainability Report

oil estates, we have put in place sustainable agricultural practices that involve area conservation, soil management, biological pest control, human-elephant conflict management and mechanisation.

Conservation Areas

In our Plantation division, we conserve biodiversity by establishing protected buffer zones along riverbanks to serve as wildlife passageways throughout our oil palm estates. These buffer zones also serve as a sanctuary and natural habitat for many migratory birds, elephants, and other forest creatures. Our protected areas Group-wide total 632 hectares in aggregate.

Our subsidiary in Indonesia, PT Nunukan Jaya Lestari ("PTNJL") has also established water catchment zones within their estate, where chemical applications are strictly prohibited to facilitate the rehabilitation and preservation of natural vegetation.

Before commencing any new plantation development activities, environmental impact assessments ("EIA") are performed. The last EIA was in 2020 for our greenfield development, Ladang Sg. Siput Estate in Perak, whose approval condition required adoption of good practices and guidelines with regards to riparian buffer zones, air quality, water management and forest conservation areas. This estate has often been referred to by the Department of Environment ("DOE") of the Perak state government as a model estate due to its comprehensive adoption of good environmental practices.

Ladang Fima Kuala Betis had initiated development works after obtaining approval for its Environmental Management Plan ("EMP") from DOE in July 2022. The estate successfully completed Phase 1 development works out of which planting on 46.0% of the Phase 1 area have been completed during the year. Similarly, Ladang Fima Aring also commenced its development works in November 2022 following approval of its EMP in August 2022.

Soil Management

As part of our soil management practices, we plant leguminous cover crops like *Mucuna bracteata, Calopogonium mucunoides* and *Calopogonium caeruleum*, to improve soil properties and reduce carbon dioxide emissions. The *Mucuna bracteata,* an Indian leguminous plant, helps to reduce soil erosion on slopes, and improves our soil quality through natural soil fertilisation and aeration processes. This is due to its nitrogen regulating properties which effectively lower soil temperatures in hot climates. It grows rapidly which helps to prevent weed growth.

We do not plant oil palms on steep areas or slopes of more than 25 degrees and elevation of 300 metres above sea level in accordance with EIA requirements. We implement double terracing wherever possible to preserve the topsoil and abate erosion. PTNJL applies Empty Fruit Bunches ("EFB") and compost to nurture the soil and to cut down our dependence on chemicals or any inorganic substances.

To safeguard riparian ecosystems, we have introduced riparian vegetation and vegetation cover to maintain water quality and prevention of sediment and agricultural chemical runoffs into the river. These actions contribute to the overall preservation of riparian ecosystems.

Biological Pest Controls

Our estates practice biological pest control methods by planting beneficial plants such as *Turnera subutala, Antigonan leptopus* and *Cassia cobanensis*, which attract insects to feed on pest larvae.

Rodents are a major pest problem in our oil palm estates. Our estates in Terengganu have built nest boxes to attract owls as they are natural predators that feed on rodents, thus making them an effective pest control to suppress the population of rodents.

In our Kelantan and Terengganu estates, we employ a biological pest blocker to prevent elephants from entering our planted areas. This method has so far proven effective in reducing the number of elephant intrusions and palm damage, and has successfully minimised incidences of human-elephant conflicts.

Mechanisation

We have made significant progress in our efforts to increase mechanisation in our plantation operations, specifically in the areas of in-field collection, fertiliser application, and seedling transfer from the nursery. This is aimed at addressing the shortage of labour and reducing our dependence on manual work, while also improving productivity. By deploying Land Surfs (motorised wheelbarrows) and Badang (mechanical buffalo) across our Malaysian estates, we have been able to evacuate fresh fruit bunches ("FFB") more efficiently in larger quantities, and with reduced damage to the fruits. As a result, the productivity levels of our workers have increased, leading to higher potential earnings. Although the fuel and operating costs of Land Surf and Badang are higher, they are offset by lower labour costs and improved yields.

Water Impact

GRI 303-1, 303-2, 303-3, 303-5

Water is essential to most of our operational processes and is used extensively throughout our supply chains. It is a finite natural resource that needs to be used and managed in a responsible and sustainable way. Water risks are increasing due to climate change and increased urbanisation, impacting food production, nature, and biodiversity. As such, the Group makes every effort to use water rationally and sustainably and tackle the risks related with its scarcity.

There were zero reported non-compliances committed with regards to water and discharge management in the year under review.

Water Consumption and Management

Our water supply for operations is sourced from various sources, including municipal water sources, harvested rainwater, and treated surface water from lakes, rivers, and borewells near our facilities. To ensure water sustainability, we have put in place technology and facilities for rainwater harvesting, water treatment and recycling.

In our Plantation division, the primary use of water is in utility systems, particularly for steam generation. The division has made water management a key focus area in FYE2023. Various initiatives were undertaken to improve their water efficiency and reduce consumption. Inter-alia, In March 2023, PTNJL oil mill successfully implemented a decanter in its oil clarification station, resulting in a significant reduction of approximately 20% in water consumption.

SPOTLIGHT STORY

Decanter Commissioning Project

Objective:
To reduce water consumption and manage liquid waste in the palm oil mills.

PTNJL recognised the challenges associated with liquid wastewater management and high-water consumption in the clarification process of its palm oil mill. In FYE2023, a significant reduction in water consumption and oil loss in the final effluent was achieved through the implementation of a decanter machine. This also indirectly contributed to an increase in the oil extraction rate (OER) and substantial cost savings.

Results:
Oil Extraction Rate: The original target for additional OER was 0.10%, but with the installation of the decanter machine, the division surpassed the target and achieved a 0.14% increase. This resulted in an additional revenue of Rp. 2,652,507,497.

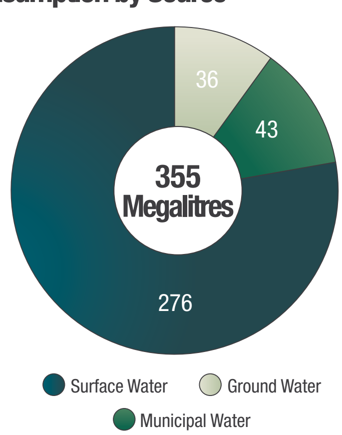
Water Consumption: The target for water consumption was 0.507 m^3 per tonne of FFB processed. However, the actual figure at the end of the year was significantly lower at 0.244 m^3. This reduction in water consumption led to savings of Rp. 100,832,803 for the chemical wastewater treatment plant and Rp. 36,265,644 for surface tax.

Solid Waste Evacuation: The decanter machine also improved the evacuation of solid Palm Oil Mill Effluent ("POME"), resulting in reduced costs for desludging and disposal. Although no specific target was set, the actual volume of solid waste removed from the sludge stream amounted to 5,837 MT, which translated into savings of Rp. 282,333,234 in transportation costs for desludging and land application.

PTNJL's palm oil mill water intensity per unit of FFB processed has also improved by 0.6% y-o-y following the measures implemented to optimise its water usage i.e., recycling water at the vacuum dryer pump station and cooling water turbine.

We have built silt pits in the newly developed area of Sungai Siput to prevent mud from flowing into the river and affecting the village's surrounding water source. Additionally, Percetakan Keselamatan Nasional Sdn. Bhd. ("PKN") had installed 8 rainwater harvesting tanks at its new facility complex in Bangi, Selangor. These tanks have a combined storage capacity of 24 m^3, allowing PKN to collect and store rainwater for various uses within the facility.

Group Water Withdrawal/ Consumption by Source



Water Discharge

We recognise the importance of treating our wastewater before its release into waterways, ensuring that the discharged effluents meet national standards and pose no harm to the environment. To ensure the quality of our water discharge, we subject them to thorough testing by a third-party laboratory. The results of these tests are then submitted to the relevant authorities in compliance with their reporting requirements.

PTNJL has successfully transformed the final effluent pond at its palm oil mill into a thriving fish breeding pond by integrating the steps of treating POME and implementing effective pond

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management. This conversion ensures that any potential overflow from the pond will not adversely affect the environment.

Waste Management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Treating waste as a resource can help improve efficiency and reduce costs at our operations. We prevent and minimise waste by reusing, recycling and energy recovery, as well as by practising safe waste disposal to reduce risks to the environment and human health.

We continue to ensure that hazardous waste and residual products collected from our operations are transported and carefully disposed of by licenced contractors, as per the strict industry standards and statutory requirements. The Plantation division generates the most waste and are therefore the focus of our waste management schemes. Information regarding the disposal of hazardous and non-hazardous waste can be found in the Performance Data section of this Report.

Zero Waste and Zero Discharge

We adhere to the principles of zero waste and zero discharge which align with our commitment to environmental stewardship and enable us to contribute to a more sustainable and circular economy where resources are conserved, waste is minimised, and the overall impact on the environment is reduced.

Waste to Fertiliser and Fuel

Within the Plantation division, waste reduction is achieved through reusing, recycling, and energy recovery. Pruned leaves, kernel EFB and treated POME wastewater are used as fertiliser and compost, whereas the fibre and shell are used as fuel for mill boilers.

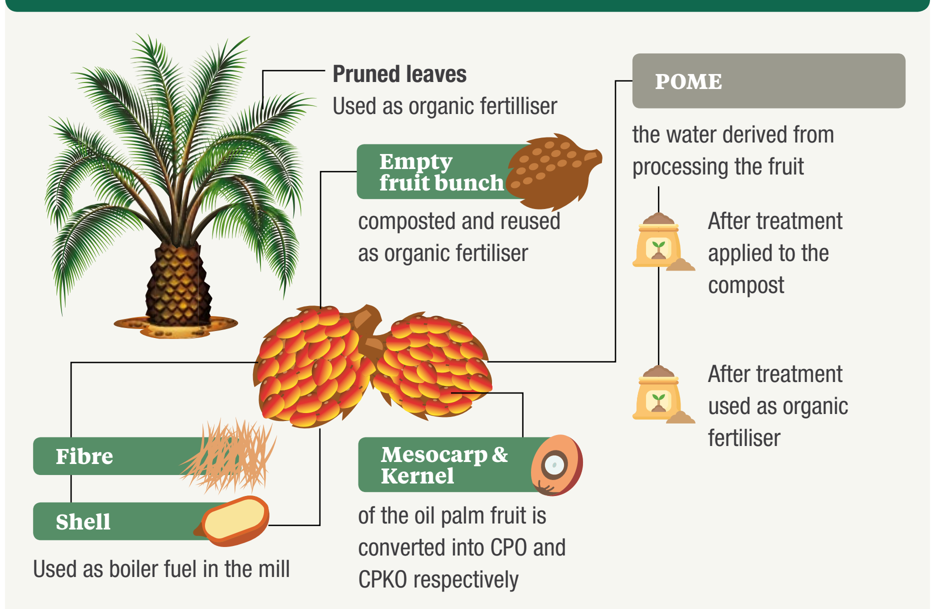
Our palm oil mill in Indonesia produces EFB and POME, which are recovered and reprocessed into fertiliser, compost, and energy feedstock. We make sure that our POME is properly treated before it is combined with shredded EFB to generate compost.

POME discharged from the mill cannot be released into the environment in its raw form as it contains high acids and nutrients that can increase the levels of Biochemical Oxygen Demand ("BOD"). Since the implementation of POME treatment, our average BOD reading for POME during land application has been within the permitted discharge limits of less than 5,000 parts per million (ppm).

Once the POME is collected from the mill, it is treated in on-site open ponds, away from any other water sources to prevent contamination. Then, the organic material in the wastewater is broken down naturally by the anaerobic and aerobic workings of bacteria. This process omits the need to add any chemicals before POME is mixed in with shredded EFB and other plant fuel waste by-products to create compost.

PTNJL management and the local authorities carry out checks on a regular basis, in addition to our continuous effort to closely monitor our waste management at estates and ensure strict compliance with local regulations to prevent contamination to other water sources and to mitigate risks.

Plantation Division - Zero Waste Model



Energy Management

GRI 302-1, 302-3, 302-4, 302-5

Energy Consumption

Efficient management of energy will reduce the usage of natural resources, carbon emissions and effectively lower operational costs. We strive to efficiently manage our energy consumption across all our operations, where each division has its own energy consumption and intensity targets based on a year-on-year improvement.

In FYE2023, the Group energy consumption decreased by 0.3% primarily due to lower diesel and petrol consumption by the Plantation division. Despite the overall decline in consumption, we observed an increase in energy intensity for our Indonesian and Malaysian estates, of 6.4% and 13.0% respectively. This is attributed to the labour shortage and higher mechanisation which negatively affected on energy intensity.

Group Energy Consumption

Types of Energy (GJ)	FYE2023	FYE2022
Diesel & Petrol	**39,176**	40,831
N[1] Biomass	**1,087**	1,154
Solar PV	**9,026**	7,762
Electricity	**12,287**	12,028
Grand Total	**61,576**	**61,775**

N[1]: Unit has been changed from MT to kWh and multiply by 0.0036 electricity factor

Division	FYE2023	FYE2022
Plantation	**51,702**	53,287
Manufacturing	**8,941**	7,511
N[2] Head Office	**933**	977
Grand Total	**61,576**	**61,775**

N[2]: Electricity consumption for Head Office excludes our tenants' electricity consumption

Our Energy Initiatives

- Harvested solar energy since 2019
- Switched to energy-efficient light bulbs and LED spotlights
- Installed variable speed drives on the depericarper fan, winnower fan and FFB conveyor
- Controlled the heating, ventilation, and air conditioning (HVAC) settings to maintain the rated capacity of the equipment
- Reused mesocarp fibre, palm shells and shredded EFB as feedstock for steam boilers

Energy Intensity

N[1] Energy Intensity	Unit	FYE2023	FYE2022
Plantation			
Malaysia: Transportation	L/MT	**3.75**	2.92
Indonesia: Transportation	L/MT	**2.92**	2.80

N[1]: For more details on energy intensity please refer to the Performance Data section

The Plantation division employs several strategies to optimise their fuel usage:

Maximising load capacity: maximising the load capacity of lorries used for transporting FFB. By efficiently utilising the available space in each lorry, we can reduce the number of trips required, resulting in lower fuel consumption.

Monitoring fuel consumption: closely monitor the fuel consumption of estate vehicles via, inter-alia, the estate management system which provides insights into various aspects of estate operations, including fuel usage. The system enables each estate to track and analyse fuel consumption on a day-to-day basis, allowing for proactive management of operational expenses, inventory maintenance, and resource consumption.

Planned harvesting activities: by strategically arranging harvesting blocks to minimise travel distances and streamline operations.

To measure our diesel consumption accurately, we use transportation of FFB harvested as the most appropriate metric. This approach considers the unique topographic characteristics and varying stages of development across each estate. By aligning our fuel usage measurement with transportation of FFB harvested, we can assess and compare the efficiency of fuel utilisation in different areas.

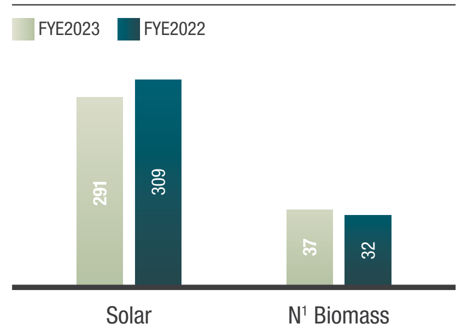
Renewable Energy

Although our business operations rely mostly on diesel, petrol, and fuel oil for transportation and equipment, we actively integrate renewable energy sources such as solar power and biomass where feasible.

We have invested in solar PV systems and biomass boiler. The integration of solar power and biomass technologies allows us to diversify our renewable energy portfolio and aligns with our ongoing commitment to reduce our GHG emissions. Since 2018, we have invested approximately RM1.05 million in solar PV systems. These installations have been strategically expanded across our operations, including, PKN's warehouse in Bangi, our Head Office building in Kuala Lumpur and Ladang Cendana in Kemaman, Terengganu. The solar PV systems enhance our energy efficiency and help us lower operational costs. They generate clean electricity to power various aspects of our operations, reducing our reliance on traditional energy sources and mitigating GHG emissions.

Furthermore, we harness the potential of biomass resources available in PTNJL's palm oil mill. Biomass residues such as palm kernel shells, empty fruit bunches, and fibre residues are utilised as a valuable source of renewable energy. Specifically, we employ biomass boilers to burn these residues, generating high-pressure steam. This steam is then used to generate electricity for various processes within our mills and to power workers' quarters, government facilities, schools, and mosques. By utilising biomass as a fuel source, we reduce our consumption of non-renewable fuels, lower our carbon footprint, and contribute to the sustainability of our operations.

Consumption from Renewable Sources (MWh)



N[1]: Biomass is derived from the use of fibre and shells from palm oil mill

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GHG Emissions

GRI 305-1, 305-2, 305-3, 305-4, 305-5

Total GHG Emissions (tCO_2eq)

By Type of Energy

Non-Renewable

	FYE2023	FYE2022
Petrol	**55**	84
N[1] Diesel	**3,071**	3,171
Purchase Electricity	**2,100**	1,783
Grand Total	**5,226**	5,038

Renewable

	FYE2023	FYE2022
Biomass	**4**	5
Solar PV	**21**	22
POME	**21**	22
Grand Total	**46**	49

N[1]: Due to diesel computation factor, the emission for all division has been affected

By Division Level

Division	Scope 1: Direct GHG Emissions (tCO_2eq)		Scope 2: Indirect GHG Emissions (tCO_2eq)	
	FYE2023	FYE2022	FYE2023	FYE2022
Plantation	**3,038**	3,181	**47**	25
Manufacturing	**41**	25	**2,008**	1,711
Head Office	**15**	16	**45**	47
Grand Total	**3,094**	**3,222**	**2,100**	**1,783**

Scope 3: Other Indirect GHG Emissions (tCO_2eq)

Plantation Division	FYE2023	FYE2022
POME	**21**	22
N[2] External Transporter	**56**	61
Grand Total	**77**	**83**

N[2]: Data specifically pertains to Plantation Malaysia only

Scope Definition

Scope 1 : Direct emissions from non-renewable fuel consumption such as diesel and gas from sources owned by our business operations, e.g. transportation, heat and power generated and equipment.

Scope 2 : Indirect emissions, e.g. purchased electricity.

Scope 3 : Category 4 : Upstream Transportation and Distribution.
Category 5 : Waste Generated in Operations.

Our Alignment to SDGs

1 No Poverty, 2 Zero Hunger, 4 Quality Education, 6 Clean Water and Sanitation, 8 Decent Work and Economic Growth, 12 Responsible Consumption and Production

STRATEGIC COMMITMENTS

- ✓ Zero harm
- ✓ We protect and support our people
- ✓ We promote diversity and inclusion
- ✓ We invest in training and skills development
- ✓ We support high-performing teams
- ✓ We build trust through our relationships

Our People

FimaCorp's role as a corporate citizen includes adopting responsible business practices and creating positive impacts in the communities where we operate. We acknowledge the influence and long-term impact our actions today will have on future outcomes, and therefore responsible business conduct are essential not only from an ethical standpoint but also as a key driver of long-term success.

Our vision, mission, values and policies collectively shape our strategies, sets out the standards of expected behaviours and guide our ways of working across all operations and business units. We are committed to transparent and effective engagement, investing in our employees, maintaining equitable customer/supplier relations, and supporting the communities where we operate. Our policies also align with the national laws applicable to our operations, principles stated in the Universal Declaration of Human Rights, and the core conventions of the International Labour Organisation. In the circumstances we require all employees and third parties who act on our behalf to conduct business honestly and with integrity, and to take personal responsibility for ensuring that our commitment to sound and ethical business conduct is delivered.

By living up to these principles, we will be able to create enduring value in a way that can benefit our stakeholders and a positive legacy that extends beyond our current operations.

Human Capital

GRI 102-8, 202-2, 401-1, 405-1, 406-1

Our Workforce

At the heart of our organisation is our most important asset, our workforce, and we are committed to creating a workplace where they can flourish, develop their skills, and become the best versions of themselves. By investing in their growth and taking care of their well-being,

Sustainability Report

we can cultivate a highly skilled and motivated workforce. Our Code of Conduct sets out our commitment to treating everyone with respect, valuing diversity and providing a safe work environment.

We support local employment in the countries where we conduct our operations. In FYE2023, our local employment rate was 95.0%. Additionally in Malaysia, 100% of our senior management positions were filled by locals. Hiring local talents enhances our ability to navigate local regulations and practices and fosters a stronger connection with the local stakeholders.

> **"In FYE2023, our local employment rate was 95.0%"**

Equal Opportunity, Diversity and Inclusion

The strength of our workforce comes from diversity and reflects the communities in which we operate. The Group's stance on diversity is guided by its Good Social Practices Policy. We hire and promote based on merit and performance and do not discriminate against age, race, gender, nationality, religious belief and disability. Employing people from diverse backgrounds gives us access to a wealth of perspectives, capabilities and experiences which helps to ensure we have the best insights into the evolving needs of customers and stakeholders. All our employees are expected to respect each other's culture and differences to inculcate a non-discriminatory and harmonised work culture. Discrimination, harassment, and any form of unfair treatment are strictly prohibited. We are pleased to report that there were zero reported cases of discrimination in FYE2023.

Region / Nationality	Malaysia	Indonesia
Malaysian	649	5
Indonesian	62	976
Others	18	0
Total Headcount by Region	729	981
Local Headcount by Region	649	976
Local Headcount Rate by Region	89.0%	99.5%

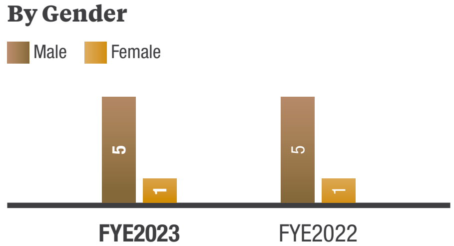
Gender Balance

The Group's workforce is generally balanced, with 24.3% of our employees are female. It is important to note that gender parity within our Group is largely influenced by the specific circumstances of our operations and the cultural context of the countries where we operate. Our plantation operations have observed a lower female representation in the workforce and this disparity can be attributed to the nature of the work, which typically involves manual labour and physical tasks that are often perceived as more suitable for male workers.

Achieving gender parity therefore requires ongoing efforts and, in some cases, can only be effectively addressed by challenging stereotypes about job suitability based on gender. As an inclusive employer, our goal is to create a workplace that encourages and supports the career development and participation of our female employees in all areas of our operations.

Board of Directors

By Gender



New Hires

In FYE2023, the Group hired a total of 594 new employees compared to 528 new hires last year. Out of the total new hires, 92.2% were male and 81.0% were recruited for permanent positions. The Plantation division took the lead in new employee recruitment with 529 individuals, accounting for 89.1% of the total. It is noteworthy that a significant number of these new hires were specifically recruited for our Indonesian estates. Recognising the importance of employee retention, the Plantation division has intensified its efforts to enhance workers' living quarters and estate infrastructure. These improvements include the provision of basic amenities, sundry shops, recreational spaces, places of worship, and internet connectivity.

Further, each employee's profile and identity documents are recorded in our HR data system. New employees are required to participate in an induction programme aimed at familiarising them with various aspects of the Company and the Group. This programme ensures that they understand their responsibilities, the business culture, and the procedures they are required to follow, including our expectations for ethical conduct. Upon starting their new job, each employee is provided with an Employee Handbook, which contains information about their employment terms and outlines the standards of professional behaviour expected from all members of our workforce.

Total No. of Employee New Hires: **594**

New Hire Rate: **34.7%**

Turnover

Plantation division had the highest turnover rate in FYE2023. This can be primarily attributed to guest workers returning to their home countries shortly after the upliftment of border restrictions.

Total No. of Employee Turnover: **577**

Turnover Rate: **33.7%**

Headcount

	FYE2023	FYE2022
By Gender		
- Male	**1,294**	1,284
- Female	**416**	402
By Age Group		
- <30	**505**	510
- 30-50	**1,054**	1,019
- >50	**151**	157
By Position		
- Senior Management	**5**	5
- Management	**23**	25
- Executive	**62**	62
- Non-Executive	**1,620**	1,594
By Employment Contract		
- Permanent	**1,176**	1,087
- Temporary	**534**	599

	FYE2023		FYE2022	
	Male	Female	Male	Female
By Region				
- Malaysia	**506**	**223**	493	207
- Indonesia	**788**	**193**	791	195
By Division				
- Head Office	**9**	**7**	12	9
- Manufacturing	**159**	**113**	153	111
- Plantation	**1,126**	**296**	1,119	282

New Hires

	FYE2023		FYE2022	
	Total	New Hire Rate	Total	New Hire Rate
By Gender				
- Male	**521**	**40.3%**	473	36.8%
- Female	**73**	**17.5%**	55	13.7%
By Region				
- Malaysia	**293**	**40.2%**	304	43.4%
- Indonesia	**301**	**30.7%**	224	22.7%
By Position				
- Senior Management	**0**	**0.0%**	0	0.0%
- Management	**2**	**8.0%**	1	4.0%
- Executive	**2**	**3.2%**	4	6.5%
- Non-Executive	**590**	**36.4%**	523	32.8%
By Division				
- Head Office	**1**	**6.3%**	1	4.8%
- Manufacturing	**64**	**23.5%**	43	16.3%
- Plantation	**529**	**37.2%**	484	34.5%

Turnover

	FYE2023		FYE2022	
	Total	Turnover Rate	Total	Turnover Rate
By Gender				
- Male	**530**	**41.0%**	391	30.5%
- Female	**47**	**11.3%**	45	11.2%
By Region				
- Malaysia	**250**	**34.3%**	186	26.6%
- Indonesia	**327**	**33.3%**	250	25.4%
By Position				
- Senior Management	**0**	**0.0%**	0	0.0%
- Management	**1**	**4.0%**	0	0.0%
- Executive	**4**	**6.5%**	6	9.7%
- Non-Executive	**572**	**35.3%**	430	27.0%
By Division				
- Head Office	**0**	**0.0%**	0	0.0%
- Manufacturing	**30**	**11.0%**	19	7.2%
- Plantation	**547**	**38.5%**	417	29.8%

Sustainability Report

> **All our Malaysian estates are MSPO-certified and have, during the year, conducted human rights reviews as part of the MSPO requirements**

Human Rights

GRI 409-1, 412-2

Human Rights

Among other matters, our policies prohibit forced and bonded labour, require adherence to laws governing working ages and hours, seek to ensure safe and healthy working conditions and transparent record keeping, and recognise the rights to freedom of association, collective bargaining and grievance mechanisms. All our vendors and service providers are expected to strictly adhere to ethical business conduct consistent with ours, and we are committed to working with them to fulfil this common goal.

Modern Slavery and Child Labour

We do not allow or tolerate any form of forced, bonded or child labour in our operations or supply chains. We ensure, and will continue to ensure that all our employees are working of their own free will and without any form of coercion on our part. Each division/business unit and their respective human resource departments must establish clear recruitment procedures to ensure all workers are above the minimum working age at the time of hiring. Each employee's profile and identity documents are recorded in our HR data system and are kept on file during the entire period of employment.

We do not knowingly support or do business with any organisation who is found to be involved in slavery, servitude and forced or child labour. All suppliers/vendors are provided with a copy of our policies, and they are required to submit a declaration of compliance to our standards of business conduct and expectations, including in relation to human rights. Failure to comply may result in consequences, including termination of the business relationship.

The following is how we view our own role when dealing with human rights issues:

- Labour standards, employee benefits, occupational health and safety
- Traceability, social compliance
- Human rights legislation

In our own operations: We ensure that we fully adhere to both international and local labour standards on human rights and ensure no human trafficking.

With suppliers and customers: We practise traceability and social compliance through assessments, audits, and corrective action plans.

Ongoing issues faced by various segments in the industry: The collective and concerted efforts of all our stakeholders are required to ensure human rights issues are upheld. The Group continues in its commitment to engaging with regulators, NGOs and relevant stakeholders to identify and address potential conflicts or impacts that may arise as a result of our activities or business relationships, either directly or indirectly.

SPOTLIGHT STORY

> **Zero reported cases of breach of human and workers' rights**

Guest Workers

In our plantation division, guest workers make up 5.5% of the division's total workforce. Recognising that guest workers can be vulnerable to exploitation and situations of modern slavery, we continuously strive to ensure that they are recruited through legal channels and processes recognised and approved by the authorities of Malaysia and the source countries, and make certain that their legal rights are fully safeguarded.

As part of our commitment to fair treatment, all appointed agents must agree to be bound by our code of conduct as part of their contractual obligations. Prospective recruits are provided with translated employment contracts in their native languages, ensuring that they fully understand the terms of their employment, including the estate location, wages, benefits, and job scopes. Our own company representatives take the responsibility of explaining these terms to the prospective recruits before they sign the contracts. Furthermore, we bear the costs of recruitment, including working permit fees, levies, travel passage and medical reports/FOMEMA. This is to ensure that guest workers are not burdened by financial obligations related to their employment.

To ensure the fair treatment of guest workers, we have implemented the following:

- Passports and other forms of personal identification remain in the possession of the guest workers
- Salary and wages comply with the country's minimum wage law
- Working hours and overtime adhere to the local laws and regulations
- We have an equal pay for equal work policy, ensuring that guest workers receive fair remuneration compared to local workers
- We provide comfortable accommodations with essential amenities such as kitchens, electricity, clean water supply and recreational spaces
- Guest workers are free to practice their religious beliefs

Labour Relations

GRI 102-17, 401-2, 402-1, 404-1, 404-2, 404-3, 407-1

Employee Development

We encourage high levels of performance that are sustainable and aligned with the Group's direction and ambitions. This is achieved through continuous employee development and a fair and responsible remuneration and employee benefits policy.

We nurture the potential of our employees through various development initiatives, including training programmes, job rotation, and internal promotion opportunities. Each year, we allocate resources for employee training, allowing them to engage in internal or external workshops, seminars, and other relevant activities. By combining on-the-job learning, external training, and targeted upskilling programmes, we aim to enhance the skills and knowledge required for specific roles, fostering continuous growth and professional development among our workforce.

Types of Training

Environment

Number of Employees **41**
Employee Training Hours **65**

Safety & Health

Number of Employees **82**
Employee Training Hours **1,148**

Anti-Corruption and Bribery

Number of Employees **55**
Employee Training Hours **220**

Operational, Management, Financial

Number of Employees **308**
Employee Training Hours **3,504**

Total Number of Employees **486**

Employee Training Hours **4,937**

Training Perfomance

	FYE2023	FYE2022
Average Training Hours per Employee	**2.89**	1.94
Average Training Hours by Employee Category		
- Senior Management	**21.33**	15.20
- Management	**26.88**	16.04
- Executive	**20.27**	15.33
- Non-Executive	**1.82**	1.15
Total Training Hours by Employee Category		
- Senior Management	**64**	76
- Management	**672**	401
- Executive	**1,257**	963
- Non-Executive	**2,944**	1,838

For further details on employee training, please refer to the Performance Data section

Benefits and Remuneration

Each of the Group's operations and divisions implements its own locally defined employee benefits scheme. The Group pays at least the minimum wage as required by law in the countries we operate, and in no areas of operation does the wage varies by gender. Employees are also compensated for overtime in accordance with local laws. We offer competitive benefits to our employees (full-time and temporary) which involve fixed and variable components, depending on their individual performance, qualifications and/or experience. For eligible employees, the benefits include:

- Contributions to the retirement fund
- Medical benefits for employees and dependents
- Group term life and personal accident insurance
- Maternity and paternity leave*
- Mobile phone expenses
- Professional association membership fees
- Uniforms
- Alternative working hours

**For information on parental leave, please refer to the Performance Data section*

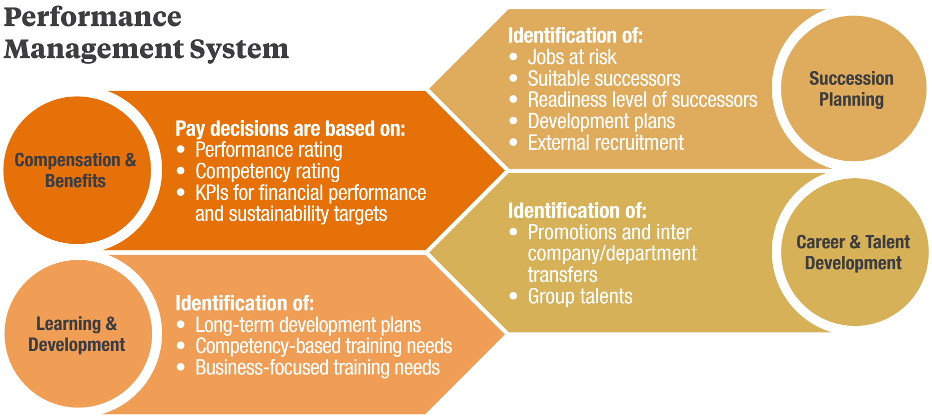
In addition, our Indonesian subsidiary, PTNJL also provides free transportation for the workers' children to nearby local schools. There is also a crèche at the estate which is subsidised by the company that caters to the needs of the plantation staff and workers. The provision of company-subsidised crèche facilities has contributed to the participation of women in PTNJL's workforce. By offering a convenient and safe environment for their children, women are able to balance their work responsibilities with their parental duties more effectively.

Sustainability Report

Performance Review

Our employees undergo an annual performance review, which functions as an effective communication platform for exchanging feedback and ideas. During these meetings, employees can identify areas for improvement and determine individual training or development needs. Every year, an employee is assessed using key performance indicators, which, along with their annual performance and contribution, determine their increment, bonus and/or promotion for that year. In FYE2023, 100% of our employees received performance reviews.

Performance Management System



In FYE2023, the Group engaged an external consultant to conduct a comprehensive salary review and benchmarking exercise of its remuneration structure. The purpose of this exercise was to assess and compare the Group's remuneration practices with industry standards and market trends. The consultant's recommendations were implemented for the FYE2023 performance review.

Employee Engagement

Employee engagement enables the Group to meet the needs of its people and shape a high-performing workforce. A highly engaged workforce helps to attract and retain the best talent, ensuring long-term sustainable business growth. The Group pursues a policy of active and open communication with its employees and an emphasis on keeping all parties promptly and thoroughly informed builds trust and mutual respect. Employees are kept regularly informed on important events and decisions by the respective Human Resource departments, as well as directly by their line managers. Our engagement programmes during the year included social events such as family days, sports activities and festive gatherings.

Freedom of Association and Collective Bargaining

We recognise our employees' rights to freedom of association, to associate with one another by forming labour unions and to participate in collective bargaining in accordance with local regulations. To this end, we work closely with the labour unions and conduct all negotiations in good faith. The provisions in our collective bargaining agreements cover among others, grievance and disciplinary procedures, paid time-off, paid maternity leave, severance and separation benefits, and salary and performance management. No workers' freedom of association or collective bargaining rights across our supply chain were violated or put at risk in the year under review. As at 31 March 2023, 46.8% of our employees are union members, an increase of 10.2% compared to the previous year.

Unionised Employee

	No. of Employees	%
	102	14.0
	698	71.2

Non-Unionised Employee

	No. of Employees	%
	627	86.0
	283	28.8

Grievance Procedures

The Group's Whistle-blowing Policy serves as a guideline for employees and all other stakeholders to report or file any possible fraud, illegal acts or misconducts without fear of reprisals. We make every effort to protect the confidentiality of anyone who files a report of such nature. All our operations have grievance mechanisms in place that are accessible, accountable and fair, with consequence management in place such as official warning, suspension and dismissal for guilty individual(s), following proper investigations.

Anyone who wants to file a complaint is required to email to whistleblowing@fimacorp.com and the Whistle-blowing Policy is accessible via http://www.fimacorp.com/service-provider.php.

The Group Internal Audit and Group Human Resource Departments have the authority to conduct investigations of reported incidents. The Audit and Risk Committee receives and reviews certain reports on complaints, allegations, and incidents reported pursuant to the Whistle-blowing Policy.

Occupational Safety and Health ("OSH")

GRI 403-1, 403-2, 403-4, 403-5, 403-9

Maintaining safe, healthy work conditions is a prerequisite for our commitment to zero harm. The heads of all operating divisions are responsible for ensuring full compliance with the relevant occupational health and safety legislation, and that the required structures are in place.

Our facilities are equipped with essentials such as first aid kits, firefighting systems, adequate response plans, spill prevention measures and other safety programmes. We carry out safety briefings at worksites prior to the start of daily operations to remind workers of the potential hazards and the importance of personal protective equipment. In addition, contractors receive briefings covering health and safety and environmental management elements before accessing our facilities. Where required, safe work procedures and permits are issued before work commences.

We also provide periodic refresher training for our employees to maintain their competence on health and safety policies and procedures, and use of safe systems of work.

OSH Performance

We are pleased to report that there have been no work-related fatalities among our employees since FYE2020. However, the overall accident rate has increased to 15.24 from last year's recorded rate of 7.34, with PTNJL having the highest number of accidents. The most common work-related injuries were physical and tool-related accidents. We acknowledge the need for further improvement in this area and are taking necessary measures to enhance safety and reduce the accident rates.

Employee OSH Performance

	FYE2023	FYE2022
N[1] Recordable Work-related Injuries	**26**	12
N[2] Injuries by Absent Days	**267**	110
N[3] Accident Rate	**15.24**	7.34
N[4] Lost Time Injury Frequency Rate (LTIFR)	**7.31**	3.46
Fatalities	**0**	0

N[1] Injury while the worker/employees are working
N[2] The total days with medical certification/hospitalisation due to the injuries
N[3] Injuries occurred per 1,000 workers
N[4] Injuries occurred per million hours worked

For further details on OSH, please refer to the Performance Data section

Zero work-related fatalities during the year under review.

Manufacturing division achieved 3,110 days (equivalent to 8.5 years) without any lost time incidents as at 31 March 2023. Meanwhile, PTNJL retained its accreditation of Sistem Manajemen Keselamatan dan Kesehatan Kerja (or "SMK3"), an Indonesian government safety certification that is comparable to the globally recognised OHSAS 18001:2007.

Hazard Identification, Risk Assessment and Risk Control

We have adopted Hazard Identification, Risk Assessment and Risk Control ("HIRARC") as our systematic and objective approach for assessing OSH hazards and their associated risks. Primary risk management is fundamental to the planning, management and operating of our business. The HIRARC framework also outlines the general duties prescribed in the Occupational Safety and Health Act 1994 (Act 514). In the event of an incident or an occurrence of a hazardous situation, the following process is applied:

1. **Employee reports the hazard/ incident to the Person in Charge of their respective unit**
2. **Person in Charge will record the hazard/incident and will report it to the Safety, Health and Environment ("SHE") manager**
3. **SHE manager will lodge a report with DOSH within a minimum of 7 days**
4. **SHE manager will carry out an investigation into how the incident occurred in consultation with OSH committee members**
5. **Safety & Health committee members will recommend risk mitigation methods**
6. **Corrective actions will be taken to prevent the incident from recurring**
7. **A report will be presented to management**

OSH Awareness and Training

Each business division has their own health and safety committee, which comprises management and employee representatives. These committees oversee the health and safety management of their staff, including managing, investigating and resolving reported incidences. All serious incidents are investigated, and actions implemented are shared with the broader Group as part of our commitment to continuous improvement in our management of health and safety risks.

Ongoing activities to mitigate the health and safety risks inherent to our activities include safety campaigns, conducting drills, reviewing standard operating procedures and periodic safety audits on all sites. We also conduct regular preventive and scheduled maintenance, along with repair work and replacement of parts, at our facilities, plants, storage tanks and terminals.

Employees have received training in various areas, including compliance with occupational safety and health regulations. Additionally, training in emergency procedures focuses on safety and health awareness as well as fire fighting techniques. 82 employees have received essential training in these critical areas of safety and health.

Total Safety and Health Training Hours:
1,148

Number of Employees Trained:
82

Community

GRI 203-2, 413-1

With businesses across 2 countries, 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 their operations and geographic spread.

Social Impact Assessment ("SIA")

SIA is an essential process conducted for relevant plantation developments, both before and during their operation. Prior to commencing any new development activities, SIA has to be conducted to evaluate the potential effects of the plantation on the community, specifically focusing on economic factors, demographics, land use, and socio-cultural aspects. During this assessment, the opinions and perspectives of the community regarding the proposed projects would be sought.

As part of the MSPO requirements, our estates are mandated to conduct Aspect Impact Assessments involving the surrounding community and other stakeholders if there are issues raised by community and stakeholder. This assessment helps us identify and evaluate the potential impacts of our operations on various aspects such as the environment, social dynamics, and economic factors.

Community Engagement and Investments

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 and schools, as well as local community endeavours through the provision/upgrades of infrastructures and facilitating access to clean water and energy.

Since 2018, the Group has taken in 113 university graduates to undergo 8 months of workplace experience with companies within the Group (with the possibility of progression to permanent employment) through our participation in and support of the PROTÉGÉ programme. This programme involves a mix of on-the-job placements and skills development workshops that allows trainees to absorb the organisational and work culture while also developing relevant job-specific skills. Allowances and benefits are given during the programme. We also hire and train locals at our job sites, providing technical training and skills to improve their wage-earning potential.

PTNJL, as part of its operations, treats raw water and distributes it to nearby villages for daily use and irrigation. The raw water is obtained from its own water catchment area, which was originally constructed for the mill's operations. In addition, utilised mesocarp fibre, palm shells and shredded EFB is used as feedstock for steam boilers at PTNJL's palm oil mill. The excess energy is used to power workers' quarters, government facilities, schools and mosques.

To enhance communication and collaboration, the Plantation division has established a "Konsultasi dan Komunikasi" (consultation and communication) platform for its Malaysian estates. This platform serves as a forum for the respective estates to engage with local communities, authorities, NGOs and vendors. During FYE2023, our Malaysian estates conducted 8 engagement sessions. These sessions involved briefing stakeholders on our business practices and policies, including our firm stance against bribery and corruption, employee misconduct and breaches of ethics. We value the feedback received from stakeholders and considers them in our decision-making processes. This inclusive approach significantly contributes to fostering trust between the estates and its stakeholders.

Sustainability Report

Our Alignment to SDGs

STRATEGIC COMMITMENTS

- ✓ Upholding Responsible Business Practices Guided by Corporate Values
- ✓ Integrating Sustainable Practices for Maximum Benefits to Business and Society
- ✓ Zero Tolerance for Fraud, Bribery and Corrupt Practices
- ✓ Promoting Transparency and Sustainability in Supply Chains

Our Business

Sustainability Governance

GRI 102-29, 102-20, 102-31, 102-32

Our commitment to sustainability starts at the top, with the Board of Directors playing a crucial role in overseeing the management and governance of the Group. The Board assumes the responsibility of establishing the Group's direction, strategies, and financial objectives, while considering the interests of shareholders, stakeholders, and the broader community. Their guidance ensures that sustainability is integrated into our decision-making processes and that we operate in a manner that benefits both our business and society as a whole.

The Board is supported by dedicated Board Committees, each with its own charter setting out its roles and responsibilities. A comprehensive description of the Board's role can be found in the Corporate Governance section of this Annual Report.

The ARC plays a crucial role in supporting the Board's oversight of the Group's sustainability practices. The ARC's primary responsibility is to assess risks that have the potential to significantly impact FimaCorp's ability to achieve its planned objectives. By conducting thorough risk assessments, the ARC ensures that management identifies and addresses these risks promptly and effectively. Through the implementation of appropriate risk mitigation measures, the ARC contributes to the enhancement of FimaCorp's sustainability performance and the safeguarding of its long-term success.

To ensure the successful integration of sustainability practices across the Group, the ARC receives regular reports and updates from the GSC and the RSC. Led by a Non-Independent Non-Executive Director of FimaCorp, these committees provide valuable insights and recommendations to the ARC allowing the Group to have Board-level oversight of the management of the Group’s risks, controls and processes (including ESG factors as drivers of existing risks) and a top-down approach in resolving sustainability matters.

The day-to-day management of sustainability commitments and implementation of programmes is guided by divisional leadership. Each division is responsible for adopting sustainability strategies tailored to their specific operating needs and for allocating the necessary resources for their implementation. They align their brands, technologies, and sites with sustainability objectives based on the unique challenges and priorities of their respective business portfolios. Additionally, each division prepares a monthly sustainability report for the Head Office, covering topics such as safety, environment, attrition, and compliance issues. These reports are then collated and presented to the ARC on a quarterly basis.

Group Internal Audit conducts audits on the various business units to assess the accuracy of the data submitted to the Head Office and to evaluate the implementation and performance of sustainability initiatives as part of their annual audit plan. These audits aim to ensure that the data reported by the business units is reliable and consistent, and that the sustainability initiatives are effectively implemented. Additionally, audits are also performed by authorities, certification bodies and customers to verify compliance with regulations, standards and contracts. Any identified non-conformities and incidents are thoroughly analysed, and appropriate corrective actions are implemented to prevent their recurrence. Serious non-conformities and incidents undergo a comprehensive investigation process to identify root causes and implement necessary measures.

For more information on:
1. *The Group's Sustainability Committee, please refer to Task Force on Climate-related Financial Disclosures ("TCFD") on page 36 and the Corporate Governance Overview Statement on page 64*
2. *The Group's risk management, please refer to the Statement on Risk Management and Internal Control section on pages 84 to 93*

Responsible Business Practices

GRI 201-1

We strive to uphold responsible business practices that align with our corporate values. Our values guide our employees to act with integrity, accountability and a strong sense of responsibility.

By caring about the work that we do, about our fellow employees and stakeholders, we strive to build a business that is respectful and responsible.

We treat all our stakeholders with the dignity and respect that every individual deserves, and we hold the same expectation for our stakeholders to do the same. Our management approach to responsible business practices is underpinned by our robust policies that adhere to all national and international statutory and regulatory requirements as well as international conventions and treaties. These policies also address ESG aspects that are closely associated with our business and operations. They are periodically reviewed and updated to incorporate emerging sustainability issues and regulatory changes. For example, we have also implemented strict procedures for the disposal of scraps and sludge oil, which require obtaining prior written approval from the relevant head of division. These procedures are specifically designed to mitigate any potential risks associated with the disposal of waste materials e.g. mismanagement or inappropriate handling.

Our policies can be accessed at:
http://www.fimacorp.com/corporate-governance.php or scan the QR Code

Anti-Fraud, Bribery and Corruption

GRI 205-2, 205-3

We do not tolerate any form or practice of fraud, bribery and corruption. We are committed to conduct all our business transactions professionally, fairly and with integrity.

The Group's Anti-Bribery Policy explicitly prohibits its officers, employees, agents and service providers from giving or offering, soliciting or receiving, or agreeing to receive any gratification in exchange for favours or to secure any improper advantage. The Group takes such a violation seriously and will undertake the necessary action to ensure compliance or even impose sanctions, including disciplinary actions or cessation of business relationship.

The Group ensures that anti-bribery clauses are included in all business contracts entered into with our vendors and service providers. All new hires must complete the Group's anti-bribery training at the start of their employment and at regular intervals thereafter.

We ensure that training materials are updated so that they accurately reflect the risks that stakeholders, employees and business partners are exposed to. Periodic reviews of mandated authority limits are also performed to strengthen transparency and integrity procedures. Furthermore, all employees are required to attest on an annual basis that they have complied, and will continue to comply, with the Group's Anti-Bribery Policy and will report any concerns that they may have.

We have established the Whistle-blowing Policy, which secures the right of employees, external stakeholders and members of the public to confidentially report incidents of improper conduct. The Policy states the procedures on investigating and following up on any identified and reported non-compliance. Additionally, PKN is accredited with ISO 37001:2016 Anti-bribery management system that has now become an integral part of their business practices. This ISO framework enables PKN to proactively prevent, detect, and address any risks related to bribery, thus ensuring integrity and transparency in their operations.

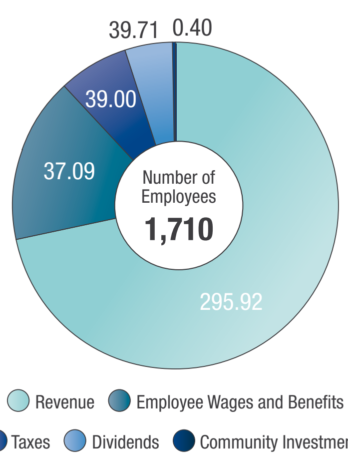
Sustainability Report

Value Distribution to Our Stakeholders

GRI 201-1, 201-3, 203-2

We are proud to support the communities in which we operate and the economic contribution we make through taxes paid to governments of our host countries, both direct and indirect, is fundamental to this. Our contribution comprises local and government taxes, social security contributions on the wages of our employees, goods, sales and services tax, customs duties and property taxes. The taxes we pay will help to support provision of essential services to, and development of infrastructures for the benefit of the wider communities. In Malaysia, we also contribute to the Employee Provident Fund (EPF) and the Social Security Organisation (SOCSO), which is a regulatory requirement.

Value Distribution to Stakeholders in FYE2023 (RM Million)



Cyber and Data Security

GRI 418-1

We strive to mitigate the risk of technological disruptions and maintain the utmost data privacy. We take proactive measures such as regularly updating antivirus and firewall software, to safeguard our information, protect the Group's IT network, and preserve the integrity of our communication assets. Each division, including the Head Office, has its own dedicated network and IT department, assuming risk ownership and acting as the first line of defence. The IT departments, inter-alia, conduct daily monitoring of IT systems and receives automated reports on traffic and security threats detected through screenings and spam filters. In FYE2023, we continued to implement various controls, including vulnerability testing of our IT systems and procedures, to minimise potential risks.

Safeguarding the privacy and integrity of all data is a priority for us, and we take any breaches or violations seriously. We have strict measures in place to prevent any unauthorised access, data leakages, or illegal manipulation of information, and we take any breach or violation seriously.

Sustainable and Traceable Supply Chain

GRI 102-9, 204-1

Ensuring a sustainable and traceable supply chain is integral to our business operations. Any interruptions to our supply chains will affect the output of our business divisions, exposing the Group to legal, financial, reputational and other risks that might have adverse, long-lasting impacts on our profitability.

Each of our businesses have in place documented policies and procedures that the business should exercise over specified processes, and actively engage with their suppliers throughout the procurement process, from tendering and bidding to surveying and inspecting sites. We constantly communicate with our suppliers to address issues such as cost efficiencies and environmental and social compliance to improve the traceability and transparency of our supply chain.

Supporting Local Procurement

We support local suppliers and entrepreneurs through the procurement of local goods and services. In Indonesia, 79.5% of contracts for goods and services have been awarded to small and medium-sized local companies. It is worth noting that there has been an increase in foreign procurement in Indonesia, particularly for mill and vehicle/heavy equipment spare parts sourced from Malaysia. This is primarily due to the unavailability or difficulty in obtaining these specific parts. Our focus remains on supporting local businesses as much as possible, but in cases where local sourcing is not feasible or practical, we ensure that the procurement process is transparent and fair. In addition, 26.5% of the FFB processed by the palm oil mill is purchased from smallholder farmers and third-party growers.

Percentage (%) of Suppliers Engaged in Malaysia and Indonesia

	FYE2023		FYE2022	
	Local	Foreign	Local	Foreign
Malaysia	**96.6**	**3.4**	95.9	4.1
Indonesia	**79.5**	**20.5**	90.9	9.1

Innovation and Technology

We remain committed to leveraging technology and process innovation as key drivers to enhance productivity, adapt to evolving challenges and mitigate risks. Through these efforts, we strive to deliver value to our customers and stakeholders.

In the Manufacturing division, we have equipped our IT support staff with mobile devices to streamline the process of accessing, storing, and reporting information. This implementation has resulted in reduced operational staff time, lowered management costs, and enhanced customer engagement.

The Plantation division utilises geospatial technologies, including Global Positioning System ("GPS") and Geographic Information System ("GIS"), to enhance various aspects of their operations. GPS is employed for field data collection and mapping of oil palm areas, allowing for accurate and efficient pre-planning, road construction, and terrace positioning. GIS is utilised to store, analyse, and display spatial data, supporting oil palm natural resource development and management. Satellite images are also used to map new estate developments and facilitate tree counting. These technologies have helped in maximising planting density of potential planting areas and overall efficient management of plantation operations.

The implementation of a web-based sustainability reporting system has enabled us to monitor environmental and social data across our subsidiaries more effectively. In the year under review, we have been enhancing our reporting system to provide real-time information and display consumption intensity data on a dashboard, allowing for better visibility and analysis.

Upholding Quality, Standards and Certifications

GRI 417-1, 417-2

We remain committed to upholding high-quality standards and certifications across our operations. We constantly monitor industry best practices and adapt to evolving marketplace conditions. By staying updated with new regulations, we ensure that our businesses meet the required safety and quality standards. Our dedication to maintaining these standards extends throughout our supply chains, enabling us to deliver products and services that meet the expectations of our customers and stakeholders.

Plantation

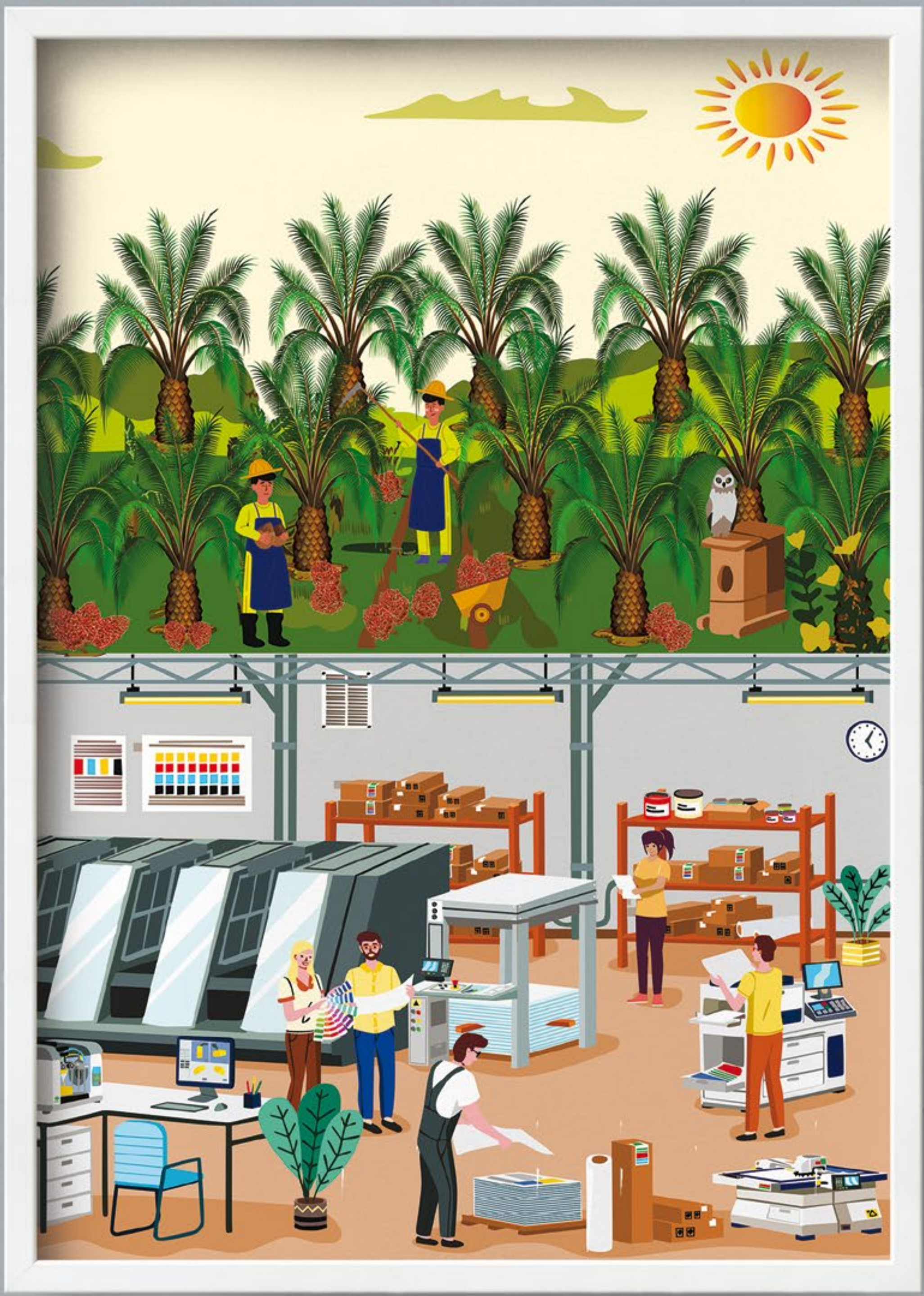
100% of our fully developed Malaysian estates have been MSPO-certified since FYE2020. Other significant certifications and standards achieved by this division are ISO 50001:2011 and ISO 14001:2015. Meanwhile, PTNJL's application for the Indonesian Sustainability Palm Oil (ISPO) certification is currently pending resolution of certain land title matters.

Malaysian Sustainable Palm Oil (MSPO)	8 Malaysian estates are MSPO-certified. The MSPO ensures responsible management of palm oil plantations, smallholdings and palm oil processing facilities. The MSPO certification also covers human and workers' rights protection.
ISO 50001:2011 (Energy Management System)	PTNJL is accredited with ISO 50001:2011 for its energy management system ("EMS"). This certification is awarded to companies that have a robust EMS in place. The EMS is a tool that will enable PTNJL to implement continuous improvement plans to improve its energy efficiency and help preserve resources.
ISO 14001:2015 (Environment Management System)	PTNJL is ISO 14001:2015 certified for its sustainable environmental practices in the production of its CPO, CPKO and palm kernel.

Manufacturing

ISO 27001:2013 Information Security Management	The accreditation reflects PKN's compliance with the highest international and security control standards to protect information against any security risks, underpinning their commitment to delivering excellence.
ISO 37001:2016 Anti-Bribery Management Systems	This certification affirms PKN's adherence to robust anti-bribery policies, procedures, and controls.
ISO 9001:2015 Quality Management System	This certification affirms that PKN has implemented effective quality management systems that meet internationally recognised standards.
ISO 14298:2013 Graphic Technology-Management of Security Printing Processes	This accreditation reflects PKN's adherence to the guidelines and requirements outlined in the standard for the management of security printing processes.

Sustainability Report



As a proud, *home-grown* Malaysian conglomerate,

our commitment is rooted in building a resilient and productive organisation that generates sustainable value by aligning our goals with the needs and aspirations of our stakeholders. Through collaboration and shared growth, we aim to make a positive and lasting impact that goes beyond mere financial success. We take pride in being part of the collective journey towards a prosperous future for all stakeholders involved.

The artwork was created by Mohammad Hadi, Kon Zin Hong, Clement Ooi, and Afif Irfan who are students of Infinites Minds Academy.

Infinite Minds Academy offers specialised Digital Tech programmes for individuals with special needs, aiming to empower them economically so that they are not left behind in the digital age and have the opportunity to excel independently.

Our Board of Directors

DATUK BAZLAN BIN OSMAN

Chairman /
Independent Non-Executive Director
59 | Male | Malaysian

Date of Appointment: 5 April 2019
Date of Last Re-election: 23 August 2022

Academic / Professional Qualification / Membership(s)
- Fellow, Association of Chartered Certified Accountants, United Kingdom
- Chartered Accountant, Malaysian Institute of Accountants
- Diploma in Accounting, Polytechnic of North London, United Kingdom

Present Directorship(s) of Public and Listed Companies
- Independent Non-Executive Director, Syarikat Takaful Malaysia Keluarga Berhad
- Senior Independent Non-Executive Director, Bursa Malaysia Berhad
- Independent Non-Executive Director, Bank Islam Malaysia Berhad

Present Appointment(s)
- President, Malaysian Institute of Accountants
- Director, Malaysia Professional Accountancy Centre
- Chair, ACCA Malaysia Advisory Committee
- Ex-Officio, Financial Reporting Foundation

Past Directorship(s) and / or Appointment(s)
- Independent Non-Executive Director, Glomac Berhad (2020-2023)
- Non-Executive Chairman/Director, GITN Sdn. Bhd. (2017-2022)
- Independent Non-Executive Director, Citibank Berhad (non-listed) (2019-2022)
- Vice President (2021-2022) and Council Member (2019-2021), Malaysian Institute of Accountants
- Deputy Chair (2020-2021) and Council Member (2019-2020), ACCA Malaysia Advisory Committee
- Director, Universiti Utara Malaysia (2020)
- Director, VADS Berhad (2012-2019)
- Group Chief Financial Officer (2005-2017), Deputy Group Chief Executive Officer (2017-2018), Acting Group Chief Executive Officer (2018) and Executive Director (2008-2019), Telekom Malaysia Berhad
- Director, Malaysia Digital Economy Corporation Sdn. Bhd. (2018)
- Non-Executive Director, Labuan Reinsurance (L) Ltd (2007-2012)
- Commissioner, PT XL Axiata Tbk (2005-2008)
- Chief Financial Officer (2002-2005) and Senior Vice President, Corporate Finance & Treasury (2001-2002), Celcom Malaysia Berhad
- Senior Vice President, Corporate Finance & Treasury (2001) and Chief Financial Officer (2002-2005), Celcom Axiata Berhad
- Independent Non-Executive Director, Nationwide Express Holdings Berhad (1994-2005)
- Senior Vice President, Finance/Company Secretary, Kumpulan Fima Berhad (1994-2000)
- Accounting & Financial Control Manager, American Express Malaysia Berhad (1993-1994)
- Finance, Corporate Office, Kuala Lumpur, Melaka & Singapore, Sime Darby Group (1989-1993)
- Auditor, Messrs. Hanafiah Raslan & Mohamad (1986-1989)

Membership of Board Committee(s)
- Nil

DATO' ROSLAN BIN HAMIR

Managing Director /
Non-Independent Executive Director
56 | Male | Malaysian

Date of Appointment: 8 December 1998
Date of Last Re-election: 21 September 2021

Academic / Professional Qualification / Membership(s)
- Bachelor of Arts (Hons) in Accounting and Finance
- Graduate, Association of Chartered Certified Accountants (ACCA)

Present Directorship(s) of Public and Listed Companies
- Group Managing Director, Kumpulan Fima Berhad
- Chairman, Narborough Plantations Plc (non-listed)
- Director, Fima Bulking Services Berhad (non-listed)
- Director, Malaysian Transnational Trading (MATTRA) Corporation Berhad (non-listed)

Past Directorship(s) and / or Appointment(s)
- Senior Vice President, Corporate Services, Kumpulan Fima Berhad (1998-1999)
- Auditor, Messrs. Ernst & Young (1993-1998)

Membership of Board Committee(s)
- Nil

Membership of Other Committee(s)
- Risk Steering Committee
- Group Sustainability Committee

Our Board of Directors

ROSELY BIN KUSIP

Senior Independent Non-Executive Director
72 | Male | Malaysian

Date of Appointment: 14 March 2019
Date of Last Re-election: 21 September 2021

Academic / Professional Qualification / Membership(s)

- Diploma in Agriculture, College of Agriculture, Malaya
- Management Course, Henley College

Present Directorship(s) of Public and Listed Companies

- Nil

Past Directorship(s) and / or Appointment(s)

- Chairman, Risda Estates Sdn. Bhd. (2020-2021)
- Chairman, RISDA (2018-2020)
- Board of Commissioners, Minamas Plantation (2016-2019)
- Director, New Britain Palm Oil Limited (2015-2017)
- Director, Sime Darby Plantations Sdn. Bhd. (2011-2017)
- Alternate Director and Chief Operating Officer, Innoprise Plantation Berhad (2011-2013)
- Managing Director, IMC Plantations (2006-2009)
- Group Director, Plantations, TSH Resources Berhad (2003-2006)
- Director, Indonesian Plantation, Kumpulan Guthrie Berhad (2000-2003)
- General Manager, Estates, Kumpulan Guthrie Berhad (1994-2000)
- Manager, Highlands & Lowlands Berhad (1971-1994)

Membership of Board Committee(s)

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

REZAL ZAIN BIN ABDUL RASHID

Non-Independent Non-Executive Director
56 | Male | Malaysian

Date of Appointment: 25 June 2002
Date of Last Re-election: 23 August 2022

Academic / Professional Qualification / Membership(s)

- Bachelor of Arts (Accounting), University of Canberra, Australia
- Member, Malaysian Institute of Accountants
- Member, Certified Practising Accountant (CPA Australia)
- Fellow, Institute of Corporate Directors Malaysia

Present Directorship(s) of Public and Listed Companies

- Nil

Past Directorship(s) and / or Appointment(s)

- Senior Independent Non-Executive Director, Matrix Concepts Holdings Berhad (2012-2021)
- Chief Operating Officer, TDM Berhad (1999-2000)
- Business Development Manager, Corporate & Business Development, TDM Berhad (1996-1999)
- Assistant Manager, Corporate Finance Department, Arab Malaysian Merchant Bank Berhad (1995-1996)
- Senior Consultant, Peat Marwick Consultants (1993-1995)
- Senior Auditor, KPMG Desa Megat & Co (1989-1993)

Membership of Board Committee(s)

- Audit and Risk Committee
- Nomination and Remuneration Committee

Membership of Other Committee(s)

- Risk Steering Committee *(Chairman)*
- Group Sustainability Committee *(Chairman)*

DR. ROSHAYATI BINTI BASIR

Non-Independent Non-Executive Director
59 I Female I Malaysian

Date of Appointment: 23 November 2009
Date of Last Re-election: 29 September 2020

Academic / Professional Qualification / Membership(s)

- MBBS (Mal), Universiti Malaya
- Master in Med. Radiology, Universiti Kebangsaan Malaysia
- Member, Academy of Medicine (Malaysia)

Present Directorship(s) of Public and Listed Companies

- Director, Nationwide Express Holdings Berhad (non-listed)

Present Appointment(s)

- Consultant Radiologist, Sunway Medical Centre
- Director, BHR Enterprise Sdn. Bhd.

Past Directorship(s) and / or Appointment(s)

- Radiologist, Hospital Kuala Lumpur (1996-2002)
- Trainee Radiologist, Universiti Kebangsaan Malaysia (1992-1996)
- Medical Officer (Surgery), Universiti Kebangsaan Malaysia (1990-1992)
- Medical Intern, Hospital Kuala Lumpur (1989-1990)

Membership of Board Committee(s)

- Nil

NIK FEIZAL HAIDI BIN HANAFI

Independent Non-Executive Director
51 I Male I Malaysian

Date of Appointment: 3 August 2021
Date of Last Re-election: 21 September 2021

Academic / Professional Qualification / Membership(s)

- Bachelor of Economics, International Islamic University

Present Directorship(s) of Public and Listed Companies

- Nil

Present Appointment(s)

- Chief Executive Officer, Vuca Warrior Sdn. Bhd.
- Chief Executive Officer, 1M Leadership Academy Sdn. Bhd.

Past Directorship(s) and / or Appointment(s)

- Regional Sales Director, Oracle Asean (2015-2016)
- General Manager, Malaysia & Philippines, Oracle Asean (2014-2015)
- Country Manager, Applications, Oracle Corporation (Malaysia) Sdn. Bhd. (2013-2014)
- Sales Director, Public Sector Group, Microsoft Malaysia Sdn. Bhd. (2007-2013)
- Account Manager, CA Technologies (Malaysia) Sdn. Bhd. (2004-2007)
- Solution Sales Specialist, Mesiniaga Berhad (2000-2004)
- Corporate Loans Sales Executive, Hong Leong Finance Berhad (1996-2000)

Membership of Board Committee(s)

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

Declaration by the Board:

1. ***Securities holdings in the Company:***
   Please refer to disclosure of Directors' Interests in the Company's Financial Statements.

2. ***Family relationship with any Director and/or major shareholder of the Company:***
   Save as disclosed below, none of the Directors have any family relationships with any other Directors and/or major shareholders of the Company except for Dr. Roshayati Binti Basir, who is the sister of Rozana Zeti Binti Basir, a Director of Fima Metal Box Holdings Sdn. Bhd., the major shareholder of the Company.

3. ***Conflict of interest:***
   None of the Directors have any conflict of interest with the Company.

4. ***Convictions for offences:***
   Other than traffic offences, none of the Directors has been convicted for any offences within the past 5 years nor have been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year under review.

5. ***Attendance of Board meetings:***
   Please refer to Meetings and Time Commitment section of the Corporate Governance Overview Statement of this Annual Report.

Our Group Management

DZAKWAN BIN MANSORI

Executive Director, Sales,
Percetakan Keselamatan Nasional Sdn. Bhd.
61 | Male | Malaysian

He joined Fima Securities Sdn. Bhd., a stock-broking arm of Kumpulan Fima Berhad ("KFima") in 1997 as Vice President of Institutional Business. His last position was Vice President of Finance and Operations before moving to Percetakan Keselamatan Nasional Sdn. Bhd. ("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 Consultants Berhad upon completion in July 1990. He later joined CIMB Securities Berhad and K & N Kenanga Berhad prior to joining Fima Securities Sdn. Bhd. He holds an Advanced Diploma in Accountancy from Universiti Teknologi Mara.

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

JASMIN BINTI HOOD

Company Secretary
50 | Female | Malaysian

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 is also a member of the Risk Steering Committee and Group Sustainability Committee.

She sits on the Board of several of the Group's subsidiaries. She holds an LLB (Hons) degree in Law from University of Southampton, United Kingdom and Certificate of Legal Practice from the Legal Profession Qualifying Board, Malaysia and has over 20 years' experience in legal, corporate secretarial and compliance roles. She is also an affiliate of the Malaysian Institute of Chartered Secretaries and Administrators.

MUHAMMAD FADZLILAH BIN ABDUL RA'FAR

Chief Financial Officer / Company Secretary
36 | Male | Malaysian

He joined the Company in September 2017 as Financial Controller and was promoted to Chief Financial Officer on 27 June 2022. He was subsequently appointed as Company Secretary on 1 July 2022. He sits on the Board of several of the Group's subsidiaries.

Prior to joining the Company, he was an Audit & Assurance Manager in Messrs. Ernst & Young which he has worked for 7 years.

He graduated from Universiti Teknologi Mara with First-Class Honours in Bachelor of Accountancy (Hons). He is also a member of Malaysian Institute of Accountants (MIA) and Association of Chartered Certified Accountants (ACCA).

MOHD RADZIF BIN MD SHARIF

General Manager, Sales,
Percetakan Keselamatan Nasional Sdn. Bhd.
51 | Male | Malaysian

He joined PKN in 2011 as Sales Manager to oversee sales/products development division. He was subsequently promoted as Senior Manager, Sales and then General Manager, Sales in 2021.

He has over 27 years of working experience in the areas business development and information technology, having held positions with various organisations in Malaysia and abroad. He holds a Bachelor in Commerce and Management from Lincoln University, New Zealand.

HAMKA BIN USMAN

Plantation Controller
41 | Male | Malaysian

He joined PT Nunukan Jaya Lestari ("PTNJL"), the Group's Indonesian subsidiary as an Estate Manager in February 2015 and was subsequently appointed as PTNJL's Head of Operations in 2020. On 1 April 2022, he returned to Malaysia to assume his present role, and is responsible for overseeing the Group's estate operations in Johor, Perak and Indonesia. He is also a Director of PTNJL.

He has over 17 years of plantation/estate management experience having worked with Sime Darby Group prior to joining PTNJL. He holds a Diploma in Agriculture from Universiti Putra Malaysia.

MOHD FAHMY BIN MAHMUD

Plantation Controller
37 | Male | Malaysian

He joined the Group in January 2015 whereat his first appointment was with Amgreen Gain Sdn. Bhd., the subsidiary of KFima. He returned to Head Office in December 2021 to assume his present role, and is responsible for overseeing the Group's estate operations in Sarawak, Kelantan and Terengganu.

He has over 13 years of plantation/estate management experience having worked with Tabung Haji Plantation prior to joining the Group. He holds a Bachelor in Plant Resource Science and Management from Universiti Malaysia Sarawak.

Additional Information on Our Group Management:
None of our Group Management have:
- *any directorship in public companies and listed issuers;*
- *any family relationships with any Directors and/or major shareholders of the Company;*
- *any conflict of interest with the Company;*
- *been convicted of any offences (excluding traffic offences) within the past 5 years; and*
- *been subjected to any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

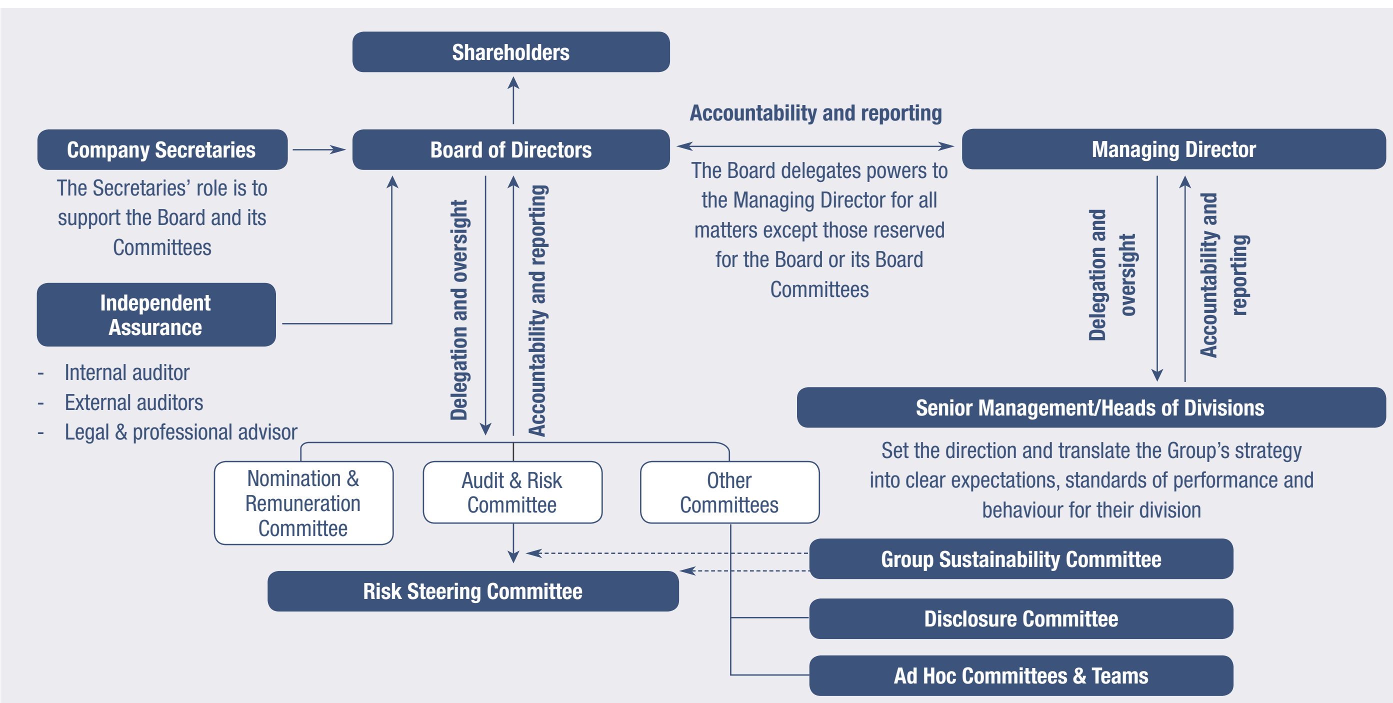
Corporate Governance Overview Statement

Fima Corporation Berhad (“the Company” or “FimaCorp”) remains committed to good corporate governance practices and devotes considerable effort to identify and formalise 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. This Statement should be read in conjunction with the Corporate Governance Report which is accessible online at www.fimacorp.com/corporate-governance under ‘Investors’ section.

Corporate Governance Framework

The Board has adopted a corporate governance framework that the Board considers appropriate to the Group’s business and which is designed to promote responsible management and sustainable value creation for shareholders. It shows the relationship between the Board, its Committees, the Managing Director, senior management and various independent assurance functions.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Roles and Responsibilities of the Board

The Board is responsible for corporate governance, developing strategy and major policies, reviewing management performance, approving financials and providing leadership to the Company within a framework of prudent and effective controls which enable risk to be assessed and managed. It is also responsible for setting the Company’s culture, values, and the behaviours it wishes to promote in conducting its business. In order to allow the Board to focus on its priorities, a number of its oversight responsibilities have been delegated to two principal Board Committees which function within their respective terms of reference.

The Board has also delegated authority to the Managing Director for the execution of the strategy and day-to-day management of the Group. The Group's senior management team supports the Managing Director in the performance of his duties. The Board oversees, challenges and supports executive management in the execution of the strategy and management of the Group.

There are certain key responsibilities that the Board does not delegate, and which are reserved for its consideration. The full schedule of matters reserved are set out in the Board Charter, but key matters reserved include:

- the development of strategy and major policies;
- approving the annual operating budget, financial statements and major acquisitions and disposals;
- approving interim dividend payments and recommending final dividend payments; and
- the appointment and removal of Directors and the Company Secretary.

Board activities are organised to review, consider, approve, oversee and support management in the delivery of the Group's strategy within the Group governance framework. Key focus areas of the Board during FYE2023 included:

Financial

- the Group Performance Report – financial and operational performance against forecast and prior periods.
- the quarterly financial results and performance as well as outlook for the year.
- the Directors' Report and Audited Financial Statements for the financial year ended 31 March 2022.
- the Group's solvency and financial position.
- major acquisitions, investments and capital expenditure.
- the amount, nature and timing of dividends to be paid including solvency position of the Company.
- recurrent related party transactions/related party transactions entered into by the Group.
- other treasury related matters.

Strategy

- the Group's budget and business plans and key performance targets.
- divisional strategic updates on a quarterly basis.
- progress update of major acquisitions, investments and capital expenditure.
- the Managing Director's corporate strategy for the Group.
- 3-day offsite Board Strategic Planning and Retreat.
- adoption of the Board annual outline agenda.

People

- the performance, reward, composition and succession of Board.
- the Managing Director's key performance indicators for financial year 2023.
- FYE2022 annual increment and performance reward for the Managing Director and Group employees.
- the succession planning of the Group's senior management and Group support functions.
- payment of ex-gratia to Group employees.
- salary review and benchmarking exercise conducted by an external consultant for the Group employees including the Managing Director.

Governance and Reporting

- draft statements for Annual Report FYE2022 and Circular/ Statement to the Shareholders.
- resolutions to be put to shareholders at the 47th AGM held on 23 August 2022.
- adoption of the Directors' Fit and Proper Policy and the Board Diversity Policy.
- re-appointment of Messrs. Ernst & Young PLT as the Company's auditors and for the same to be put for shareholders' approval at the 47th AGM.
- report on the outcome of the annual Board evaluation on the effectiveness and performance of the Board, Board Committees and individual Directors.
- report on the external and internal auditors' assessment based on the recommendation of the Audit and Risk Committee.
- composition of the Board and Independent Directors and the time commitment given by the Directors in fulfilling their responsibilities as Directors and members of Board Committees.
- updates on material litigation.
- summary of industrial relations/accidents cases and whistleblowing complaints received through the whistleblowing channels.
- the disclosure on dealings by Directors/Principal Officers in the Company's securities.
- half-yearly review of the Group's sustainability performance.
- the Group's ERM Report.
- annual review of Board Charter and Terms of Reference of Audit and Risk Committee and Risk Steering Committee.
- analysis of the Company's compliance/adoption against the key observations and recommendations on Sustainability Disclosure Review 2021 by Bursa Malaysia.

Corporate Governance Overview Statement

Directors must declare any conflict of interest that they may have to the Board. Where a material personal interest arises with respect to a matter that is to be considered by the Board, the Director is required to declare that interest and must not take part in any Board discussion or vote in relation to that matter.

Board Committees

Each Board Committee has clear written terms of reference which sets out the composition, roles and responsibilities as well as other requirements of the respective Board Committees. The Board regularly reviews the remit, authority, composition and terms of reference of each Committee. The terms of reference of the Committees are available on the Company's website at www.fimacorp.com/corporate-governance.

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.

Audit and Risk Committee

The Audit and Risk Committee ("ARC") comprises 3 members, all of whom are Non-Executive Directors with a majority of them being Independent Directors.

Chairman
- Nik Feizal Haidi Bin Hanafi
  Independent Non-Executive Director

Members
- Rosely Bin Kusip
  Senior Independent Non-Executive Director
- Rezal Zain Bin Abdul Rashid
  Non-Independent Non-Executive Director

Key functions
The primary objective of the ARC is to assist the Board in fulfilling its fiduciary and statutory duties in:

- overseeing financial reporting, internal control and risk management;
- evaluating the internal and external audit processes and outcomes;
- reviewing conflict of interest situations and related party transactions;
- reviewing anti-bribery and whistleblowing; and
- providing oversight on the Risk Steering Committee and Group Sustainability Committee.

The summary of activities of the ARC during FYE2023 is set out in the Audit and Risk Committee Report of this Annual Report.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") comprises 3 members, all of whom are Non-Executive Directors with a majority of them being Independent Directors.

Chairman
- Rosely Bin Kusip
  Senior Independent Non-Executive Director

Members
- Nik Feizal Haidi Bin Hanafi
  Independent Non-Executive Director
- Rezal Zain Bin Abdul Rashid
  Non-Independent Non-Executive Director

The NRC ensures the Board composition meet the needs of the FimaCorp Group and develops, maintains and reviews the criteria to be used in the recruitment process and annual assessment of the Board, Board Committees and individual Directors.

The NRC's remuneration function is to support the Board in maintaining, assessing and developing policy framework on all elements of the remuneration for the Managing Director and senior management including terms of employment, reward structure and benefits, and key performance indicators with the aim to attract, retain and motivate, as well as reviewing and administering remuneration entitlements of the Non-Executive Directors of the Company and Directors of subsidiaries.

FYE2023 key activities
During the FYE2023, 2 NRC meetings were held, with full attendance by the members, as described under Meetings and Time Commitment section of this Annual Report.

The summary of key activities performed by the NRC in FYE2023 is as follows:

- reviewing the composition of the Board and its Committees, including Board of subsidiary companies.
- 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.
- reviewing the re-appointment and re-election of Directors.
- reviewing the time commitment of Directors for performance of their responsibilities.

Nomination and Remuneration Committee (cont'd.)

- reviewing the training of the Directors.
- reviewing the fees and allowances payable to the Non-Executive Directors.
- evaluates the Managing Director's key performance indicators for financial year 2023 and making the appropriate recommendations to the Board.
- recommends to the Board the Group employees' salary adjustment based on the recommendations made by an independent external consultant following the Group's salary review and benchmarking exercise.
- assessing the performance of the Managing Director 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.
- reviewing the fees payable to Non-Executive Directors who sit on ARC, NRC, Risk Steering Committee, Group Sustainability Committee and Board of major subsidiary companies.
- reviewing the draft of the Directors' Fit and Proper Policy and Board Diversity Policy and thereafter making the necessary recommendations to the Board.

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")

- RSC is a sub-committee of the ARC.
- Supports the ARC in the development and implementation of the Group's risk management and internal control framework, and reviewing and monitoring whistleblowing, bribery and corruption as well as ESG matters.
- RSC is composed of Board representatives from Kumpulan Fima Berhad ("KFima") and FimaCorp and members of senior management. The RSC is chaired by a Non-Independent Non-Executive Director of the Company.
- 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.

Heads of Divisions ("HOD")

- 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.
- HOD meetings which are held monthly, are chaired by the Managing Director and attended by all heads of divisions and support functions.

Group Sustainability Committee ("GSC")

- The GSC reports to the ARC.
- Oversees how the Group's sustainability programmes support business goals and aspirations, and to monitor the progress thereof.
- Provides oversight and input to management on the Group's policies, strategies and programmes related to ESG matters and corporate responsibility.
- Consists of representatives from the Boards of KFima and FimaCorp and members of senior management. The GSC is chaired by a Non-Independent Non-Executive Director of the Company.
- The GSC's Terms of Reference can be found on the Company's website.

Ad Hoc Committees and Teams

- Ad hoc committees and teams are established for a set time to focus on a specific task/project.
- The committees are set up at the Group, divisional and/or operating levels as may be appropriate under the respective circumstances.
- The committees 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 FimaCorp, as may be necessary in the circumstances.

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's senior management, and chaired by the Managing Director.

Corporate Governance Overview Statement

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 and accommodate their schedule ahead, and devote sufficient time to effectively discharge their duties as well as to endeavour to attend meetings. An annual outline agenda which provides an overview of the Board's focus areas at each of its meeting is circulated to the Board in advance of meetings.

Additional meetings are convened in between scheduled meetings when Board's decision is required for urgent and important proposals or matters. The agenda and supporting papers for Board and Board Committees are distributed in advance to all Board and Board Committees respectively, in order to allow adequate time for appropriate review to facilitate full discussion at the meetings.

Directors also participate 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 Managing Director or the Company Secretaries when required. In FYE2023, the Board approved 7 transactions via written resolutions.

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 Committees meetings. This provides a direct line of communication between the Directors and management present.

Proper minutes are maintained for both Board and Board Committees meetings, encompassing the issues discussed, deliberations held, decisions made, and conclusions reached. These minutes also include any dissenting views expressed during the meetings. Additionally, clear actions to be taken are documented to ensure accountability and follow-up on the matters discussed.

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 NRC for noting.

The meetings of the Board and Board Committees held in FYE2023 and attendance records are set out below:

	Board	Audit & Risk Committee	Nomination & Remuneration Committee
Number held	**6**	**5**	**2**
Directors			
Datuk Bazlan Bin Osman	6/6	N/A	N/A
Dato' Roslan Bin Hamir	6/6	N/A	N/A
Rosely Bin Kusip	6/6	5/5	2/2
Rezal Zain Bin Abdul Rashid	6/6	5/5	2/2
Dr. Roshayati Binti Basir	6/6	N/A	N/A
Nik Feizal Haidi Bin Hanafi	6/6	5/5	2/2

The NRC and the Board are satisfied that in FYE2023, each of the Directors was able to devote sufficient time and attention to the affairs of the Company and has diligently discharged his or her duties as a Director of the Company.

Training and Development

The Directors of the Company continue 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, including ESG related trainings, to enable them to discharge their duties and responsibilities more effectively.

An induction programme is conducted for newly appointed Directors to provide the necessary information to assist them in their understanding of the business and operations of the Group, current issues and corporate strategies as well as the corporate structure of the Group. The new Directors will also be provided with a Director's Kit containing the Company's Constitution, Board Charter and Board Committees' Terms of Reference, Group policies and other relevant key information. There was no new Board appointment during the FYE2023.

The Board is briefed on the strategic and business development of the Group at each Board meeting by the Managing Director/Chief Financial Officer. To ensure that Directors maintain up-to-date knowledge of the Group, the Board receives presentation and updates on different aspects of the Group's business and on financial, legal/regulatory issues.

The Company also organises offsite retreat for the Board with the management in every 2 years to discuss the strategic and business development, trends, challenges impacting the Group and potential opportunities.

In November 2022, a 3-day Board Strategic and Planning Retreat was organised jointly with the Board of KFima, the Company's ultimate holding company. The retreat brought together the Board members, heads of business units, and senior management from both entities. The primary objective of this offsite session was to comprehensively review, discuss, and debate the strategic and business plans of their respective divisions for the next 5 years.

During the FYE2023, the Directors had attended the following training programmes:

Director	Training Attended	Date Held
Datuk Bazlan Bin Osman *(Chairman)*	• Fundamental Disruption of Asset Management and Securities organised by Bank Islam Malaysia Berhad	6 April 2022
	• MFRS 17 Refresher Course organised by Syarikat Takaful Malaysia Keluarga Berhad and Ernst & Young	9 May 2022
	• FIDE Forum on Metafinance: The Next Frontier of Global Economy organised by FIDE	23 May 2022
	• EU-Malaysian Dialogue: Fighting Climate Change with Market Mechanisms organised by Delegation of the European Union to Malaysia	25 May 2022
	• Islamic Finance: What is Next? organised by Bank Islam Malaysia Berhad	22 June 2022
	• Moody's Analytics - ESG and Climate Risk Training organised by Bank Islam Malaysia Berhad	22 June 2022
	• Bursa-Ambank Sectorial Series: Towards a Sustainable and Net-Zero Future: Carbon Pricing organised by Bursa Malaysia Berhad	28 June 2022
	• Unauthorized Disclosure of Customer's Information and Bank's Data organised by Bank Islam Malaysia Berhad	29 June 2022
	• FIDE Forum on Leadership Perspectives Forum: Board Effectiveness organised by FIDE	14 July 2022
	• Invest Shariah Conference 2022: Transforming Malaysia's Economy and Society Through Islamic Finance organised by Bursa Malaysia Berhad	26 July 2022
	• Update on AML/CFT Legal and Regulatory Development organised by Bank Islam Malaysia Berhad	5 August 2022
	• Climate Governance Malaysia: A Standing Item on Board Agendas organised by Bursa Malaysia Berhad	11 August 2022
	• Bursa-Maybank Sectorial Series: Why Malaysia? organised by Bursa Malaysia Berhad	15 August 2022
	• Emerging Trends Talk #3: ESG Oversight: Role of the Board organised by Institute of Corporate Directors Malaysia	25 August 2022
	• Invest Malaysia Kuala Lumpur Series 1: Building Resilience Amidst Volatility organised by Bursa Malaysia Berhad	14 September 2022

Corporate Governance Overview Statement

Director	Training Attended	Date Held
Datuk Bazlan Bin Osman *(Chairman) (Cont'd.)*	• Economic Outlook & Lookout - "Withdrawal Syndrome" after "Sugar Rush"? organised by Bursa Malaysia Berhad	22 September 2022
	• Malaysia Equity Strategy: "How Will KLCI Fare in the Growth vs Inflation Tug-of-War" organised by Bursa Malaysia Berhad	22 September 2022
	• Bursa-Maybank Corporate Series: BURSA RISE (Bursa Research Incentive Scheme) organised by Bursa Malaysia Berhad	27 September 2022
	• Khazanah Megatrends Forum 2022: Development and Its Complexities - "Steering Our Way Through a Perfect Storm" organised by Khazanah Nasional Berhad	3 & 4 October 2022
	• Global Islamic Finance Forum 2022 organised by Association of Islamic Banking and Financial Institutions Malaysia and Bank Negara Malaysia	5 & 6 October 2022
	• 14th ACCA Asia Pacific Thought Leadership Forum: Geopolitics, Stagflation and Deterioration of 'The Commons': Considerations in Your Business Planning for 2023 and Beyond organised by Association of Chartered Certified Accountants	12 October 2022
	• Diversity, Equity & Inclusion (DEI) Conversation #4: Climate Action organised by Bank Islam Malaysia Berhad	20 October 2022
	• Out of Box Session: Driving Culture from a Behavioral Science Perspective organised by Bank Islam Malaysia Berhad	21 October 2022
	• Debt Based Products vs Equity Based Products organised by Bank Islam Malaysia Berhad	21 October 2022
	• The Art of Cyber Defense organised by Bursa Malaysia Berhad	31 October 2022
	• Anti-Bribery Management Systems organised by Bursa Malaysia Berhad	31 October 2022
	• Introduction to Metaverse organised by Bank Islam Malaysia Berhad	8 November 2022
	• Invest Malaysia Kuala Lumpur Series 2: The Road to Electrical Vehicles organised by Bursa Malaysia Berhad	9 November 2022
	• Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees: How the Audit Committees and Auditors Can Work Together Towards Reliable Audited Financial Statements (as panelist) organised by Securities Commission Malaysia	17 November 2022 & 6 December 2022
	• FIDE Forum on the Emerging Trends Threats and Risks to the Financial Services Industry organised by FIDE	24 November 2022
	• Invest Malaysia 2023 Series 1: Reshaping Malaysia's Narrative organised by Bursa Malaysia Berhad	8 March 2023
	• TH Group Summit 2023: Sustainability as Strategic Growth Opportunity organised by Tabung Haji Group	21 March 2023

Director	Training Attended	Date Held
Dato' Roslan Bin Hamir	• Fima's Training & Human Development Series: Managing Misconduct and How to Handle Them (in-house)	19 & 20 October 2022
	• Reimagining Our Tomorrow. Disruptive Technology CEO Summit 2022 organised by UBS Tech Connect	30 October 2022
	• Becoming a Future-Focused Risk Management Committee organised by Institute of Corporate Directors Malaysia	1 December 2022
	• Board's At-A-Glance - Bursa Malaysia's Enhanced Sustainability Reporting Framework organised by Institute of Corporate Directors Malaysia	16 February 2023
Rezal Zain Bin Abdul Rashid	• Becoming a Future-Focused Risk Management Committee organised by Institute of Corporate Directors Malaysia	1 December 2022
Dr. Roshayati Binti Basir	• What Should Investor Relations Know About Section 17A – MACC ACT 2009 organised by Malaysian Investor Relations Association	17 August 2022
	• Fraud Prevention and Detection organised by Minority Shareholders Watch Group	8 November 2022
Rosely Bin Kusip	• AI for Non-AI Personnel, What Every Business Must Consider to Create Value organised by Malaysian Institute of Corporate Governance	17 June 2022
	• PowerTalk ESG Series #3 – ESG + 'T': Global Megatrends to Watch Out For organised by Institute of Corporate Directors Malaysia	29 June 2022
	• Governance in Audit Conference 2022 - Audit in this New Governance Era organised by Malaysian Institute of Corporate Governance	6 September 2022
	• The 3rd Edition of World Palm Conference 2022 organised by Maps & Globe Specialist Distributor Sdn. Bhd.	20 & 21 September 2022
Nik Feizal Haidi Bin Hanafi	• Case-Based Series: Parts 1 & 2 - The Board's Performance Role organised by Asia School of Business/The Iclif Executive Education Centre	15 & 16 June 2022
	• Public Listed Companies Transformation Programme - Sustainable, Socially Responsible and Ethical PLCs: Guidebook 2 Highlights organised by Bursa Malaysia Berhad	25 August 2022
	• Governance in Audit Conference 2022 - Audit in this New Governance Era organised by Malaysian Institute of Corporate Governance	6 September 2022
	• Beyond Box-Ticking: Essentials for Effective Remuneration Committees organised by The Iclif Executive Education Centre	3 October 2022
	• Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees organised by Securities Commission Malaysia	17 November 2022
	• Becoming a Future-Focused Risk Management Committee organised by Institute of Corporate Directors Malaysia	1 December 2022

Corporate Governance Overview Statement

Roles of the Chairman and the Managing Director

The roles of the Chairman and the Managing Director are not exercised by the same individual. The Chairman, Datuk Bazlan Bin Osman, who is an Independent Non-Executive Director leads the Board and is responsible for the efficient organisation and effective functioning of the Board, ensuring that Directors have the opportunity to contribute to Board deliberations. He communicates with the Managing Director to discuss issues affecting the Group and performance trends.

The Managing Director, Dato' Roslan Bin Hamir is responsible for the day-to-day management of the Company and its businesses. Under the Board Charter, the Board delegates all powers to manage the day-to-day business of the Group to the Managing Director, with the exception of the powers reserved specifically to the Board. There is also a clear division of responsibilities between the Chairman and the Managing Director, with no one individual has unfettered powers of decision.

Key Responsibilities of Chairman and Managing Director

Chairman (INED)
- Provides leadership to the Board.
- Monitors Board effectiveness.
- Fosters constructive relationships among Directors.
- Acts as Company representative.

➤ Promote integrity and probity.
➤ Ensure effective stakeholder communication.

Managing Director
- Develops strategies for the Board's approval.
- Executes strategies agreed upon by the Board.
- Leads day-to-day management of the Group.
- Monitors operational and financial performance.

Access to Information, Independent Advice and Indemnification

All Directors have full and timely access to the information required to discharge their responsibilities fully and effectively. They have access to the advice and services of the Company Secretaries, Chief Financial Officer, senior management and other Group's employees as well as external advisers. The Directors, with the consent from the Chairman, are allowed to take external independent professional advice concerning the affairs of the Group at the Company's expense.

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 better understand the Group's business operations. Directors may, at any time, request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business issues from management.

Where a Director is unable to attend a Board or Committee meeting, they are provided with all relevant papers and information relating to that meeting. 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 and guidelines, as well as the principles and recommendations of best practices set out in the MCCG. The Company Secretaries are also responsible for, among other things, ensuring that Board procedures are observed and that the Company's Constitution and applicable laws and regulations are complied with.

The Company had two 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 Our Group Management section of this Annual Report.

Board Charter

The Board has a charter that outlines its responsibilities, including powers that are expressly reserved to the Board, and powers that are specifically delegated to the Board Committees, individual Directors, Chairman and the Managing Director. The Board Charter also defines the relationship and interaction between the Board and management. The Board Charter is reviewed annually to ensure its continued relevance and effectiveness.

The Board Charter is available on the Company's website under 'Investors' page.

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 sets out the policies that the Company has in place to promote ethical and responsible business practices in the organisation. Each of these policies are available on the Company's website.

Directors' Fit and Proper Policy

The Directors' Fit and Proper Policy provides the criteria for the appointment and re-election/re-appointment of Directors of FimaCorp and its subsidiaries. This policy serves to guide the NRC and the FimaCorp Board in their review and assessment of candidates that are to be appointed onto the Board of FimaCorp and its subsidiaries as well as Directors who are seeking for re-election/re-appointment.

Board Diversity Policy

The Board Diversity Policy sets out the principles adopted by FimaCorp to maintain diversity on the appointment and composition of its Board of Directors. The Company sees diversity at the Board level as an essential element to ensuring the achievement of its strategic objectives and meeting the future needs of the Company. The diversity collectively represented on the Board should also reflect the diverse nature of the business environment in which the Company operates. A diverse Board will include and make good use of differences between the directors in terms of skills, experiences, industry backgrounds, genders, ages and other relevant factors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately.

Anti-Bribery Policy

The Company has 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 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 Group has a Whistle-blowing Policy which provides a safe environment where information regarding misconduct including unethical, 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 whistleblowing reports are addressed to the Managing Director or Chairman of the ARC. The ARC 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 Escalation Policy, 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, through annual reviews by the NRC, seeks to ensure an appropriate balance of experience, competencies and knowledge as well as diversity among the Directors to provide effective leadership to the Company and is guided by its Board Diversity Policy and Directors' Fit and Proper Policy.

The Board currently comprises 6 Directors, including 3 Independent Non-Executive Directors and 1 female Director. The Board collectively comprises a balance of skills, commitment, experience, gender diversity and independence to commensurate with the complexity, size, scope and operations of the Group. In addition, the composition of the Board also meets the requirement for independent directors provided for in the Bursa Listing Requirements. Nevertheless, the Board continuously reflects on its composition to ensure it has the required qualities to discharge its duties and responsibilities effectively.

Corporate Governance Overview Statement

Details of Directors, including their qualifications, experience, directorship and date of appointment to the Board are set out in 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

The Board renewal process is overseen by the NRC and involves regularly reviewing the composition of the Board to ensure that the Directors bring to the table an appropriate mix of background, skills, experience and diversity relevant to the Group's businesses. In doing so, where necessary or appropriate, the NRC and Board may tap on its networking contacts and/or engage external professional agencies to assist with identifying and shortlisting candidates.

In reviewing and assessing the candidates that are to be appointed to the Board, the NRC will consider factors such as boardroom diversity, fit and proper criteria and tenure of Independent Directors. The NRC also determines if there is any gap in the Board composition and identifies the selection criteria for the new Board candidacy based on the Board skills matrix, with the view to close the gap (if any) and to strengthen the Board composition with reference to the strategic direction of the Company. The NRC 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. No new directors were appointed to the Board in the FYE2023.

Independence of Directors

The NRC annually reviews and assesses the level of independence of the Independent Directors of the Board in line with the Bursa Listing Requirements. The Independent Directors are expected to bring views and judgement to Board deliberations that are independent of management and free of any business, interest, position, association or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgement, having regard to the best interests of the Company as a whole.

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. Where a material personal interest arises with respect to a matter that is to be considered by the Board, the Director is required to declare that interest and must not take part in any Board discussion or vote in relation to that matter, unless permitted by law.

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/her 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.

Board Diversity

The Company sees diversity at the Board level as an essential element to ensuring the achievement of its strategic objectives and meeting the future needs of the Company. Under the Company's Board Diversity Policy, the NRC is empowered to review and assess the composition and performance of the Board annually, as well as identifying qualified candidates to occupy Board positions.

We believe that a balanced Board is stronger and better equipped to consider matters from a broader perspective, understand the views of our stakeholders as well as our shareholders.

The Board Diversity Policy is available on the Company's website under 'Investors' page.

Re-election and Re-appointment of Directors

The Constitution of the Company states that one-third or the number nearest to one-third of the Directors must retire by rotation at each AGM at least once every 3 years. These Directors are eligible for re-election, subject to approval by the shareholders at the AGM. The Directors who are retiring and wish to be re-elected are required to give consent to seek re-election at the AGM.

Under the Company's Constitution, a new Director appointed by the Board during the period since the last AGM will hold office only until the next AGM following his appointment and he will be eligible for re-election. Newly appointed Director is not taken into account in determining the number of Directors who are to retire by rotation.

At the forthcoming AGM of the Company, the following Directors will be retiring from the Board, and being eligible, have offered themselves for re-election:

Directors retiring pursuant to Article 108 of the Company's Constitution

- Nik Feizal Haidi Bin Hanafi
- Dr. Roshayati Binti Basir

Based on the latest Board evaluation effectiveness and fit and proper criteria, the NRC is satisfied with the performance of the abovementioned Directors and agreed to endorse their proposed re-elections and recommended the same to the Board for further endorsement and recommendation to the shareholders for approval at the forthcoming AGM of the Company.

The profiles of Directors seeking re-election are set out in Our Board of Directors section of this Annual Report.

Performance Evaluation

The Company conducts its Board Effectiveness Evaluation ("BEE") annually. The annual BEE provides the Board and its Committees with an opportunity to consider and reflect on the quality and effectiveness of its decision making, the range and level of discussion, and for each Director to consider their peer's contribution and performance.

The NRC is responsible for overseeing the implementation of the evaluation process, identifying the issues and making appropriate recommendations to the Board. Every 3 years, the Board engages an external consultant to undertake a review of the effectiveness and structure of the Board and the Board Committees. In the intervening years, the performance evaluation process is internally facilitated by the Company Secretary.

2019	2020	2021	2022	2023
Internal performance review	Independent, externally facilitated review	Internal performance review	Internal performance review	Independent, externally facilitated review

The Board has engaged the services of an external consultant, BDO Governance Advisory Sdn. Bhd. ("BDO Governance") to facilitate the FYE2023 BEE of the Board, Board Committees and individual Directors' performance. Areas covered by the BEE include, inter-alia, the following:

Board

- Board role clarity
- Board composition and renewal
- Chairman and Committee leadership
- Performance management of the Board
- Boardroom dynamics and Board delegations
- Board/CEO/management relationship
- Information and meeting management
- Purpose, strategy and Board priorities
- Organisational performance, culture and integrity
- Governance of risk and compliance
- Executive talent, succession and remuneration

ARC & NRC

- Appropriate skills and experiences
- Effectively supports the work of the Board
- Provides good leadership on committee related matters
- Provides good reporting and recommendations to the Board

Corporate Governance Overview Statement

Evaluation Process

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

One-to-one interviews with each Director

Results collated, reported and evaluated

Report was discussed at the NRC and Board meetings

Areas for improvements are recommended to the Board

Actions

How the Evaluation was Conducted

Objectives and scope	• BDO Governance briefed NRC Chairman on the objectives and scope of the BEE.
Information gathering	• BDO Governance held interviews with individual Directors, Company Secretary and Chief Financial Officer.
Report preparation	• BDO Governance prepared the report for the Board and Board Committees. • The BEE report was discussed with the Chairman and NRC Chairman prior to the NRC and Board meetings.
Review and action planning	• The BEE report was presented and discussed at the NRC meeting held in May 2023. • The Board had at its meeting in May 2023, agreed on the actions to be taken forward in the BEE report.

The survey covers 4 main categories using the "WhatWhoHowDo" framework as below:

What

Board Role Clarity

Board members should demonstrate a clear understanding of their role as being that of governance, to provide oversight, add value and most importantly how their role differs from that of management.

Who

Board Composition & Renewal

The Who addresses pertinent issues such as size of the board, process for recruiting new directors, diversity and ongoing renewal, including succession plans for the board.

How

Board Processes

How a board comes together to address issues and make decisions is a critical determinant of its effectiveness.

Do

Board Tasks

The Do describes what the board does in terms of its main tasks.

The outcomes of the evaluation were considered by the NRC and subsequently, reported to the Board. It was determined that the Board, Board Committees and individual Directors had continued to operate effectively during FYE2023, meeting their statutory duties. The Board is also satisfied that the evaluation contributes to continuous improvement of the Board and Board Committees' performance and effectiveness.

EFFECTIVE LEADERSHIP

Board skills and experience:

	No. of Directors
Leadership	6
Strategic Planning	6
ESG	3
Corporate Finance/Investment Banking	4
Accounting, Financial Literacy	4
Legal and Regulatory	3
Corporate Governance, Risk Management & Internal Controls	3
Sales & Marketing	4
Health & Safety	4
Procurement Management	3
Project Management/Engineering	3
Plantation	4
Information Technology	4
Government Relationships	4

Directors to be elected or re-elected

Article 108 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not 3 or a multiple of 3, then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company provided always that all Directors, shall retire from office at least once in every 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.

At the forthcomimg AGM of the Company, Encik Nik Feizal Haidi Bin Hanafi and Dr. Roshayati Binti Basir are to retire by rotation in accordance with Article 108 of the Company's Constitution. Recommendation will be made to the Nomination and Remuneration Committee that both Directors who are retiring by rotation pursuant to Article 108 of the Company's Constitution are eligible to stand for re-election.

Our board's composition, diversity and tenure

The independence of our board protects shareholder interests

17% Non-Independent Executive Director

50% Independent Non-Executive Directors

33% Non-Independent Non-Executive Directors

Gender diversity

83% Men

Women **17%**

Racial diversity

100% Malay

Board tenure

The average tenure of our Independent Non-Executive Directors

3 years

The average age of our board members is

58.8

0 - 3 years				
3 - 5 years				
5 - 7 years				
7 - 9 years				
> 9 years				

Average board attendance **100%**

Average committee attendance **100%**

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 NRC 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 NRC which is available on the Company's website.

The aggregate amount of remuneration paid to the Directors for FYE2023 is set out below:

	Executive Director	Non-Executive Directors				
	Dato' Roslan Bin Hamir	Datuk Bazlan Bin Osman	Rosely Bin Kusip	Rezal Zain Bin Abdul Rashid	Dr. Roshayati Binti Basir	Nik Feizal Haidi Bin Hanafi
Company	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Directors' fees	-	75,000	60,000	60,000	50,000	65,000
Meeting allowance	-	14,000	28,000	38,000	14,000	28,000
Salaries	280,541	-	-	-	-	-
Bonus	271,332	-	-	-	-	-
Benefits-in-kind	45,258	43,688	37,026	100,053	3,400	31,657
Others	104,665	-	-	-	-	-
TOTAL	**701,796**	**132,688**	**125,026**	**198,053**	**67,400**	**124,657**
Subsidiaries	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Directors' fees	-	-	-	30,000	-	12,000
Meeting allowance	-	-	-	6,000	-	3,000
Salaries	280,529	-	-	-	-	-
Bonus	271,332	-	-	-	-	-
Benefits-in-kind	35,200	-	-	-	-	-
Others	104,665	-	-	-	-	-
TOTAL	**691,716**	**-**	**-**	**36,000**	**-**	**15,000**

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 2024, respectively.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee comprises 3 members, majority of whom are Independent Non-Executive Directors. The qualifications and experience of members of the Committee are disclosed in Our Board of Directors section of this Annual Report. The ARC has a written Terms of Reference which is available on 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 in FYE2023 are as follows:

	Audit Fees (RM'000)		Non-Audit Fees (RM'000)	
	FYE2023	FYE2022	FYE2023	FYE2022
Company	114	87	12	11
Subsidiaries	309	274	28	166
TOTAL	**423**	**361**	**40**	**177**

Information about the Committee, including its work in FYE2023 are set out in the Audit and Risk Committee Report contained in this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board recognises 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 processes and procedures. The ARC 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.

Details of the Risk Management and Internal Control Framework are also disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

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 its ARC, 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 31 July 2023.

Corporate Governance Overview Statement

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 communications of the Company are 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 is 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.fimacorp.com 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.

Financial Calendar

Financial Year
1 April 2022 to 31 March 2023

Quarter Financial Results

First Quarter Announced	Second Quarter Announced
16 August 2022	**22 November 2022**
Third Quarter Announced	Fourth Quarter Announced
22 February 2023	**19 May 2023**

Annual Report
Issued 31 July 2023

Annual General Meeting
To be held 29 August 2023

Dividends

	Interim Dividend	Second Interim Dividend
Announced	22 November 2022	19 May 2023
Entitlement date	14 December 2022	21 July 2023
Payment date	30 December 2022	4 August 2023

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. The 47th AGM was conducted using an online meeting platform through live streaming and using Remote Participation and Voting ("RPEV") facilities provided by Boardroom Share Registrars Sdn. Bhd., on 23 August 2022. The convening of this virtual AGM is in compliance 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, and in line with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia on 18 April 2020 with several revisions being made thereafter, the latest being on 7 April 2022.

During the 47th AGM, shareholders were given the opportunity to engage with the Board members and senior management via RPEV facilities. Shareholders were invited to submit their questions in advance of the 47th AGM and also offered the opportunity to ask questions during the 47th AGM electronically.

All resolutions were passed by the shareholders via RPEV platform. The voting process for the 47th AGM was conducted via RPEV facilities, and the results of the votes were scrutinised by an independent scrutineer. The proceedings at the 47th AGM were recorded in the minutes of meeting and disclosed to shareholders through the Company's website.

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 28 July 2022 and was also published in the local English newspapers and made available on the Company's website.

This Corporate Governance Overview Statement was approved by the Board of Directors on 23 June 2023.

Audit and Risk Committee Report

The Audit and Risk Committee ("ARC") was established to assist the Board in overseeing the accounting, financial reporting, internal control and risk management processes as well as the Company's practices and policies on corporate responsibility and sustainability.

Composition

The ARC is chaired by an Independent Non-Executive Director and comprises of 3 members, with the majority of whom are Independent Directors. The composition of the ARC fulfilled the requirements of paragraph 15.09 of the Bursa Listing Requirements. The members of the ARC as at the date of this Report are:

Members	Designation/Membership
Nik Feizal Haidi Bin Hanafi *(Chairman)*	Independent Non-Executive Director
Rosely Bin Kusip *(Member)*	Senior Independent Non-Executive Director
Rezal Zain Bin Abdul Rashid *(Member)*	Non-Independent Non-Executive Director • *Member, Malaysian Institute of Accountants* • *Member, Certified Practising Accountant (CPA Australia)*

The ARC does not comprise former partners or directors of the Company's existing auditing firm. Each member of the ARC brings an appropriate mix of extensive financial and commercial experience, combined with an understanding of the Group's business.

Roles and Responsibilities

In performing its duties and discharging its responsibilities, the ARC is guided by its own Terms of Reference ("ARC TOR"). The ARC TOR is reviewed annually taking into account relevant regulatory changes and recommended best practices. The ARC TOR is available on the Company's website at www.fimacorp.com under 'Investors' section.

The ARC's key roles and focus areas include:

- assessing the risks and control environment;
- overseeing financial reporting;
- evaluating the internal and external audit processes and outcomes;
- reviewing conflict of interest situations and related party transactions; and
- providing oversight on the Risk Steering Committee and Group Sustainability Committee.

Meetings

The ARC's meetings are generally scheduled in line with the Group's financial reporting calendar. During the financial year ended 31 March 2023, the ARC met 5 times with all members in attendance at all meetings.

Members	Number of Meetings Attended
Nik Feizal Haidi Bin Hanafi	5/5
Rosely Bin Kusip	5/5
Rezal Zain Bin Abdul Rashid	5/5

An annual outline agenda which provides an overview of the ARC's focus areas at each of its meetings is also circulated to the ARC members annually in advance.

Quarterly

- Unaudited quarterly financial results and announcement.
- ARC minutes of meetings and matters arising.
- Risk Steering Committee minutes of meetings.
- Group Internal Audit Report.
- Sustainability Report.
- Group Internal Audit Risk Report.

Half-yearly

- Private sessions with the external auditors.
- Private sessions with Group Internal Audit.
- Annual internal audit plan.
- Enterprise Risk Management and Risk Appetite Statement.

Annually

- External audit plan.
- External audit results/status.
- Audited financial statements.
- Assessment of external auditors.
- Audit and Risk Committee Report, Statement on Risk Management and Internal Control and Circular/Statement to Shareholders.
- Appointment/re-appointment of external auditors.
- ARC TOR and Risk Steering Committee's Terms of Reference.

Audit and Risk Committee Report

The Managing Director, Chief Financial Officer and Head of Group Internal Audit ("GIA") or relevant members of the management will attend the meetings upon invitation by the ARC to facilitate the discussion, as well as to provide explanation on the Group's performance and financial results, reports on the activities of the internal audit, risk management and internal controls, related party transactions, material litigation and whistleblowing as well as other matters within the ARC TOR. The external auditors are also invited to present their key audit findings/matters, audit plan and other relevant matters.

The ARC holds private meetings with the external auditors and GIA at least once annually. In FYE2023, the ARC had met with the external auditors on 27 June 2022 and 22 November 2022, and with GIA on 24 May 2022 and 22 November 2022. The ARC also engages with the Risk Steering Committee and Group Sustainability Committee to ensure there is a good understanding of the work undertaken by each committee and enable efficient communication between the committees.

The Company Secretaries act as the secretaries of the ARC, who is in attendance at all meetings and records the proceedings of the meetings.

The ARC has access to any form of independent professional advice and the services of the Company Secretaries as and when required. All ARC meeting minutes, including meeting papers, on matters deliberated by the ARC in the discharge of its functions are properly documented. Minutes of each meeting are also distributed to all ARC members and presented to the members of the Board at the Board meeting for noting.

The ARC keeps the Board informed of its activities and recommendations, and the Chairman of the ARC provides an update to the Board after every ARC meeting. When presenting any recommendations to the Board, the ARC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

During FYE2023, the ARC members attended various training programmes to keep them abreast of new developments pertaining to legislation, regulations, current commercial issues and risks in order to effectively discharge their duties. Details of the training programmes attended by ARC members are set out in the Corporate Governance Overview Statement section of this Annual Report.

Summary of Activities of the ARC in FYE2023

Governance Roles and Responsibilities Fulfilled and Outcomes	Summary of Activities
	Financial Reporting • Recommended for Board approval the Directors' Report and Audited Financial Statements for FYE2022. • Reviewed the solvency and liquidity status of the Group and Company. • Reviewed trade receivables and any impairments made. • Reviewed the quarterly financial results for announcement to Bursa Malaysia before recommending for the Board's approval. • Reviewed the recurrent related party transactions/related party transactions of the Group including amount due and owing by the related party. • Reviewed the share buy-back transactions.
	Risk Management and Material Litigation • Considered the Group's Enterprise Risk Management Report biannually with particular attention on the Group's top key risks, risk parameters and the mitigating measures. • Identification of new and emerging risks. • Received updates on material litigation and industrial relations/accidents cases and whistleblowing complaints received through the whistleblowing channels.
	Internal Audit • Considered GIA's Audit Plan for financial year 2024 including GIA key result areas/performance measures, budget and adequacy of resources and competencies of GIA's staff to execute the audit plan. • Reviewed GIA reports including investigations and special assignments, main observations made by GIA, and the management's responses. • Monitored the implementation of the recommendations made by GIA or management. • Private sessions with GIA without management presence to discuss key issues within their audit of interest. • Annual assessment of the effectiveness of GIA's performance.

Governance Roles and Responsibilities Fulfilled and Outcomes	Summary of Activities
	External Audit • Considered Messrs. Ernst & Young PLT's ("EY PLT") Audit Plan which outlined the audit strategy and approach for FYE2023. • Considered EY PLT's fees and non-audit services before recommending to the Board for approval. • Reviewed significant audit and accounting issues that arose during the course of the audit and their resolution. • Reviewed key audit matters, which involved estimation and material judgement regarding the assumptions taken and the estimates made, accounting policies and audit judgements. • Considered recommendations made by EY PLT in their management letters and the adequacy of management's responses. • Annual assessment of EY PLT's performance including independence, objectivity and professionalism. • Recommended for Board approval the EY PLT's re-appointment as the Company's auditors and for the same to be put for shareholders' approval at the 47th AGM. • Private sessions with EY PLT to discuss any issues of concern.
	Compliance, Governance and Other Matters • Company's compliance with the Bursa Listing Requirements, Malaysian Accounting Standards Board and other relevant legal and regulatory requirements regarding the quarterly and year-end financial statements. • ARC TOR and Risk Steering Committee's Terms of Reference. • Reviewed the Audit and Risk Committee Report together with the Statement on Risk Management and Internal Control, prior to submission to the Board for approval. • Recommended for Board approval the Circular/Statement to Shareholders in relation to the proposed renewal of shareholders' mandate for RRPT and shares buy-back. • Considered the Group's ESG/sustainability performance on a quarterly basis. • Considered the results of the Malaysian Sustainability Palm Oil annual surveillance audit and the key observations therefrom.

Legend

Governance Roles and Responsibilities

Steers and sets strategic direction

Approves policy and planning

Oversees and monitors

Ensures accountability

Outcomes

Ethical culture

Good performance

Effective control

Evaluation of the Audit and Risk Committee

The performance of the ARC for the FYE2023 was evaluated as part of the Board annual effectiveness evaluation exercise. Consistent with the requirements of the Malaysian Code on Corporate Governance, the performance evaluation was externally facilitated for FYE2023, and an overview of the evaluation process and questionnaires can be found under Corporate Governance Overview Statement section of this Annual Report.

Based on the results of the exercise, the Board was satisfied that the ARC has discharged its duties responsibly and effectively in accordance with the ARC TOR.

Relationship with External Auditors

The ARC is provided with reports, reviews, information and advice throughout the year, as set out in the terms of engagement of EY PLT. The performance of EY PLT is formally assessed by the ARC on an annual basis. The ARC is satisfied that the EY PLT is effective and has provided appropriate independent challenge to the Company's management.

EY PLT has declared and confirmed that it is, and has been, independent throughout the conduct of the audit engagement for FYE2023, in accordance with the terms of all relevant professional and regulatory requirements. EY PLT is also not aware of any relationships or other matters that may reasonably be thought to bear on their independence.

Statement on Risk Management and Internal Control

This Statement on Risk Management and Internal Control is made in compliance with the Bursa Listing Requirements and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers. The following statement outlines the nature and scope of risk management and internal controls within FimaCorp Group during the financial year ended 31 March 2023.

Accountability of the Board

The Board is responsible for establishing and maintaining a sound risk management and internal control framework with the objective of safeguarding the shareholders' interest and the Group's assets.

The Board is supported by the Audit and Risk Committee ("ARC") in fulfilling its responsibility of overseeing the Group's risk management and internal control systems. The ARC, with the support of the Risk Steering Committee ("RSC"), oversees the Group's risk management framework and ensures that appropriate measures are implemented by management to provide the desired level of assurance to the Board. Group Internal Audit ("GIA") assists the ARC by providing assurance on the adequacy and effectiveness of the risk management and internal control systems. This structure ensures a robust system of checks and balances to mitigate risks and safeguard the interests of stakeholders.

The Board retains ultimate responsibility for the governance of risk management and internal control, and all the actions of the ARC and RSC with regard to the execution of the delegated oversight responsibilities.

Audit and Risk Committee

The ARC shall carry out the following duties in regard to the Group's risk management and internal control:

- oversee, agree and recommend for Board approval a risk management framework consistent with the agreed Company's risk appetite and profile parameters.
- oversee the establishment of processes and procedures for the monitoring and evaluation of the Company's risk management and internal control systems.
- assess the adequacy and effectiveness of the Group's financial and non-financial internal control and risk management activities in relation to the organisation's risk appetite.
- receive and discuss periodic enterprise risk management reports or any other matters which the RSC refers to the ARC.
- consider major investigation findings on risk management, whistleblowing and/or internal control matters as delegated by the Board or on its own initiative and management's response to these findings.

Risk Steering Committee

The RSC assists the ARC in fulfilling its responsibilities for review and oversight of the Group's risk management and internal control framework:

- oversee the enterprise risk management and internal control framework and policies and annual risk management plan of FimaCorp and its subsidiaries. In doing this, the RSC is to identify the Group's level of risk tolerance and to actively identify, assess and monitor key business risks of the Group including risk treatment/mitigation action plans for the business unit and control of key business risks.
- review and discuss with management, and to consult with the ARC, as applicable, regarding the Group's risk governance structure, risk assessment and ERM practices and guidelines, policies and processes.
- deliver reports on risk management and risk assessment to the ARC or to the Board.
- review and discuss with divisions the risks, risk strategies and monitoring.
- review and discuss with management the Group's sustainability and safety programmes and implementation thereof.
- report to the ARC on risk topics as the RSC deems appropriate from time to time.
- report on the Group's safety, environmental, social and governance responsibility.

The roles and responsibilities of the ARC and RSC are set out in their written Terms of Reference which are accessible on the Company's website.

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 include the following:

- **Operational and follow-up audits** are conducted throughout the financial year based on the approved annual audit plan to provide reasonable assurance that the systems of internal controls and its framework, and the governance processes put in place by management, continue to operate satisfactorily, and effectively add value to and improve the Group's business operations.

- **Heads of Divisions' meetings**, which are held by the holding company, Kumpulan Fima Berhad ("KFima") and chaired by the Group Managing Director, are held on a monthly basis to deliberate on the Group's financial performance and internal audit reports, as well as business development, legal/litigation, operational and corporate issues. Minutes of the HOD meetings are tabled to the Board every quarter and the Managing Director will update the Board on any significant matters that require the Board's immediate attention.

- The **Managing Director actively participates** and is involved in the day-to-day running of the major businesses and regular discussions with the senior management.

- 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 a timely manner. The Group's strategic directions are also reviewed annually taking into account changes in market conditions and significant business risks.

- The periodic review of **procurement, limits of authority, investment and other standard operating procedures** to ensure a robust framework of authority and accountability. This process streamlines decision-making within the organisation, promoting well-informed and timely corporate decision-making at the appropriate levels in the organisation's hierarchy.

- The **compliance function**, consisting of the ARC and internal audit function, supports the Board to oversee the management of risks and maintain a robust control environment. The ARC reviews GIA's reports and conducts annual assessments on the adequacy of GIA's scope of work.

- 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, reviews and recommends 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.

- Review and award of **major contracts** which exceed the limits delegated to the Managing Director are undertaken by the Board.

- We have implemented **strict procedures** for the disposal of scraps and sludge oil, which require obtaining prior written approval from the relevant head of division. These procedures are specifically designed to mitigate any potential risks associated with the disposal of waste materials e.g. mismanagement or inappropriate handling.

- The **competency of staff** is enhanced through a rigorous recruitment process and development programmes. A performance appraisal system for staff is in place, with established targets and accountability, and is reviewed annually.

Internal Audit Function

The Group's internal audit function is undertaken by GIA of KFima. Empowered by its audit charter, GIA provides independent assurance on the efficiency and effectiveness of the Group's governance, risk management and internal controls processes. GIA's role includes evaluating and improving the design and effectiveness of the Group's risk management, control, and governance processes through a systematic and disciplined approach. GIA follows the standards and practices outlined in the International Professional Practices Framework issued by the Institute of Internal Auditors.

GIA reports directly to the ARC to preserve its independence and objectivity. Administratively, GIA reports to the Managing Director which provides the necessary stature to fulfil its responsibilities.

The annual audit plan, which includes the scope of works and resource allocation, is approved by the ARC. The audit plan is developed primarily using a risk-based approach taking into account input and feedback from management and the ARC.

GIA reports to the ARC and communicates audit observations to management. GIA also monitors the progress of actions taken by the operating units in response to audit findings. GIA conducts independent reviews of the key activities within the Group's operating units to assess their compliance, effectiveness and efficiency.

Any concerns raised by the ARC are addressed by GIA. The ARC follows through on any unresolved matters in the agenda for the next ARC meeting. GIA's evaluations include the following:

1. Adequacy, integrity, effectiveness of the Company and the Group's internal controls in safeguarding shareholders' investments and the Group's assets. The internal controls cover financial, operational, information technology, compliance controls and enterprise risk management.

2. The extent of compliance with established policies, procedures and statutory requirements.

3. Adequacy of policies, procedures and guidelines on the Company and Group's accounting, financial and operational activities.

Statement on Risk Management and Internal Control

Summary of Key Activities Carried Out by GIA during FYE2023

- Prepared and presented the annual audit plan for the review and approval by the ARC.
- 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 in these processes.
- Reported on a quarterly basis to the ARC the achievement of the audit plan and status of resources of the GIA function.
- Conducted regular follow-up and monitoring on the implementation of recommendations made by GIA to ensure that appropriate corrective actions are taken on a timely basis or within agreed timelines.
- Reviewed the Internal Audit Standard Operating Procedures.
- Coordinated and facilitated the review of the Group's risk management framework together with the Risk Coordinator, and attended meetings of the RSC.
- Performed risk-based audits based on the approved annual audit plan, including follow-up of matters from previous internal audit reports.
- Reported on a quarterly basis to the ARC on significant risk management, control and governance issues from the internal audit reports.
- Reported on a quarterly basis to the ARC the audit conclusion or opinion on the adequacy and operating effectiveness of the business units including the recommended process improvement action plans.
- Conducted quarterly reviews on the internal control process and reporting of recurrent related party transactions to provide assurance to the ARC that its implementation is in compliance with Bursa Listing Requirements.
- Reviewed compliance with MS2530-3:2013 Malaysian Sustainable Palm Oil certification standard of Part 3: General Principles for Oil Palm Plantations and Organised Smallholders requirements for all estates operated by the Group in Malaysia.
- Conducted on-site training for the estates' data entry staff to improve their proficiency in operating the plantation division's management information system.

During FYE2023, GIA issued a total of 17 reports arising from planned audits. Audit findings were presented to the ARC for deliberation. Cases where weaknesses were identified, the ARC will request management to rectify them based on recommendations provided by GIA.

The total cost incurred in discharging the internal audit functions during FYE2023 was RM196,995.28 compared to FYE2022 of RM150,864.24. This amount mainly comprised staff costs, training and travelling expenses. Further information on GIA is provided in the Corporate Governance Report.

Enterprise Risk Management

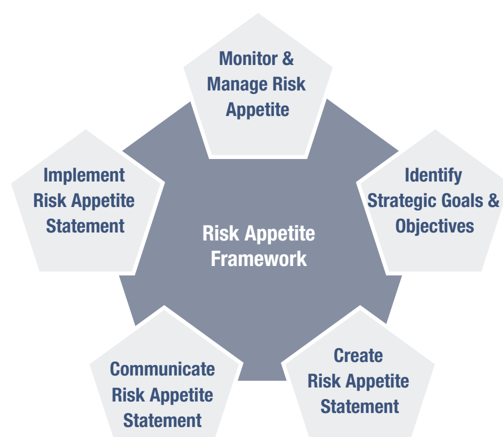
The Group's Enterprise Risk Management ("ERM") framework provides a standardised and systematic approach for the identification, evaluation, monitoring and reporting of key risks, controls and ensuring that there are adequate measures to implement, track and review the action plans. The ERM framework is aligned with the ISO 31000:2018, and is adopted across the operating companies within the Group. The importance of aligning the ERM framework is to manage existing and emerging risks to protect our key stakeholders' and shareholders' interests.

The risk management framework and internal control systems are designed to identify, assess and manage risks that may impede the achievement of business objectives and strategies. The Board also acknowledges that the internal control systems are designed to manage and minimise, rather than eliminate, occurrences of material misstatement, financial loss or fraud.

Risk Appetite Statement

The Risk Appetite Statement outlines the Group's predefined boundaries for risk-taking and serves as a guideline to demonstrate the organisation's risk tolerance levels. Any significant breach of these risk tolerance limits will be reported (as soon as practicable) to the Board directly by the Chairman of the RSC.

The Risk Appetite Statement is formulated at Group level and cascaded down to divisions, departments and operating unit levels through policies, procedures, practices and decision making. The monitoring of risk appetite occurs within the risk management framework and is supported through periodic risk assessments by the RSC, with reporting to the Board through the ARC.



ERM Reporting Structure and Process

The management of risks is considered as an integral part of the Group's management process. Accordingly, it is incorporated into the operational processes of the Group. The current reporting/governance structure is designed to reinforce and facilitate ownership, accountability, and proactive risk mitigation. The structure enables timely reporting and escalation of risks, facilitating effective risk management practices across the Group.

Enterprise Risk Management Reporting Structure

The Group adopts a 3 lines of defence approach for its risk management. It provides an overview of the Group's operations from a risk management perspective while assuring the ongoing success of risk management initiatives.

1st Line of Defence

Risk Ownership

- Line management (staff/support functions) is the first line of defence in the risk management framework. They have ownership of risk whereby they manage the day-to-day operational risks that they encounter in conducting their activities and are responsible for identifying and managing the inherent operational risks in activities, processes and systems for which they are accountable, consistent with the Group's policies and procedures, objectives and risk appetite.
- Information that first line management should report to the second line of defence, i.e. Risk Management Unit ("RMU"), includes, among others, key risk issues, incidents and near misses (including historical/trend analysis/statistics, status of remediation/mitigation actions and lessons learned).

2nd Line of Defence

Risk Management

- The RMU is the second line of defence that oversees risk and monitors the first line of defence controls. Comprising executives/ management of the respective business units, the RMU is responsible for monitoring and measuring the operational risks, particularly critical and highly rated residual risks, to determine if the processes and systems implemented by the first line of defence are working effectively. This provides the RMU with a mechanism for discussion and effective escalation of issues leading to better risk management over time and increased enterprise resilience.
- RMU has a reporting line to the RSC.

3rd Line of Defence

Risk Assurance

- GIA regularly reviews first and second line of defence activities and results, including the risk management functions involved. GIA provides independent assurance through a risk-based approach to the ARC and the Board on the adequacy and effectiveness of the system of internal controls, risk management, and governance processes and recommends the appropriate improvement actions, where necessary.

Statement on Risk Management and Internal Control

The RSC was established to assist the ARC and the Board in overseeing the implementation of the Group's risk management framework. It serves as a central platform for coordinating and driving the risk management efforts across the Group. The RSC is responsible for monitoring and assessing significant risks, ensuring appropriate risk mitigation measures are in place, and providing guidance on risk-related matters. By actively engaging with management and divisional heads, the RSC helps anticipate and manage risks, considering changes in the business and regulatory environment and aligning with the Group's strategies.

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, GIA collaborates with the management to review and ensure 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 levels by the Group.

A Risk Coordinator, who is a member of senior management, acts as a central contact and guide for ERM-related issues within the Group, including but not limited to coordinating ERM routinely within the Group and facilitating and supervising the development and implementation of policy, procedures and strategies relating to ERM.

In this current financial year, the Group has plans to establish a Group Risk Management Unit (“GRMU”), to be headed by the Chief Financial Officer. The GRMU will be responsible for monitoring and reporting on the effectiveness of risk mitigation measures, as well as providing recommendations for improvement. The GRMU will be supported by a Risk Officer, whose appointment was approved by the ARC subsequent to the financial year-end. Through the GRMU, we aim to foster a proactive approach to risk management and strengthen the Group's overall risk resilience.

During the FYE2023, the RSC held 2 meetings on 8 August 2022 and 15 November 2022. The meetings discussed among others the following:

- progress of ERM activities including the updated risk profiles, as changing circumstances have resulted on some risks increasing/decreasing in significance.
- progress of key initiatives and roadmap proposed by the consultant.
- review of the ERM standard operating procedures and RSC Terms of Reference whereupon no changes have been proposed.

The Risk Coordinator presents the ERM Report to the Board biannually. This allows the Board to keep abreast and updated on the major risks within the Group. In FYE2023, the ERM Report was presented to the Board on 16 August 2022 and 22 November 2022 where the Board was updated on the key changes made to the residual risk ratings of the risk areas as well as details of emerging risks of the Group.

Risk Management Practices and Processes

The risk management practices and processes enable a systematic identification, evaluation, treatment, and monitoring and reporting of risk exposures in FimaCorp Group. The Group maintains a risk register that contains a comprehensive list of risks critical to the Group. This register also includes corresponding risk mitigation and key risk indicators that help monitor status of these risks. The key risk indicators are reviewed and updated quarterly, allowing management to track the movement of risks and respond promptly with the appropriate measures. This proactive approach ensures that the risks are effectively managed and that the Group’s business objectives are met.

1 Risk identification

Risks are identified by the first line of defence. They carry the primary responsibility for identifying and managing risk appropriately as primary risk owners.

Identified risks are formally documented in risk registers and have designated risk owners.

2 Risk evaluation

Risks are evaluated in terms of potential impact and likelihood.

Identify key controls and assessments on the effectiveness level which shall define the residual risk rating following the development and implementation of the existing controls.

3 Risk treatment

Identify the range of options for treating risks, assessing these options, and prioritising the implementation of treatment plans.

4 Risk monitoring

Monitor forward looking key risk indicators and early warning signals to ensure that sufficient and timely action is in place to mitigate any potential risk.

5 Risk reporting

Risk reporting is clear and concise and puts management and the Board in a position to make informed risk decisions.

Report the key risk indicators to the ARC and the Board on a regular basis.

Below are the steps taken to compile risk information within the Group:

Prepare — 1 — RMU prepares the Risk Register indicating the current condition of each risk and plan

Compile — 2 — Risk Coordinator compiles all Risk Registers

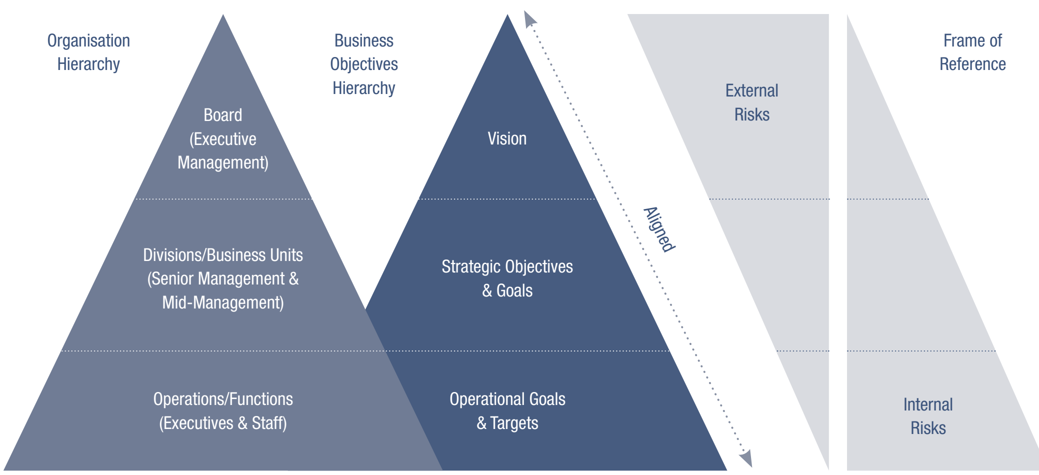
Review — 3 — RMU reviews their Risk Registers quarterly

Update — 4 — Risk Registers are updated based on the latest risk information

Monitor — 5 — RMU monitors and reports risk information

Monitoring and Review

The Board retains the overall risk management responsibility in accordance with best practices 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.



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

- quarterly reviews of the Group's actual financial and operational performance versus planned performance and other key financial and operational performance indicators.
- 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 GIA and the external auditors pertaining to financial, operational, governance, risk management and control matters. The status of preventive and corrective actions for issues discussed is also updated to the ARC to enable monitoring of the actions.

Statement on Risk Management and Internal Control

Review of Key Risk Areas

During the period under review, we have reviewed our key risk areas as at 31 March 2023 and the mitigating actions are as set out below:

Key Risk Areas	Our Risk Appetite	Change Reporting/Causes as at 31 March 2023	Mitigation Actions as at 31 March 2023	Connection	
				Material Matters	Stakeholders
Socio-Political Risk	FimaCorp seeks to minimise exposures in regions whereby a sudden and significant change of government policies or significant and prolonged social unrests which could disrupt operations are high	**Stable Risk** 2022 ➤ 2023 1. Minimum wage implemented from 1 May 2022 has insignificant impact to the Malaysian operations 2. Government policies of the originating country have an impact on the recruitment of their workers 3. Regulatory issues on land matters in Indonesia Exposure:	1. Implementation of mechanisation initiatives to reduce dependency on manual labour and drive productivity 2. Upskilling and reskilling estate workers, which in turn can help increase their wage-earning potential 3. Consultation with legal advisers on land matters in Indonesia	• Code of Ethics & Governance • Community Investments	a. Investors b. Communities c. Suppliers d. Employees e. Shareholders
Technology Disruption Risk	FimaCorp will seek to minimise the risk of technological disruption by continuously exploring synergetic opportunities with technological partners or other means to innovate its product offering as part of its digital-proofing strategies	**Stable Risk** 2022 ➤ 2023 1. Government's digitalisation initiatives on core services 2. Preference to Internet of Things including adoption of paperless practices Exposure:	1. Retreat and workshops with customers 2. Continuous exploring of synergistic opportunities and ongoing engagements with technological partners	Innovation & Technology Excellence	a. Investors b. Communities c. Suppliers d. Employees e. National & Local Governments f. Strategic Technological Partners

Key Risk Areas	Our Risk Appetite	Change Reporting/Causes as at 31 March 2023	Mitigation Actions as at 31 March 2023	Connection	
				Material Matters	Stakeholders
Supply Chain Management Risk	FimaCorp seeks to minimise the effects of price increases or delays in deliveries of goods and services by recovering the incremental costs through price adjustments over a period of time/during contract review	**Decreasing Risk** 2022 2023 1. Deliveries of materials have significantly improved and all outstanding deliveries completed 2. Significant reduction in fertiliser prices, no requirement for advance purchasing or buffer stocks Exposure:	1. Alternative domestic supplier 2. Stock pile for raw and packaging materials	Sustainable & Traceable Supply Chains	a. Customers b. Competitors c. Suppliers d. Employees
Customer Concentration Risk	FimaCorp seeks to minimise exposures by expanding its customer base and reduce reliance on Government contracts	**Heightened Risk** 2022 2023 Exposure:	1. Securing new businesses 2. Go to Market with Strategic Technological Partners 3. Continuous engagement with key Government agencies	• Code of Ethics & Governance • Innovation & Technology Excellence • Product Quality and Safety	a. Investors b. Shareholders c. Suppliers d. Employees e. Strategic Technological Partners f. Customers
Competitor Risk	FimaCorp seeks to minimise exposures by developing innovative solutions for its customers	**Heightened Risk** 2022 2023 Policy changes in government tender processes has led to heightened competition Exposure:	Go to Market with Strategic Technological Partners	• Code of Ethics & Governance • Innovation & Technology Excellence • Product Quality and Safety	a. Investors b. Shareholders c. Suppliers d. Employees e. Strategic Technological Partners f. Customers

Statement on Risk Management and Internal Control

Key Risk Areas	Our Risk Appetite	Change Reporting/Causes as at 31 March 2023	Mitigation Actions as at 31 March 2023	Connection	
				Material Matters	Stakeholders
Integrity	FimaCorp shall not tolerate any breach of its Code of Ethics and Conduct and has zero-tolerance for bribery and corruption	**Stable Risk** 2022 → 2023 Exposure:	1. Annual Integrity Declaration completed by all employees 2. Integrity Pledge completed by all business associates 3. Escalation Policy for the reporting and escalation of incidents, allegations etc implemented 4. Whistle-blowing Policy	• Anti-Fraud Bribery & Corruption • Code of Ethics & Governance	a. Employees b. Shareholders & Investors c. Customers d. Communities e. Memberships & Association f. Suppliers g. National & Local Governments

New Low Medium High Very High

Risk Movement: Increasing risk Stable risk Decreasing risk

Emerging Risks

The Board and divisional management also take emerging risks into account when considering potentially adverse outcomes and appropriate management action. An emerging risk (or opportunity) is defined as an event that is perceived to be potentially significant but is not yet fully understood. Emerging risks could either be completely new risks or connected with existing risks in unfamiliar conditions. Mitigating action may not be necessary until further information is known about the possible impact. Some emerging risks that the Group has identified during the year and are monitoring closely include:

- increase in the cost of doing business due to changes in statutory policies.
- interest rate hikes to mitigate impact of global core inflation rate anticipated at 7% in 2023.
- tax on foreign-source income.

Anti-bribery

In order to strengthen the Group's internal control system, particularly in relation to 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 commitment and stance against bribery. The Policy is in line with 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. A number of other Group policies also address bribery and corruption risks in areas such as procurement, gifts and hospitality, and charitable donations. Training sessions, including e-learning and workshops, were conducted to educate employees on anti-bribery practices. Notably, staff members working in procurement, sales and operational functions are required to attend anti-bribery training on an annual basis as they are more likely to encounter bribery risks in their day-to-day activities.

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. It provides protection for the whistleblowers from any reprisals as a direct consequence of making such disclosures. It also covers the procedures for disclosures, investigations and the respective outcomes of such investigations. The Policy can be accessed under the 'Investors' section of the Company's website.

Procedures

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

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

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

Via Email : ac.chairman@fimacorp.com
Via Mail : Fima Corporation 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 "blowing the whistle" on any improper conduct or wrongdoing. The confidentiality of all matters raised and the identity of the whistleblower are protected under the policy.

Adequacy and Effectiveness of the Group's Risk Management and Internal Control Systems

The Board is of the view that the system of internal control and risk management 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, the shareholders' investments and the interest of other stakeholders. The Board has received assurance from the Managing Director and the Chief Financial Officer that the Group's risk management and internal control systems have been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement. The Group will continue to take measures to preserve, protect and strengthen the risk management and internal control environment. The internal control systems do not apply to the Group's associate companies, which fall under the control of the associates.

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 2023 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

This Statement has been reviewed and approved by the Board of Directors on 23 June 2023.

NIK FEIZAL HAIDI BIN HANAFI
Chairman of 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 FYE2023 was as follows:

Name of Subsidiary	Related Party	Nature of RRPT	Interested Major Shareholder and Director of Subsidiary	Estimated Annual Value Disclosed in the Preceding Year's Circular (RM'000)	Actual Value of Transactions during the Financial Year (RM'000)
PT Nunukan Jaya Lestari ("PTNJL")[(1)]	PT Pohon Emas Lestari ("PTPEL")[(2)]	Purchase of fresh fruit bunches Buyer: PTNJL Seller: PTPEL	Muhammad Ramli[(3)] Asmi Andi Yakin[(4)]	11,000	7,274

Notes:

(1) PTNJL's principal activities are in the oil palm production and processing. FimaCorp effectively owns 80% of PTNJL;

(2) PTPEL's principal activity is oil palm production;

(3) Muhammad Ramli is a Director of PTNJL and has 5% direct shareholding in PTNJL. He is also a Director of PTPEL and has 99% direct shareholding in PTPEL; and

(4) Asmi Andi Yakin is a member of the Board of Commissioner of PTNJL and has 15% direct shareholding in PTNJL. She is also a Director of PTPEL.

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 others irregularities.

This Statement is made in accordance with the resolution of the Board dated 23 June 2023.

Financial Statements

Directors' Report

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 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of property management, oil palm plantation and investment holding.

The principal activities of the subsidiaries and associate are those of production of security and confidential documents, oil palm production and processing, and printing of bank notes. Information on the subsidiaries and associate are described in Notes 17 and 18 to the financial statements, respectively.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	38,996	36,458
Profit attributable to:		
- Equity holders of the Company	36,100	36,458
- Non-controlling interests	2,896	-
	38,996	36,458

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 amounts of dividends paid by the Company since 31 March 2022 were as follows:

	RM'000
In respect of the financial year ended 31 March 2022 as reported in the directors' report for that year:	
Single-tier second interim dividend of 7.5 sen, paid on 12 August 2022	17,803
Single-tier special dividend of 2.5 sen, paid on 12 August 2022	5,935
In respect of the financial year ended 31 March 2023:	
Single-tier first interim dividend of 5.0 sen, paid on 30 December 2022	11,863
	35,601

Subsequent to the financial year end, on 19 May 2023, the directors declared a single-tier second interim dividend of 7.5 sen in respect of the current financial year ended 31 March 2023 on 237,157,530 shares, amounting to a total of RM17,787,000 payable on 4 August 2023.

The financial statements for the current financial year ended 31 March 2023 do not reflect this dividend. This dividend will be accounted for in the statement of changes in equity as an appropriation of retained earnings in the next financial year ending 31 March 2024.

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

Directors' Report

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:

Datuk Bazlan bin Osman	(Chairman)
Dato' Roslan bin Hamir *	(Managing Director)
Rezal Zain bin Abdul Rashid *	
Dr. Roshayati binti Basir	
Rosely bin Kusip	
Nik Feizal Haidi bin Hanafi *	

* Directors of the Company and subsidiaries

In accordance with Article 108 of the Company's Constitution, Dr. Roshayati binti Basir and Encik Nik Feizal Haidi bin Hanafi shall retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

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

Dato' Adnan bin Shamsuddin
Dzakwan bin Mansori
Mohd Yusof bin Pandak Yatim
Jasmin binti Hood
Che Norudin bin Che Alli
Muhammad Ramli
Asmi binti Andi Yakin
Abdul Khudus bin Mohd Naaim
Ab Aziz bin Yunus
Irman bin Abdul Shukor
Muhammad Fadzlilah bin Abdul Ra'far
Hamka bin Usman

DIRECTORS' BENEFITS

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

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 and/or related companies 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 he is a member or with a company in which he has a substantial financial interest, except as disclosed in Note 37 to the financial statements.

The Company's directors' remuneration receivable from the Group and from the Company are as follows:

	Group RM'000	Company RM'000
Directors' remuneration	2,093	1,350

INDEMNITIES TO DIRECTORS OR OFFICERS

During the financial year, the directors and officers of the Group and of the Company are covered under the Kumpulan Fima Berhad ("the Group") Group 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 aggregate for all claims. 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 RM22,000.

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
	1 April 2022	**Bought**	**Sold**	**31 March 2023**
The Company				
Direct interest				
Datuk Bazlan bin Osman	10,000	-	-	10,000
Rezal Zain bin Abdul Rashid	14,000	-	(14,000)	-
Dr. Roshayati binti Basir	175,600	-	-	175,600
Indirect interest				
Dato' Roslan bin Hamir (1)	601,800	-	-	601,800
Dr. Roshayati binti Basir (2)(3)(4)	150,383,658	-	-	150,383,658
Kumpulan Fima Berhad				
- Ultimate holding company				
Direct interest				
Datuk Bazlan bin Osman	5,000	-	-	5,000
Dato' Roslan bin Hamir	320,000	-	-	320,000
Dr. Roshayati binti Basir	49,906,400	114,300	-	50,020,700
Indirect interest				
Dato' Roslan bin Hamir (1)	1,291,000	-	-	1,291,000
Dr. Roshayati binti Basir (5)	120,342,700	693,300	-	121,036,000

Directors' Report

DIRECTORS' INTERESTS (CONT'D.)

	Number of ordinary shares			
	1 April 2022	Bought	Sold	31 March 2023
BHR Enterprise Sdn. Bhd.				
- Corporate shareholder				
Direct interest				
Dr. Roshayati binti Basir	19,060,163	-	-	19,060,163
Indirect interest				
Dr. Roshayati binti Basir [6]	38,120,326	-	-	38,120,326

	Number of preference shares			
	1 April 2022	Bought	Sold	31 March 2023
BHR Enterprise Sdn. Bhd.				
- Corporate shareholder				
Indirect interest				
Dr. Roshayati binti Basir [7]	4	-	-	4

	Number of ordinary shares			
	1 April 2022	Bought	Sold	31 March 2023
Nationwide Express Holdings Berhad				
- Related company				
Direct interest				
Dr. Roshayati binti Basir	27,354,100	-	-	27,354,100
Indirect interest				
Dr. Roshayati binti Basir [8]	42,761,870	-	-	42,761,870

Deemed interested by virtue of the following:

(1) 601,800 and 1,291,000 ordinary shares are held under Maybank Nominees (Tempatan) Sdn. Bhd..

(2) Her sister, Datin Rozilawati binti Haji Basir's indirect shareholding in the Company which is held under Maybank Nominees (Tempatan) Sdn. Bhd..

(3) Her mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding in the Company.

DIRECTORS' INTERESTS (CONT'D.)

Deemed interested by virtue of the following: (cont'd.)

(4) Fima Metal Box Holdings Sdn. Bhd. ("Fima Metal Box")'s direct shareholding in the Company. Fima Metal Box is a major shareholder of the Company and a wholly-owned subsidiary of Kumpulan Fima Berhad ("KFIMA").

(5) Dr. Roshayati binti Basir is deemed interested in KFIMA by virtue of the following:

(i) Her shareholding in BHR Enterprise Sdn. Bhd. ("BHR") of more than 20%. BHR is a major shareholder of KFIMA;

(ii) Her mother, Puan Sri Datin Hamidah binti Abdul Rahman's shareholding in KFIMA and her shareholding of preference shares in BHR;

(iii) Her sister, Rozana Zeti binti Basir's direct shareholding in KFIMA, her direct shareholding in RZB Holdings Sdn. Bhd. and her shareholding in BHR being more than 20%. Rozana Zeti binti Basir is the major shareholder of KFIMA;

(iv) Her sister, Datin Rozilawati binti Haji Basir's direct and indirect shareholdings in KFIMA and her shareholding in BHR being more than 20%; and

(v) Her brother, Ahmad Riza bin Basir ("Ahmad Riza"), his wife, Zailini binti Zainal Abidin and their children's indirect shareholdings in KFIMA. Subur Rahmat Sdn. Bhd.'s ("SRSB") direct shareholding in KFIMA. Ahmad Riza and his wife are deemed interested in SRSB pursuant to Section 8 of the Companies Act, 2016.

(6) Deemed interested by virtue of Datin Rozilawati binti Haji Basir and Rozana Zeti binti Basir's direct shareholdings in BHR. Datin Rozilawati binti Haji Basir and Rozana Zeti binti Basir are sisters of Dr. Roshayati binti Basir.

(7) Her mother, Puan Sri Datin Hamidah binti Abdul Rahman's shareholding in KFIMA and her shareholding of preference shares in BHR.

(8) Dr. Roshayati binti Basir is deemed interested in Nationwide Express Holdings Berhad ("NEHB") by virtue of the following:

(i) Her shareholdings in BHR of more than 20%. BHR is a corporate shareholder of NEHB;

(ii) Her mother, Puan Sri Datin Hamidah binti Abdul Rahman and her sister, Rozana Zeti binti Basir's direct shareholdings in NEHB. Rozana Zeti binti Basir is the major shareholder of NEHB; and

(iii) Her sister, Datin Rozilawati binti Haji Basir's indirect shareholdings in NEHB which is held under M&A Nominees (Tempatan) Sdn. Bhd..

Other than as stated above, none of the other directors in office at the end of the financial year had any interests in shares in the Company or its related corporations during the financial year.

TREASURY SHARES

During the financial year, the Company bought back 222,900 of its issued ordinary shares.

As at 31 March 2023, the Company held as treasury shares a total of 8,166,800 of its 245,324,330 issued ordinary shares. Such treasury shares are held at a carrying amount of approximately RM11,289,000. Further details are disclosed in Note 28 to the financial statements.

Directors' Report

IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The immediate and ultimate holding companies are Fima Metal Box Holdings Sdn. Bhd. and Kumpulan Fima Berhad, respectively, both of which were incorporated in Malaysia. The ultimate holding company is listed on the Main Market of Bursa Malaysia Securities Berhad.

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 doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision had been made for doubtful debts; 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.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) it is necessary to write off any bad debts or the amount of the provision for doubtful debts 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 would 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 which would render any amount stated in the financial statements of the Group and of the Company misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group and 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 in respect 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 liability 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 and of the Company to meet their 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 and of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration in respect of the statutory audit of the Group and of the Company are as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	300	114
Other member firm of Ernst & Young Global	123	-
	423	114

No payment has been made to indemnify Ernst & Young PLT during or since the financial year end.

Signed on behalf of the Board in accordance with a resolution of the directors dated 23 June 2023.

Datuk Bazlan bin Osman

Dato' Roslan bin Hamir

Statement by Directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, Datuk Bazlan bin Osman and Dato' Roslan bin Hamir, being two of the directors of Fima Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 110 to 186 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 2023 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 23 June 2023.

Datuk Bazlan bin Osman

Dato' Roslan bin Hamir

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Muhammad Fadzlilah bin Abdul Ra'far, being the officer primarily responsible for the financial management of Fima Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 110 to 186 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 Muhammad Fadzlilah bin Abdul Ra'far
at Kuala Lumpur in the Federal Territory on 23 June 2023.

Muhammad Fadzlilah bin Abdul Ra'far
CA 39941

Before me,

Independent Auditors' Report

to the members of Fima Corporation Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the Fima Corporation Berhad, which comprise the statements of financial position as at 31 March 2023 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 110 to 186.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 31 March 2023 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 Standards ("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. This matter was 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 this matter. For the 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 this matter. 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 matter below, provide the basis of our audit opinion on the accompanying financial statements.

Revenue recognition
(Refer to Note 3 to the financial statements)

During the financial year, the Group recognised total revenue of RM295.9 million consisting of mainly revenue from production of security documents and sales of oil palm products which amounted to approximately RM129.6 million and RM159.6 million, respectively.

We identified revenue recognition to be an area of audit focus as we consider the magnitude and high volume of transactions to be a possible cause of a higher risk of material misstatements in respect of the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine the possibility of overstatement of revenue.

Revenue recognition (cont'd.)
(Refer to Note 3 to the financial statements)

Our audit procedures include, amongst others, the following:

(a) We obtained an understanding of the Group's internal controls over the timing and amount of revenue recognised;

(b) We tested the relevant internal controls in place to address the timing and amount of revenue recognised;

(c) We inspected the terms of sales contracts on a sampling basis to determine the point of transfer of control to customers in order to assess the appropriateness of the timing of revenue recognised;

(d) For production of security documents revenue and certain sale of oil palm and local fruits products, we used data analytics to perform correlation analysis between revenue, trade receivables and cash and bank balances. For other sale of oil palm and local fruits products, we inspected documents evidencing the delivery of goods to customers on a sampling basis; and

(e) We also focused on testing 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.

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 directors' report and the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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.

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 of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of the auditors' report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

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 is 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.

Independent Auditors' Report

to the members of Fima Corporation Berhad (Incorporated in Malaysia)

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 in 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's 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 Group or the Company to cease to continue as a going concern.

- 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 a matter that is of most significance in the audit of the financial statements of the Group for the current financial year and is therefore a key audit matter. We describe this matter in our 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, is disclosed in Note 17 to the financial statements.

OTHER MATTERS

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.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ahmad Zahirudin bin Abdul Rahim
No. 02607/12/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
23 June 2023

Statements of Comprehensive Income

For the financial year ended 31 March 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	3	**295,917**	300,591	**48,838**	90,777
Cost of sales/services	4	**(182,404)**	(149,712)	**(7,139)**	(5,791)
Gross profit		**113,513**	150,879	**41,699**	84,986
Other income	5	**8,790**	6,731	**1,292**	690
Other items of expense					
Administrative expenses		**(35,847)**	(26,395)	**(4,372)**	(3,996)
Selling and marketing expenses		**(13,471)**	(16,511)	**(142)**	(119)
Other operating expenses		**(22,747)**	(21,185)	**(2,384)**	(1,935)
Net charge of expected credit losses ("ECLs")	6	**(1,274)**	(212)	**(5)**	(32)
		(73,339)	(64,303)	**(6,903)**	(6,082)
Profit from operations		**48,964**	93,307	**36,088**	79,594
Finance costs	7	**(1,304)**	(518)	**(600)**	(49)
Share of results from associate		**3,630**	2,278	**-**	-
Profit before tax and zakat	8	**51,290**	95,067	**35,488**	79,545
Income tax (expense)/credit	11	**(12,284)**	(19,528)	**970**	(616)
Zakat paid		**(10)**	(108)	**-**	(23)
Profit for the year		**38,996**	75,431	**36,458**	78,906
Other comprehensive income/(expense), net of tax					
Item that will be subsequently reclassified to profit or loss					
Foreign currency translation gain		**226**	1,767	**-**	-
Item that will not be subsequently reclassified to profit or loss					
Remeasurement of defined benefit liability		**(47)**	51	**-**	-
Total comprehensive income for the year		**39,175**	77,249	**36,458**	78,906
Profit attributable to:					
Equity holders of the Company		**36,100**	60,561	**36,458**	78,906
Non-controlling interests		**2,896**	14,870	**-**	-
Profit for the year		**38,996**	75,431	**36,458**	78,906
Total comprehensive income attributable to:					
Equity holders of the Company		**36,243**	62,015	**36,458**	78,906
Non-controlling interests		**2,932**	15,234	**-**	-
Total comprehensive income for the year		**39,175**	77,249	**36,458**	78,906
Earnings per share attributable to equity holders of the Company (sen per share)					
Basic/diluted earnings per share	13	**15.21**	25.48		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 March 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	14	**108,219**	91,568	**10,373**	4,524
Right-of-use assets	15	**217,520**	214,016	**121,136**	117,525
Investment properties	16	**43,922**	55,091	**43,944**	44,789
Investments in subsidiaries	17	**-**	-	**156,149**	151,849
Investment in associate	18	**39,722**	36,092	**10,000**	10,000
Goodwill on consolidation	19	**510**	510	**-**	-
Deferred tax assets	33	**11,856**	9,931	**1,145**	134
		421,749	407,208	**342,747**	328,821
Current assets					
Inventories	20	**37,662**	47,174	**622**	27
Biological assets	21	**2,902**	4,143	**48**	155
Trade receivables	22	**43,837**	41,806	**355**	564
Other receivables	23	**11,622**	9,282	**1,455**	970
Tax recoverable		**3,609**	1,711	**257**	-
Due from related companies	24	**529**	813	**196**	145
Financial investments	25	**128,872**	153,324	**34,023**	44,638
Cash and bank balances	26	**67,747**	66,102	**1,068**	779
		296,780	324,355	**38,024**	47,278
Total assets		**718,529**	731,563	**380,771**	376,099
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	27	**122,662**	122,662	**122,662**	122,662
Treasury shares	28	**(11,289)**	(10,858)	**(11,289)**	(10,858)
Other reserves	29	**(2,738)**	(2,919)	**539**	539
Retained earnings	30	**470,805**	470,344	**198,736**	197,879
		579,440	579,229	**310,648**	310,222
Non-controlling interests		**20,825**	21,997	**-**	-
Total equity		**600,265**	601,226	**310,648**	310,222

Statements of Financial Position

As at 31 March 2023

		Group		Company	
		2023	2022	2023	2022
	Note	RM'000	RM'000	RM'000	RM'000
Non-current liabilities					
Lease liabilities	31	**79,108**	76,043	**65,955**	60,570
Retirement benefit obligation	32	**1,636**	1,801	**-**	-
Deferred tax liabilities	33	**5,376**	4,781	**-**	-
		86,120	82,625	**65,955**	60,570
Current liabilities					
Lease liabilities	31	**3,164**	5,963	**703**	2,436
Trade and other payables	34	**27,876**	25,076	**3,097**	1,856
Provision for warranty	35	**970**	1,023	**-**	-
Due to related companies	24	**51**	164	**368**	344
Tax payable		**83**	15,486	**-**	671
		32,144	47,712	**4,168**	5,307
Total liabilities		**118,264**	130,337	**70,123**	65,877
Total equity and liabilities		**718,529**	731,563	**380,771**	376,099
Net assets per share (RM)		**2.44**	2.44	**1.31**	1.30

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 2023

				Attributable to equity holders of the Company						
					Non-distributable	Distributable	Non-distributable			
Group	Note	Total equity RM'000	Equity attributable to the equity holders of the Company total RM'000	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total (Note 29) RM'000	Foreign currency translation deficit RM'000	Equity contribution from parent RM'000	Non-controlling interests RM'000
2023										
At 1 April 2022		601,226	579,229	122,662	(10,858)	470,344	(2,919)	(7,169)	4,250	21,997
Profit for the year		38,996	36,100	-	-	36,100	-	-	-	2,896
Remeasurement of defined benefit liability		(47)	(38)	-	-	(38)	-	-	-	(9)
Foreign currency translation gain		226	181	-	-	-	181	181	-	45
Total comprehensive income for the year		39,175	36,243	-	-	36,062	181	181	-	2,932
Transactions with equity holders										
Purchase of treasury shares	28	(431)	(431)	-	(431)	-	-	-	-	-
Dividends paid to equity holders	12	(35,601)	(35,601)	-	-	(35,601)	-	-	-	-
Dividends paid to non-controlling interests		(4,104)	-	-	-	-	-	-	-	(4,104)
Total transactions with equity holders		(40,136)	(36,032)	-	(431)	(35,601)	-	-	-	(4,104)
At 31 March 2023		600,265	579,440	122,662	(11,289)	470,805	(2,738)	(6,988)	4,250	20,825

Statements of Changes in Equity
For the financial year ended 31 March 2023

Group (cont'd.)	Note	Total equity RM'000	Equity attributable to the equity holders of the Company total RM'000	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total (Note 29) RM'000	Foreign currency translation deficit RM'000	Equity contribution from parent RM'000	Non-controlling interests RM'000
			← Attributable to equity holders of the Company							
					Non-distributable	Distributable	← Non-distributable			
2022										
At 1 April 2021		570,501	548,280	122,662	(9,495)	439,445	(4,332)	(8,582)	4,250	22,221
Profit for the year		75,431	60,561	-	-	60,561	-	-	-	14,870
Remeasurement of defined benefit liability		51	41	-	-	41	-	-	-	10
Foreign currency translation gain		1,767	1,413	-	-	-	1,413	1,413	-	354
Total comprehensive income for the year		77,249	62,015	-	-	60,602	1,413	1,413	-	15,234
Transactions with equity holders										
Purchase of treasury shares	28	(1,363)	(1,363)	-	(1,363)	-	-	-	-	-
Dividends paid to equity holders	12	(29,703)	(29,703)	-	-	(29,703)	-	-	-	-
Dividends paid to non-controlling interests		(15,458)	-	-	-	-	-	-	-	(15,458)
Total transactions with equity holders		(46,524)	(31,066)	-	(1,363)	(29,703)	-	-	-	(15,458)
At 31 March 2022		601,226	579,229	122,662	(10,858)	470,344	(2,919)	(7,169)	4,250	21,997

Statements of Changes in Equity
For the financial year ended 31 March 2023

				Non-distributable	Distributable	Non-distributable
Company	**Note**	**Total equity RM'000**	**Share capital RM'000**	**Treasury shares RM'000**	**Retained earnings RM'000**	**Equity contribution from parent representing other reserves (Note 29) RM'000**
2023						
At 1 April 2022		**310,222**	**122,662**	**(10,858)**	**197,879**	**539**
Total comprehensive income for the year		**36,458**	**-**	**-**	**36,458**	**-**
Transactions with equity holders						
Purchase of treasury shares	28	**(431)**	**-**	**(431)**	**-**	**-**
Dividends paid to equity holders	12	**(35,601)**	**-**	**-**	**(35,601)**	**-**
Total transactions with equity holders		**(36,032)**	**-**	**(431)**	**(35,601)**	**-**
At 31 March 2023		**310,648**	**122,662**	**(11,289)**	**198,736**	**539**
2022						
At 1 April 2021		262,382	122,662	(9,495)	148,676	539
Total comprehensive income for the year		78,906	-	-	78,906	-
Transactions with equity holders						
Purchase of treasury shares	28	(1,363)	-	(1,363)	-	-
Dividends paid to equity holders	12	(29,703)	-	-	(29,703)	-
Total transactions with equity holders		(31,066)	-	(1,363)	(29,703)	-
At 31 March 2022		310,222	122,662	(10,858)	197,879	539

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 March 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax and zakat	**51,290**	95,067	**35,488**	79,545
Adjustments for:				
Depreciation of:				
- property, plant and equipment	**7,658**	8,265	**782**	645
- right-of-use assets	**7,591**	7,430	**2,128**	1,813
- investment properties	**1,529**	1,508	**1,170**	1,162
Expected credit losses ("ECLs") on:				
- trade receivables	**736**	606	**5**	32
- other receivables	**1,543**	432	**-**	-
Write back of ECLs on:				
- trade receivables	**(567)**	(93)	**-**	-
- other receivables	**(438)**	(733)	**-**	-
Changes in fair value of biological assets	**1,247**	(2,249)	**107**	(155)
(Reversal of provision)/provision for retirement benefit obligation	**(32)**	301	**-**	-
Inventories written down	**3,675**	77	**-**	-
Gain on disposal of property, plant and equipment	**(4)**	-	**-**	-
Net reversal of provision for warranty	**(53)**	(2,092)	**-**	-
Share of results of associate	**(3,630)**	(2,278)	**-**	-
Dividend income	**-**	-	**(41,850)**	(84,399)
Income from rent concession	**-**	(392)	**-**	-
Interest expense on lease liabilities	**1,304**	518	**600**	49
Profit income on Islamic fixed deposits	**(1,269)**	(1,723)	**(54)**	(66)
Distribution from financial investments	**(3,626)**	(1,720)	**(986)**	(281)
Unrealised foreign exchange loss/(gain)	**44**	(4)	**-**	-
Operating profit/(loss) before working capital changes	**66,998**	102,920	**(2,610)**	(1,655)
(Increase)/decrease in trade and other receivables	**(5,645)**	24,134	**(281)**	(817)
Decrease/(increase) in inventories	**5,837**	(17,899)	**(595)**	(27)
Increase/(decrease) in trade and other payables	**2,800**	(11,817)	**1,241**	24
Changes in balances with related company	**127**	1,372	**(27)**	777
Cash generated from/(used in) operations	**70,117**	98,710	**(2,272)**	(1,698)
Taxes paid, net of tax refund	**(30,903)**	(1,328)	**(969)**	(227)
Zakat paid	**(10)**	(108)	**-**	(23)
Retirement benefits paid	**(195)**	(102)	**-**	-
Net cash generated from/(used in) operating activities	**39,009**	97,172	**(3,241)**	(1,948)

Statements of Cash Flows

For the financial year ended 31 March 2023

	Group		Company	
	2023	**2022**	**2023**	**2022**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash flows from investing activities				
Purchase of property, plant and equipment	**(17,659)**	(12,410)	**(6,631)**	(2,844)
Purchase of investment properties	**(2,360)**	(450)	**(325)**	-
Proceeds from disposal of property, plant and equipment	**19**	-	**-**	-
Payment/deposit paid for acquisition of leasehold land	**-**	(15,430)	**-**	(15,430)
Distribution received from financial investments	**3,626**	1,720	**986**	281
Profit income received	**1,269**	1,723	**54**	66
Net purchase of financial investments	**24,452**	(8,761)	**10,615**	(24,430)
Net dividends received from subsidiaries	**-**	-	**41,850**	80,850
Net dividends received from an associated company	**-**	3,549	**-**	3,549
Subscription of redeemable preference shares	**-**	-	**(9,300)**	(7,800)
Redemption of redeemable preference shares	**-**	-	**5,000**	4,000
Advances to subsidiary	**-**	-	**-**	(3,876)
Net cash generated from/(used in) investing activities	**9,347**	(30,059)	**42,249**	34,366
Cash flows from financing activities				
Dividends paid to equity holders	**(35,601)**	(29,703)	**(35,601)**	(29,703)
Dividends paid by a subsidiary to non-controlling interests	**(4,104)**	(15,458)	**-**	-
Acquisition of treasury shares	**(431)**	(1,363)	**(431)**	(1,363)
Repayment of lease liabilities	**(6,790)**	(6,096)	**(2,687)**	(1,758)
Net cash used in financing activities	**(46,926)**	(52,620)	**(38,719)**	(32,824)
Net increase/(decrease) in cash and cash equivalents	**1,430**	14,493	**289**	(406)
Effect of exchange rate changes in cash and cash equivalents	**215**	600	**-**	-
Cash and cash equivalents at beginning of year	**66,102**	51,009	**779**	1,185
Cash and cash equivalents at end of year (Note 26)	**67,747**	66,102	**1,068**	779

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

31 March 2023

1. CORPORATE INFORMATION

The principal activities of the Company are those of property management, oil palm plantation and investment holding. The principal activities of the subsidiaries and associate are described in Notes 17 and 18, respectively. There have been no significant changes in the nature of these activities during the financial year.

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.

The immediate and ultimate holding companies are Fima Metal Box Holdings Sdn. Bhd. and Kumpulan Fima Berhad, respectively, both of which were incorporated in Malaysia. The ultimate holding company is listed on the Main Market of Bursa Malaysia Securities Berhad.

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 presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except when 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

On 1 April 2022, the Group and the Company adopted the following new amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2022.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 3: Reference to Conceptual Framework	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

The adoption of the above amendments to standards are not expected to have material impact on the financial statements in the period of initial application.

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 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
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
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 will have no material impact on the financial statements in the period of initial application.

2.4 Summary of significant accounting policies

(a) 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 affects its returns.

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.

Notes to the Financial Statements
31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

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, will be recognised in accordance with MFRS 9 *Financial Instruments* either in profit or loss or as a change to other comprehensive income. 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(h).

(b) Subsidiaries

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(c) Transactions 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 profit or loss and other 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 subsidiary companies 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 subsidiary companies 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.

(d) 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 is accounted for using the equity method. Under the equity method, the investment in the 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 the associate is included in the carrying amount of the investment and is not tested for impairment individually. 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 associate 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(e) 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 to 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. Depreciation for bearer plants commence when the oil palms reach maturity.

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 recognise 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.

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% to 10%
Plant and machinery	10% to 50%
Factory and office renovations	2% to 20%
Equipment, furniture and fittings and motor vehicles	10% to 33.3%
Bearer plants	4%
Infrastructure	2%

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 will mature 36 months after field planting are not depreciated until maturity.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(f) 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.

(g) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property except for freehold land is 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.

(h) 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
31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(i) Impairment of non-financial assets

The Group and the Company assess 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 and the Company make 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 an 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 profit or loss.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(j) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost or fair value through profit or loss ("FVTPL"), or 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's 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 measure a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(j) Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

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's and the Company's business model for managing financial assets refer to how they manage their 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 and the Company commit 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 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).

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measure 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 and cash and bank balances.

Notes to the Financial Statements
31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(j) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, 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 FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVTOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of profit or loss.

As at 31 March 2023, the Group or the Company measure their financial investments, which comprise of money market unit trust funds, at FVTPL.

Financial assets at FVTOCI (debt instruments)

For debt instruments at FVTOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statements of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company have not designated any financial assets as at FVTOCI (debt instruments).

Financial assets at FVTOCI (equity instruments)

Upon initial recognition, the Group and the Company can elect to classify irrevocably its equity instruments as equity instruments designated at FVTOCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVTOCI are not subject to impairment assessment.

The Group and the Company have not designated any financial assets as at FVTOCI (equity instruments).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(j) 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, they evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have 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.

(k) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. 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.

For trade receivables, contract assets and other financial assets at amortised cost, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have 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.

Notes to the Financial Statements
31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(l) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of direct materials such as printing materials, consumables, oil palm products and fertilizer based on a weighted average basis and first-in-first-out ("FIFO") basis.

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.

(m) Cash and cash equivalents

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL 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, amount due to related companies and lease liabilities.

As at 31 March 2023, the Group and the Company have not designated any financial liabilities at FVTPL.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Other financial liabilities

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 the statement of profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(n) 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.

(o) Provision 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.

(i) Warranty claim

The Group has contracts with government agencies and third parties for the supply of security and confidential documents. Under these contracts, the Group provides warranty for defective products claimable within 3 to 5 years from the point of sale.

(p) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and 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.

(q) Revenue recognition

<u>Revenue from contracts with customers</u>

The Group is in the business of production of security and confidential documents and oil palm production. 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 security and confidential documents

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.

Notes to the Financial Statements
31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(q) Revenue recognition (cont'd.)

Revenue from contracts with customers (cont'd.)

(ii) Sale of oil palm products

Revenue is recognised at the point in time when control of the goods is transferred to the customer.

(iii) Property management services

Revenue are recognised as and when service are rendered.

(iv) Engineering consultancy services

Revenue are recognised at the point in time when the performance obligations in a contract with customer is satisfied i.e. when the control of the goods or services underlying the performance obligation is transferred to the customer.

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 and distribution from financial investments

Dividend income and distribution from financial investments are recognised when the right to receive payment is established.

(iii) Management fees

Management fees are recognised as and when services are rendered.

(iv) Interest and profit income

Interest and profit income are recognised using the effective interest/profit method.

(r) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services/business activities. An operating segment's operating results are reviewed regularly by the chief operating decision maker, who will make decisions to allocate resources to the segments and assess the segment performance.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(s) 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 RM, which is also the Company's functional currency.

(ii) Foreign currency transactions

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.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in 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 differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation 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
31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(t) 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. 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 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 2023 by Kantor Konsultan Aktuaria Yusi dan Rekan, an independent actuary, who issued a valuation report on 9 May 2023.

(u) Leases

(i) As lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(u) Leases (cont'd.)

(i) As lessee (cont'd.)

Right-of-use assets

The Group and the Company recognise 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 and the Company recognise 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 the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company 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 and the Company use 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.

(ii) As lessor

Leases in which the Group and the Company do 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.

Notes to the Financial Statements

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(v) 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(v) Income tax (cont'd.)

(ii) Deferred tax (cont'd.)

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.

(w) 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 Group and 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 technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation technique that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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.

Notes to the Financial Statements
31 March 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Significant accounting estimates and judgements

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. The significant 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) ECLs on trade and other receivables

For financial assets, the Group and the Company apply a simplified approach in calculating allowance for ECLs in respect of trade and other receivables. The Group and the Company consider amongst others, its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The carrying amount of the Group's and the Company's trade and other receivables as at 31 March 2023 are disclosed in Note 22 and Note 23, respectively.

(ii) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group's and the Company's deferred tax assets as at 31 March 2023 are disclosed in Note 33.

(iii) Provision for warranty

Provision for warranty is based on volumes of products sold still under warranty and on historical rate of return, as well as estimates and assumptions regarding the future rate of return for new products.

The Group's provision for warranty as at 31 March 2023 is disclosed in Note 35.

(iv) Impairment of investments in subsidiaries

Determining whether investments in subsidiaries are impaired requires an estimation of the recoverable amounts of the investments.

Management exercises its judgement in estimating the recoverable amounts of these investments.

When there is an indication that the carrying amount of the investments in subsidiary companies may be impaired, their respective recoverable amount, being the higher of its fair value less costs of disposal ("FVLCD") and its value in use ("VIU"), will be determined.

Determining the recoverable amount of an asset, involves estimating the future cash inflows and outflows that will be derived from these investments and discounting them at an appropriate rate. Changes in the assumptions could affect the results of the Company's financial position and results.

The Company's investment in subsidiaries as at 31 March 2023 are disclosed in Note 17.

3. REVENUE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers	**291,367**	296,121	**3,108**	2,729
Rental income	**4,550**	4,470	**3,880**	3,649
Dividend income from subsidiaries	**-**	-	**41,850**	80,850
Dividend income from associate	**-**	-	**-**	3,549
	295,917	300,591	**48,838**	90,777

(a) Disaggregation of revenue from contracts with customers:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Production and trading of security and confidential documents	**129,562**	104,126	**-**	-
Sale of oil palm products	**159,572**	189,405	**2,509**	2,253
Property management services	**609**	482	**599**	476
Engineering consultancy services	**1,624**	2,108	**-**	-
	291,367	296,121	**3,108**	2,729
Timing of revenue recognition:				
Transferred at a point in time	**291,367**	296,121	**3,108**	2,729
Geographical market:				
Malaysia	**149,306**	126,841	**3,108**	2,729
Indonesia	**142,061**	169,280	**-**	-
	291,367	296,121	**3,108**	2,729

(b) Performance obligations

Production and trading of security and confidential documents

Contracts with customers are mainly for the sales of security and confidential documents. Performance obligation is satisfied upon delivery of the documents to the customers.

Sale of oil palm products

Contracts with customers are mainly for sales of fresh fruit bunches ("FFB"), crude palm oil and crude palm kernel oil. Performance obligation is satisfied upon delivery of the oil palm products to the customers.

Property management and engineering consultancy services

Performance obligation is satisfied upon completion and services rendered to the customers.

Notes to the Financial Statements
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4. COST OF SALES/SERVICES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Manufacturing	**98,952**	79,322	**-**	-
Sale of oil palm products	**78,197**	65,066	**3,747**	2,607
Investment property related expenses	**3,910**	3,500	**3,392**	3,184
Engineering consultancy services	**1,345**	1,824	**-**	-
	182,404	149,712	**7,139**	5,791

5. OTHER INCOME

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit income on Islamic fixed deposits	**1,269**	1,723	**54**	66
Distribution from financial investments	**3,626**	1,720	**986**	281
Gain on disposal of property, plant and equipment	**4**	-	**-**	-
Management fees	**454**	548	**252**	343
By-product and scrap sales	**796**	290	**-**	-
Income from rent concession	**-**	392	**-**	-
Others	**2,641**	2,058	**-**	-
	8,790	6,731	**1,292**	690

6. NET CHARGE/(WRITEBACK) OF EXPECTED CREDIT LOSSES ("ECLS")

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
ECLs on:				
- trade receivables (Note 22)	**736**	606	**5**	32
- other receivables (Note 23)	**1,543**	432	**-**	-
Writeback of ECLs on:				
- trade receivables (Note 22)	**(567)**	(93)	**-**	-
- other receivables (Note 23)	**(438)**	(733)	**-**	-
	1,274	212	**5**	32

7. FINANCE COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense on lease liabilities	**1,304**	518	**600**	49

8. PROFIT BEFORE TAX AND ZAKAT

The following amounts have been debited/(credited) in arriving at profit before tax and zakat:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Staff costs (Note 9)	**37,086**	32,003	**1,548**	1,547
Non-executive directors' remuneration (Note 10)	**699**	689	**648**	630
Auditors' remuneration:				
- Statutory audit				
(i) Ernst & Young PLT	**300**	246	**114**	87
(ii) Other member firm of Ernst & Young Global	**123**	115	**-**	-
- Other services				
(i) Ernst & Young PLT	**12**	11	**12**	11
(ii) Ernst & Young Global	**28**	166	**-**	-
Depreciation of:				
- property, plant and equipment (Note 14)	**7,658**	8,265	**782**	645
- right-of-use assets (Note 15)	**7,591**	7,430	**2,128**	1,813
- investment properties (Note 16)	**1,529**	1,508	**1,170**	1,162
Changes in fair value of biological assets (Note 21)	**1,247**	(2,249)	**107**	(155)
(Reversal of provision)/provision for retirement benefit obligations	**(32)**	301	**-**	-
Inventories written down	**3,675**	77	**-**	-
Net reversal of provision for warranty (Note 35)	**(53)**	(2,092)	**-**	-
Unrealised foreign exchange loss/(gain)	**44**	(4)	**-**	-
Realised foreign exchange loss	**318**	877	**-**	-

Notes to the Financial Statements
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9. STAFF COSTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	**31,240**	26,210	**1,213**	1,213
Social security costs	**383**	265	**10**	10
Pension costs:				
- Defined contribution plan	**3,964**	3,578	**208**	208
- Defined benefit plan (Note 32)	**(32)**	301	**-**	-
Other staff related expenses	**1,531**	1,649	**117**	116
	37,086	32,003	**1,548**	1,547

Included in staff costs of the Group and of the Company is the Managing Director's remuneration amounting to RM1,394,000 (2022: RM1,430,000) and RM702,000 (2022: RM658,000) respectively as further disclosed in Note 10.

10. DIRECTORS' REMUNERATION

The Company's directors' remuneration receivable from the Group and from the Company are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Executive:				
Salaries and other emoluments	**561**	544	**280**	272
Bonus	**543**	579	**272**	232
Pension costs - defined contribution plan	**209**	215	**105**	97
Total excluding benefits-in-kind	**1,313**	1,338	**657**	601
Benefits-in-kind	**81**	92	**45**	57
	1,394	1,430	**702**	658
Non-executive				
Fees	**352**	372	**310**	321
Other emoluments	**131**	192	**122**	184
Total excluding benefits-in-kind	**483**	564	**432**	505
Benefits-in-kind	**216**	125	**216**	125
	699	689	**648**	630
Total	**2,093**	2,119	**1,350**	1,288
Analysis excluding benefits-in-kind:				
Total executive director's remuneration	**1,313**	1,338	**657**	601
Total non-executive directors' remuneration	**483**	564	**432**	505
Total directors' remuneration	**1,796**	1,902	**1,089**	1,106

The total remuneration of the directors of the subsidiaries of the Group is disclosed in Note 37(b).

11. INCOME TAX EXPENSE/(CREDIT)

Major components of income tax expense/(credit)

The major components of income tax expense/(credit) for the years ended are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
- Malaysian income tax	**2,596**	1,702	**-**	-
- Indonesian income tax	**11,847**	18,792	**-**	-
- (Over)/under provision in prior years	**(841)**	2,037	**41**	852
	13,602	22,531	**41**	852
Deferred taxation (Note 33):				
- Relating to reversal and origination of temporary differences	**(689)**	(2,556)	**(791)**	(248)
- Relating to changes in tax rate	**-**	548	**-**	-
- (Over)/under provision in prior years	**(629)**	(995)	**(220)**	12
	(1,318)	(3,003)	**(1,011)**	(236)
Total income tax expense/(credit)	**12,284**	19,528	**(970)**	616

Domestic income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year. The corporate rate tax applicable to the Indonesian subsidiary of the Group is 22% (2022: 22%).

Reconciliation between tax expense/(credit) and accounting profit

A reconciliation of income tax expense/(credit) applicable to profit before tax and zakat at the statutory income tax rate to income tax expense/(credit) at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before tax and zakat	**51,290**	95,067	**35,488**	79,545
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	**12,310**	22,816	**8,517**	19,091
Effect of tax rates in foreign jurisdiction	**(944)**	(1,776)	**-**	-
Effect of expenses not deductible for tax purposes	**4,529**	3,656	**1,769**	984
Effect of partial tax exemption	**(21)**	(22)	**-**	-
Deferred tax assets not recognised	**1,299**	941	**-**	-
Effects from utilisation of previously unrecognised tax losses	**-**	(4,689)	**-**	-
Effect of share of results of associate	**(871)**	(547)	**-**	-
Effect of income and/or other items not subject to tax	**(2,548)**	(1,893)	**(11,077)**	(20,323)
(Over)/under provision of income tax expense in prior years	**(841)**	2,037	**41**	852
(Over)/under provision of deferred tax in prior years	**(629)**	(995)	**(220)**	12
	12,284	19,528	**(970)**	616

Notes to the Financial Statements
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12. DIVIDENDS

	Dividends in respect of year		Dividends recognised in year	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
First interim				
Recognised during the financial year:				
Single-tier first interim dividend for year ended 31 March 2023 of 5.0 sen paid on 30 December 2022	**11,863**	-	**11,863**	-
Single-tier first interim dividend for year ended 31 March 2022 of 5.0 sen paid on 30 December 2021	**-**	11,872	**-**	11,872
Second interim				
Single tier second interim dividend for year ended 31 March 2022 of 7.5 sen paid on 12 August 2022	**-**	17,803	**17,803**	-
Single tier second interim dividend for year ended 31 March 2021 of 7.5 sen paid on 3 September 2021	**-**	-	**-**	17,831
Special				
Single tier special dividend for year ended 31 March 2022 of 2.5 sen paid on 12 August 2022	**-**	5,935	**5,935**	-
	11,863	35,610	**35,601**	29,703

Subsequent to the financial year end, on 19 May 2023, the directors declared a single-tier second interim dividend of 7.5 sen in respect of the current financial year ended 31 March 2023 on 237,157,530 shares, amounting to a total of RM17,787,000 payable on 4 August 2023.

The financial statements for the current financial year ended 31 March 2023 do not reflect this dividend. This dividend will be accounted for in the statements of changes in equity as an appropriation of retained earnings in the next financial year ending 31 March 2024.

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

13. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the Group's 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 2023 and 2022:

	Group	
	2023	**2022**
Profit attributable to equity holders of the Company used in the computation of basic/ diluted earnings per share (RM'000)	**36,100**	60,561
Weighted average number of ordinary shares for basic earnings per share computation ('000)	**237,295**	237,637
Basic earnings per share for the year (sen)	**15.21**	25.48

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as the Company has no potentially dilutive shares in issue.

14. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Factory and office renovations RM'000	Equipment, furniture and fittings and motor vehicles RM'000	Bearer plant and infrastructure RM'000	Work in progress RM'000	Total RM'000
At 31 March 2023								
Cost								
At 1 April 2022	1,550	20,009	91,091	20,836	51,969	138,580	334	324,369
Additions	-	108	921	121	1,863	12,886	1,760	17,659
Transfer from investment properties	-	9,080	-	-	-	-	2,057	11,137
Disposals	-	-	(632)	-	(2,076)	-	-	(2,708)
Reclassification	-	238	-	139	233	-	(610)	-
Write-offs	-	-	-	(78)	(275)	-	-	(353)
Exchange differences	-	-	(3)	-	(2)	-	(9)	(14)
At 31 March 2023	1,550	29,435	91,377	21,018	51,712	151,466	3,532	350,090
Accumulated depreciation and impairment loss								
At 1 April 2022	-	14,894	85,427	20,517	47,426	64,537	-	232,801
Depreciation charge for the year	-	683	1,733	146	2,058	3,038	-	7,658
Transfer from investment properties	-	4,481	-	-	-	-	-	4,481
Disposals	-	-	(632)	-	(2,061)	-	-	(2,693)
Write-offs	-	-	-	(78)	(275)	-	-	(353)
Exchange differences	-	(4)	(11)	-	(2)	(6)	-	(23)
At 31 March 2023	-	20,054	86,517	20,585	47,146	67,569	-	241,871
Analysed as:								
Accumulated depreciation	-	15,988	86,452	20,585	47,146	51,811	-	221,982
Accumulated impairment loss	-	4,066	65	-	-	15,758	-	19,889
	-	20,054	86,517	20,585	47,146	67,569	-	241,871
Net carrying amount	1,550	9,381	4,860	433	4,566	83,897	3,532	108,219

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group (cont'd.)

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Factory and office renovations RM'000	Equipment, furniture and fittings and motor vehicles RM'000	Bearer plant and infrastructure RM'000	Work in progress RM'000	Total RM'000
At 31 March 2022								
Cost								
At 1 April 2021	1,550	18,867	90,254	20,320	50,085	128,417	998	310,491
Additions	-	426	536	273	1,918	8,860	397	12,410
Disposals	-	-	(705)	-	(665)	-	-	(1,370)
Reclassification	-	344	415	-	313	-	(1,072)	-
Write-offs	-	-	(73)	-	-	-	-	(73)
Exchange differences	-	372	664	243	318	1,303	11	2,911
At 31 March 2022	1,550	20,009	91,091	20,836	51,969	138,580	334	324,369
Accumulated depreciation and impairment loss								
At 1 April 2021	-	13,821	83,525	20,202	45,631	60,229	-	223,408
Depreciation charge for the year	-	749	2,152	71	2,154	3,139	-	8,265
Disposals	-	-	(705)	-	(665)	-	-	(1,370)
Write-offs	-	-	(73)	-	-	-	-	(73)
Exchange differences	-	324	528	244	306	1,169	-	2,571
At 31 March 2022	-	14,894	85,427	20,517	47,426	64,537	-	232,801
Analysed as:								
Accumulated depreciation	-	10,828	85,362	20,517	47,426	48,779	-	212,912
Accumulated impairment loss	-	4,066	65	-	-	15,758	-	19,889
	-	14,894	85,427	20,517	47,426	64,537	-	232,801
Net carrying amount	1,550	5,115	5,664	319	4,543	74,043	334	91,568

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company

	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Factory and office renovations RM'000	Equipment, furniture and fittings and motor vehicles RM'000	Bearer plant and infrastructure RM'000	Work in progress RM'000	Total RM'000
At 31 March 2023								
Cost								
At 1 April 2022	**1,550**	**437**	**5**	**746**	**1,962**	**1,744**	**75**	**6,519**
Additions	**-**	**-**	**-**	**-**	**564**	**5,846**	**221**	**6,631**
Reclassification	**-**	**-**	**-**	**139**	**82**	**-**	**(221)**	**-**
At 31 March 2023	**1,550**	**437**	**5**	**885**	**2,608**	**7,590**	**75**	**13,150**
Accumulated depreciation								
At 1 April 2022	**-**	**181**	**4**	**469**	**966**	**375**	**-**	**1,995**
Charge for the year	**-**	**26**	**-**	**112**	**269**	**375**	**-**	**782**
At 31 March 2023	**-**	**207**	**4**	**581**	**1,235**	**750**	**-**	**2,777**
Net carrying amount	**1,550**	**230**	**1**	**304**	**1,373**	**6,840**	**75**	**10,373**
At 31 March 2022								
Cost								
At 1 April 2021	1,550	219	5	510	1,391	-	-	3,675
Additions	-	218	-	236	571	1,744	75	2,844
At 31 March 2022	1,550	437	5	746	1,962	1,744	75	6,519
Accumulated depreciation								
At 1 April 2021	-	156	4	410	780	-	-	1,350
Charge for the year	-	25	-	59	186	375	-	645
At 31 March 2022	-	181	4	469	966	375	-	1,995
Net carrying amount	1,550	256	1	277	996	1,369	75	4,524

14. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(a) The factory extension of the Group with a net book value of RM9,000 (2022: RM12,000) was constructed on a piece of land leased from a lessor. The lease will expire on 30 April 2024.

(b) Included in the property, plant and equipment of the Group and the Company are cost of fully depreciated assets still in use of RM150,528,000 (2022: RM147,576,000) and RM1,382,000 (2022: RM883,000) 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 2023 and 2022 are as follows:

Group

At 31 March 2023

	Leasehold land RM'000	Buildings RM'000	Barge RM'000	Total RM'000
Cost				
At 1 April 2022	248,868	3,691	2,975	255,534
Additions	5,739	-	-	5,739
Transfer from investment properties	6,813	-	-	6,813
At 31 March 2023	261,420	3,691	2,975	268,086
Accumulated depreciation and impairment loss				
At 1 April 2022	39,034	2,484	-	41,518
Depreciation charge for the year	4,919	1,175	1,497	7,591
Transfer from investment properties	1,469	-	-	1,469
Exchange differences	-	-	(12)	(12)
At 31 March 2023	45,422	3,659	1,485	50,566
Analysed as:				
Accumulated depreciation	33,446	3,659	1,485	38,590
Accumulated impairment loss	11,976	-	-	11,976
	45,422	3,659	1,485	50,566
Net carrying amount	215,998	32	1,490	217,520

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31 March 2023

15. RIGHT-OF-USE ASSETS (CONT'D.)

As lessee (cont'd.)

Group (cont'd.)

At 31 March 2022

	Leasehold land RM'000	Buildings RM'000	Barge RM'000	Total RM'000
Cost				
At 1 April 2021	128,017	3,691	5,103	136,811
Additions	120,849	-	2,952	123,801
Termination	-	-	(5,191)	(5,191)
Exchange differences	2	-	111	113
At 31 March 2022	248,868	3,691	2,975	255,534
Accumulated depreciation and impairment loss				
At 1 April 2021	34,443	1,370	3,407	39,220
Depreciation charge for the year	4,591	1,114	1,725	7,430
Termination	-	-	(5,191)	(5,191)
Exchange differences	-	-	59	59
At 31 March 2022	39,034	2,484	-	41,518
Analysed as:				
Accumulated depreciation	27,058	2,484	-	29,542
Accumulated impairment loss	11,976	-	-	11,976
	39,034	2,484	-	41,518
Net carrying amount	209,834	1,207	2,975	214,016

15. RIGHT-OF-USE ASSETS (CONT'D.)

As lessee (cont'd.)

Company

Leasehold land

	2023 RM'000	2022 RM'000
Cost		
At 1 April 2022/2021	**119,338**	-
Additions	**5,739**	119,338
At 31 March	**125,077**	119,338
Accumulated depreciation		
At 1 April 2022/2021	**1,813**	-
Depreciation charge for the year	**2,128**	1,813
At 31 March	**3,941**	1,813
Net carrying amount	**121,136**	117,525

Right-of-use assets of the Group and of the Company are mainly in relation to lease of land from state governments and lease of office building and barge from third parties.

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16. INVESTMENT PROPERTIES

Group

	Leasehold land RM'000	Freehold land RM'000	Building RM'000	Work in progress RM'000	Total RM'000
At 31 March 2023					
At cost					
At 1 April 2022	**6,813**	**14,270**	**66,926**	**-**	**88,009**
Additions	**-**	**-**	**108**	**2,252**	**2,360**
Transfer to property, plant and equipment	**-**	**-**	**(9,080)**	**(2,057)**	**(11,137)**
Transfer to right-of-use assets	**(6,813)**	**-**	**-**	**-**	**(6,813)**
At 31 March 2023	**-**	**14,270**	**57,954**	**195**	**72,419**
Accumulated depreciation					
At 1 April 2022	**1,383**	**-**	**31,535**	**-**	**32,918**
Charge for the year	**86**	**-**	**1,443**	**-**	**1,529**
Transfer to property, plant and equipment	**-**	**-**	**(4,481)**	**-**	**(4,481)**
Transfer to right-of-use assets	**(1,469)**	**-**	**-**	**-**	**(1,469)**
At 31 March 2023	**-**	**-**	**28,497**	**-**	**28,497**
Net carrying amount	**-**	**14,270**	**29,457**	**195**	**43,922**
At 31 March 2022					
At cost					
At 1 April 2021	6,813	14,270	66,476	-	87,559
Additions	-	-	450	-	450
At 31 March 2022	6,813	14,270	66,926	-	88,009
Accumulated depreciation					
At 1 April 2021	1,298	-	30,112	-	31,410
Charge for the year	85	-	1,423	-	1,508
At 31 March 2022	1,383	-	31,535	-	32,918
Net carrying amount	5,430	14,270	35,391	-	55,091

16. INVESTMENT PROPERTIES (CONT'D.)

Company

	Freehold land RM'000	Building RM'000	Work in progress RM'000	Total RM'000
At 31 March 2023				
At cost				
At 1 April 2022	**14,270**	**57,846**	**-**	**72,116**
Additions	**-**	**108**	**217**	**325**
At 31 March 2023	**14,270**	**57,954**	**217**	**72,441**
Accumulated depreciation				
At 1 April 2022	**-**	**27,327**	**-**	**27,327**
Charge for the year	**-**	**1,170**	**-**	**1,170**
At 31 March 2023	**-**	**28,497**	**-**	**28,497**
Net carrying amount	**14,270**	**29,457**	**217**	**43,944**
At 31 March 2022				
At cost				
At 1 April 2021/31 March 2022	14,270	57,846	-	72,116
Accumulated depreciation				
At 1 April 2021	-	26,165	-	26,165
Charge for the year	-	1,162	-	1,162
At 31 March 2022	-	27,327	-	27,327
Net carrying amount	14,270	30,519	-	44,789

(a) The land title of a freehold land and building of the Company with a net book value of approximately RM43,228,000 (2022: RM44,054,000) is pledged as security for certain unutilised credit facilities of the Group.

(b) The transfer of the land title of a building of the Company which is located at Pekan Nenas, Johor with a net book value of approximately RM716,000 (2022: RM735,000) has yet to be finalised.

(c) On 31 March 2023, the cost and accumulated depreciation of a building and a leasehold land of a subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. have been transferred to property, plant and equipment and right-of-use assets as the significant portion of them are now intended for own use.

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16. INVESTMENT PROPERTIES (CONT'D.)

(d) As at 31 March 2023 and 2022, the fair values of the investment properties are based on valuation performed by an independent professional valuer. The total market value of the investment properties of the Group and the Company are RM53,218,000 and RM53,218,000 (2022: RM64,218,000 and RM51,218,000) respectively. Valuations are performed by an accredited independent valuer with recent experience in the location and category of properties being valued. The valuations are based on the comparison approach and cost approach. Under the comparison approach, a property's fair value is estimated based on the comparable transactions. The fair value of certain of the Group's and the Company's investment properties amounting to RM38,000 (2022: RM4,038,000) and RM38,000 (2022: RM50,000) respectively are valued under the cost approach which entails the building cost to erect equivalent buildings. The building cost reflects current estimates of finishes, contractors' overheads, fees and profits and adjusted for factors of obsolescence and existing physical condition of the building.

The fair value disclosed in the financial statements is categorised within the Level 3 fair value hierarchy which is described as inputs for the asset or liability that are based on unobservable market data. The details are as follows:

	Group		Company	
	2023	**2022**	**2023**	**2022**
Comparison approach:				
Average value (RM/psf)				
- Land	**10 - 510**	10 - 480	**10 - 510**	10 - 480
- Buildings	**220**	220	**220**	220
Cost approach:				
- Buildings cost (RM/psf)	**130**	100 - 120	**130**	100 - 120

The estimated fair value would increase/(decrease) if the average value per square foot and building cost per square foot were higher/(lower), respectively.

(e) Rental income generated from and direct operating expenses incurred on the investment properties are as follows:

	Group		Company	
	2023 RM'000	**2022 RM'000**	**2023 RM'000**	**2022 RM'000**
Rental income	**4,550**	4,470	**3,880**	3,649
Direct operating expenses	**(3,910)**	(3,500)	**(3,392)**	(3,184)

(f) Other details of future minimum rental receivable under non-cancellable operating leases are disclosed in Note 36(b).

17. INVESTMENTS IN SUBSIDIARIES

	Company 2023 RM'000	Company 2022 RM'000
Unquoted ordinary shares, at cost	**27,449**	27,449
Redeemable preference shares	**128,700**	124,400
	156,149	151,849

(a) Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective ownership interest 2023 %	Effective ownership interest 2022 %	Principal activities
Security Printers (M) Sdn. Bhd.	Malaysia	**100**	100	Trading of security and confidential documents
Percetakan Keselamatan Nasional Sdn. Bhd.	Malaysia	**100**	100	Production of security and confidential documents
Fima Technology Sdn. Bhd.	Malaysia	**100**	100	Property management and engineering consultation services
FCB Plantation Holdings Sdn. Bhd.	Malaysia	**100**	100	Investment holding and plantation management/advisory services
Gabungan Warisan Sdn. Bhd.	Malaysia	**100**	100	Oil palm plantation
Subsidiary of FCB Plantation Holdings Sdn. Bhd.				
Cendana Laksana Sdn. Bhd.	Malaysia	**100**	100	Oil palm plantation
Next Oasis Sdn. Bhd.	Malaysia	**100**	100	Investment holding
PT Nunukan Jaya Lestari*	Indonesia	**80**	80	Oil palm production and processing
Fima Sg. Siput Estate Sdn. Bhd.	Malaysia	**70**	70	Oil palm plantation
FCB Eastern Plantations Sdn. Bhd.	Malaysia	**100**	100	Oil palm plantation
Subsidiary of Next Oasis Sdn. Bhd.				
Taka Worldwide Trading Sdn. Bhd.	Malaysia	**100**	100	Oil palm plantation
Etika Gangsa Sdn. Bhd.	Malaysia	**100**	100	Oil palm plantation
Subsidiary of FCB Eastern Plantations Sdn. Bhd.				
Ladang Bunga Tanjong Sdn. Bhd.	Malaysia	**80**	80	Oil palm plantation

* Audited by a member firm of Ernst & Young Global in Jakarta

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Financial information of a material subsidiary, PT Nunukan Jaya Lestari ("PTNJL"), which has a non-controlling interest is set out below. The summarised financial information presented below is the amount before inter-company elimination.

(i) Summarised statement of financial position

	2023 RM'000	2022 RM'000
Non-current assets - Property, plant and equipment	**11,128**	12,133
Non-current assets - Right-of-use assets	**10,156**	12,245
Non-current assets - Others	**4,129**	3,933
Current assets - Cash and cash equivalents	**57,774**	58,034
Current assets - Others	**25,294**	21,869
Total assets	**108,481**	108,214
Current liabilities	**8,484**	21,746
Non-current liabilities	**1,210**	2,875
Total liabilities	**9,694**	24,621
Net assets	**98,787**	83,593
Equity attributable to equity holders of the Company	**79,030**	66,874

(ii) Summarised statement of comprehensive income

	2023 RM'000	2022 RM'000
Revenue	**142,061**	169,280
Profit for the year	**35,316**	67,888
Other comprehensive income	**179**	1,818
Total comprehensive income for the year	**35,495**	69,706
Dividend paid to non-controlling interests	**4,104**	15,458

17. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Financial information of a material subsidiary, PT Nunukan Jaya Lestari ("PTNJL"), which has a non-controlling interest is set out below. The summarised financial information presented below is the amount before inter-company elimination. (cont'd.)

(iii) Summarised statement of cash flows

	2023 RM'000	2022 RM'000
Net cash generated from operating activities	**22,581**	104,339
Net cash (used in)/generated from investing activities	**(853)**	421
Net cash used in financing activities	**(22,203)**	(93,674)
Net increase in cash and cash equivalents	**(475)**	11,086
Cash and cash equivalents at beginning of the year	**58,034**	46,348
Effect of exchange rate changes	**215**	600
Cash and cash equivalents at end of the year	**57,774**	58,034

(c) During the year, the Company subscribed to 93 units (2022: 78 units) of redeemable preference shares at RM100,000 each, issued by the following subsidiaries, for a total cash consideration of RM9,300,000 (2022: RM7,800,000):

	2023 RM'000	2022 RM'000
Gabungan Warisan Sdn. Bhd.	**900**	1,000
Taka Worldwide Trading Sdn. Bhd.	**800**	800
Etika Gangsa Sdn. Bhd.	**200**	300
Ladang Bunga Tanjong Sdn. Bhd.	**2,000**	1,000
Fima Sg. Siput Estate Sdn. Bhd.	**5,400**	4,700
	9,300	7,800

(d) During the year, the Company has redeemed 50 units (2022: 40 units) of redeemable preference shares RM100,000 each from a subsidiary, Cendana Laksana Sdn. Bhd., for a total cash consideration of RM5,000,000 (2022: RM4,000,000).

(e) The redeemable preference shares of Ladang Bunga Tanjong Sdn. Bhd. and Fima Sg. Siput Estate Sdn. Bhd. carries cumulative dividend of 4.25% per annum. The other redeemable preference shares issued by the other subsidiaries carry non-cumulative dividend of 4.25% per annum. All the redeemable preference shares issued by the subsidiaries have no fixed redemption period.

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18. INVESTMENT IN ASSOCIATE

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost	**10,000**	10,000	**10,000**	10,000
Share of post acquisition results	**29,722**	26,092	**-**	-
	39,722	36,092	**10,000**	10,000

Details of the associate, which is incorporated in Malaysia, are as follows:

Name of associate	Group's effective interest 2023 %	Group's effective interest 2022 %	Principal activities
Giesecke & Devrient Malaysia Sdn. Bhd. *	**20**	20	Printing of bank notes

* Audited by a firm of auditors other than Ernst & Young PLT

The financial statements of Giesecke & Devrient Malaysia Sdn. Bhd. ("G&D") is not coterminous with those of the Group as G&D 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 2022 have been used and appropriate adjustments have been made for the effects of transactions between 31 December 2022 and 31 March 2023.

Summarised financial information in respect of G&D is set out below. The summarised financial information represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

(i) Summarised statement of financial position

	2023 RM'000	2022 RM'000
Current assets	**91,862**	82,250
Non-current assets	**159,635**	164,487
Total assets	**251,497**	246,737
Current liabilities	**10,284**	36,168
Non-current liabilities	**42,601**	30,108
Total liabilities	**52,885**	66,276
Net assets	**198,612**	180,461

18. INVESTMENT IN ASSOCIATE (CONT'D.)

(ii) Summarised statement of comprehensive income

	2023 RM'000	2022 RM'000
Revenue	**185,191**	193,599
Profit for the year, representing total comprehensive income for the year	**18,151**	11,391

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate

	2023 RM'000	2022 RM'000
Net assets at 1 April 2022/2021	**180,461**	186,817
Total comprehensive income for the year	**18,151**	11,391
Dividend paid	**-**	(17,747)
Net assets at 31 March	**198,612**	180,461
Interest in associate	**20%**	20%
Carrying value of Group's interest in associate	**39,722**	36,092

19. GOODWILL ON CONSOLIDATION

	Group	
	2023 RM'000	2022 RM'000
At 1 April 2022/2021 and 31 March	**510**	510

Goodwill on consolidation is in respect of the acquisition of PT Nunukan Jaya Lestari.

(a) Impairment test for goodwill

The Group performs a review on the recoverable amount of goodwill on consolidation on an annual basis. At reporting date, the recoverable amount of goodwill was determined on the basis of value-in-use calculation for the CGU using a five-year cash flow projection approved by the Board of Directors.

(b) Key assumptions used in the value-in-use calculation

Revenue
Revenue is estimated based on future expected yield and price.

Discount rate
Discount rate of 15.5% (2022: 15.5%) is used based on the risk specific to the CGU.

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19. GOODWILL ON CONSOLIDATION (CONT'D.)

(c) Sensitivity analysis

In assessing value-in-use, 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		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Work-in-progress	**17,691**	18,686	**-**	-
Oil palm products	**5,864**	7,214	**-**	-
Printing materials	**6,233**	14,878	**-**	-
Fertilizer	**2,981**	2,197	**227**	14
Consumables	**4,893**	4,199	**395**	13
Total inventories at the lower of cost and net realisable value	**37,662**	47,174	**622**	27

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM99,004,000 (2022: RM81,415,000).

21. BIOLOGICAL ASSETS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 April 2022/2021	**4,143**	1,844	**155**	-
Changes in fair value less cost to sell (Note 8)	**(1,247)**	2,249	**(107)**	155
Exchange differences	**6**	50	**-**	-
At 31 March	**2,902**	4,143	**48**	155

The fair value of biological assets is based on the actual quantity of fresh fruit bunches ("FFB") for 15 days period after the financial year and the observable current market price of FFB at reporting period less processing, harvesting and transportation costs. The quantity of unharvested FFB included in the valuation for the Group and the Company are 5,096 (2022: 4,965) and 97 (2022: 147) metric tonnes respectively. The fair value disclosed in the financial statements is categorised within the Level 3 fair value hierarchy.

21. BIOLOGICAL ASSETS (CONT'D.)

Sensitivity analysis

A 10% increase/(decrease) in the average of FFB selling price (RM/MT) would result in the following to the fair value change of the biological assets:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
10% increase	**335**	454	**8**	20
10% decrease	**(335)**	(454)	**(8)**	(20)

22. TRADE RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Third parties	**45,527**	43,327	**740**	944
Less: Allowance for ECLs	**(1,690)**	(1,521)	**(385)**	(380)
Trade receivables, net	**43,837**	41,806	**355**	564

Trade receivables are non-interest bearing. The Group's normal trade credit term ranges from 30 to 90 days (2022: from 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis. Overdue balances are reviewed regularly by senior management. Trade receivables are recognised at original invoice amounts which represent their fair values on initial recognition.

At the reporting date, approximately RM28,767,000 (2022: RM28,825,000) of the Group's trade receivables was due from the Government of Malaysia.

The ageing analysis of the Group's and the Company's trade receivables are disclosed in Note 40(d).

Movements in allowance accounts are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 April 2022/2021	**1,521**	1,008	**380**	348
Charge for the year (Note 6)	**736**	606	**5**	32
Write back of ECLs (Note 6)	**(567)**	(93)	**-**	-
As 31 March	**1,690**	1,521	**385**	380

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23. OTHER RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits	**719**	723	**165**	165
Sundry receivables	**5,478**	2,214	**294**	5
Prepayments	**6,412**	6,794	**1,096**	900
VAT receivables	**557**	-	**-**	-
Staff loan	**88**	86	**-**	-
	13,254	9,817	**1,555**	1,070
Less: Allowance for ECLs	**(1,632)**	(535)	**(100)**	(100)
	11,622	9,282	**1,455**	970

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.

Movements in allowance accounts are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 April 2022/2021	**535**	821	**100**	100
Charge for the year (Note 6)	**1,543**	432	**-**	-
Write back of ECLs (Note 6)	**(438)**	(733)	**-**	-
Exchange differences	**(8)**	15	**-**	-
As 31 March	**1,632**	535	**100**	100

24. DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Due from ultimate holding company	**14**	103	**3**	3
Due from subsidiaries	**-**	-	**2,555**	2,504
Due from other related companies	**515**	710	**-**	-
Less: Allowance for impairment	**-**	-	**(2,362)**	(2,362)
	529	813	**196**	145
Due to ultimate holding company	**(50)**	(61)	**-**	-
Due to subsidiaries	**-**	-	**(368)**	(4)
Due to other related companies	**(1)**	(103)	**-**	(340)
	(51)	(164)	**(368)**	(344)

The amounts due from/(to) ultimate holding company, subsidiaries and related companies are non-trade, unsecured, non-interest bearing, repayable upon demand and all settlement occurs in cash.

24. DUE FROM/(TO) RELATED COMPANIES (CONT'D.)

Movement in allowance account is as follows:

	Company	
	2023 RM'000	2022 RM'000
At 1 April 2022/2021 and at 31 March	**2,362**	2,362

25. FINANCIAL INVESTMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At FVTPL:				
Islamic money market unit trust funds, in Malaysia	**128,872**	153,324	**34,023**	44,638

Other details of the fair value of the Group's and the Company's financial investments are further disclosed in Note 39.

26. CASH AND BANK BALANCES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	**31,116**	28,305	**1,045**	756
Fixed deposits with licensed banks	**36,631**	37,797	**23**	23
Total cash and cash equivalents	**67,747**	66,102	**1,068**	779

The weighted average effective interest rates ("WAEIR") per annum of deposits at the reporting date are as follows:

	Group		Company	
	2023 %	2022 %	2023 %	2022 %
Licensed banks	**2.72**	2.27	**2.00**	1.35

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26. CASH AND BANK BALANCES (CONT'D.)

The average maturity of deposits as at the end of the financial year are as follows:

	Group		Company	
	2023 Days	2022 Days	2023 Days	2022 Days
Licensed banks	**27**	31	**31**	31

27. SHARE CAPITAL

	Number of shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Issued and fully paid:				
At 1 April 2022/2021 and at 31 March	**245,324**	245,324	**122,662**	122,662

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 a special resolution passed in a general meeting held on 23 August 2022, 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.

During the financial year, the Company bought back 222,900 (2022: 712,100) of its issued ordinary shares from the open market at an average price of RM1.94 (2022: RM1.91) per ordinary share. The total consideration paid for the buy back including transactions costs was RM431,000 (2022: RM1,363,000). The shares bought back are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

Of the total 245,324,330 (2022: 245,324,330) issued and fully paid ordinary shares as at 31 March 2023, 8,166,800 (2022: 7,943,900) are held as treasury shares by the Company. As at 31 March 2023, the number of outstanding ordinary shares in issue and fully paid-up is therefore 237,157,530 (2022: 237,380,430).

29. OTHER RESERVES

	Foreign currency translation deficit RM'000	Equity contribution from parent RM'000	Total RM'000
Group			
At 1 April 2021	(8,582)	4,250	(4,332)
Foreign currency translation	1,413	-	1,413
At 31 March 2022	(7,169)	4,250	(2,919)
At 1 April 2022	**(7,169)**	**4,250**	**(2,919)**
Foreign currency translation	**181**	**-**	**181**
At 31 March 2023	**(6,988)**	**4,250**	**(2,738)**
Company			
At 1 April 2022/2021 and at 31 March 2023/2022		**539**	**539**

The nature and purpose of each category of reserve are as follows:

(a) Foreign currency translation reserve/(deficit)

The foreign currency translation reserve/(deficit) is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is 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.

(b) Equity contribution from parent

Equity contribution from parent represents the equity-settled share options and shares granted by ultimate holding company, Kumpulan Fima Berhad to the employees of the Group. The reserve is made up of the cumulative value of services received from the employees, which was recorded upon the grant of the share options and shares by Kumpulan Fima Berhad.

30. RETAINED EARNINGS

As at 31 March 2023, the Company may distribute the entire balance of the retained earnings under the single tier system.

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31. LEASE LIABILITIES

The carrying amount and the movement of lease liabilities for the years ended 31 March 2023 and 2022 are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 April 2022/2021	**82,006**	18,748	**63,006**	-
Additions	**5,739**	69,178	**5,739**	64,715
Payments	**(6,790)**	(6,096)	**(2,687)**	(1,758)
Rent concession (Note 5)	**-**	(392)	**-**	-
Interest expense (Note 7)	**1,304**	518	**600**	49
Exchange differences	**13**	50	**-**	-
At 31 March	**82,272**	82,006	**66,658**	63,006
Analysed as:				
Current	**3,164**	5,963	**703**	2,436
Non-current	**79,108**	76,043	**65,955**	60,570
	82,272	82,006	**66,658**	63,006

(a) As lessee

The Group and the Company have lease contract for a leasehold land that contains variable payments based on the average Crude Palm Oil ("CPO") price for the year. The following provides information on the Group's and the Company's variable lease payments, including the magnitude in relation to fixed payments:

	Fixed payments RM'000	Variable payments RM'000	Total RM'000
Group			
At 31 March 2023			
Fixed rent	**4,103**	**-**	**4,103**
Variable rent with minimum payment	**1,567**	**1,120**	**2,687**
	5,670	**1,120**	**6,790**
At 31 March 2022			
Fixed rent	4,338	-	4,338
Variable rent with minimum payment	1,567	191	1,758
	5,905	191	6,096

31. LEASE LIABILITIES (CONT'D.)

(a) As lessee (cont'd.)

The Group and the Company have lease contract for a leasehold land that contains variable payments based on the average Crude Palm Oil ("CPO") price for the year. The following provides information on the Group's and the Company's variable lease payments, including the magnitude in relation to fixed payments: (cont'd.)

	Fixed Payments RM'000	Variable Payments RM'000	Total RM'000
Company			
At 31 March 2023			
Variable rent with minimum payment	**1,567**	**1,120**	**2,687**
At 31 March 2022			
Variable rent with minimum payment	1,567	191	1,758

Certain lease contract of the Group and the Company contain variable payments, which is based on future of CPO price and tenure of the lease.

32. RETIREMENT BENEFIT OBLIGATION

	Group	
	2023 RM'000	2022 RM'000
At 1 April 2022/2021	**1,801**	1,657
Recognised in profit or loss (Note 9)	**(32)**	301
Benefits paid	**(195)**	(102)
Remeasurement of defined benefit liability	**60**	(81)
Exchange differences	**2**	26
At 31 March	**1,636**	1,801

The foreign subsidiary in Indonesia operates an unfunded defined benefit plan for its eligible employees. The obligations under the retirement benefit 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 2023.

32. RETIREMENT BENEFIT OBLIGATION (CONT'D.)

(a) The amount recognised in the statement of financial position is determined as follows:

	Group 2023 RM'000	Group 2022 RM'000
Present value of unfunded defined benefits obligations	**1,636**	1,801
Analysed as:		
Non-current	**1,636**	1,801

(b) The amounts recognised in the profit or loss are as follows:

	Group 2023 RM'000	Group 2022 RM'000
Current service cost	**246**	222
Past service cost	**(366)**	-
Interest cost	**88**	79
Total, included in staff costs (Note 9)	**(32)**	301

(c) Principal assumptions used by the foreign subsidiary in Indonesia in determining the employee benefits liability as of 31 March 2023 and 2022 are as follows:

	Group 2023	Group 2022
Discount rate	**6.53%**	5.50%
Annual salary increase	**7.00%**	7.00%
Retirement age	**58 to 65**	57 to 65

The discount rate is determined based on the Indonesian Government Bond Spot Rate at the end of reporting period in accordance with the estimated maturity of post-employment benefits obligations for the remaining of the working period of each employee.

33. DEFERRED TAXATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 April 2022/2021	**(5,150)**	(2,074)	**(134)**	102
Recognised in:				
- profit or loss (Note 11)	**(1,318)**	(3,003)	**(1,011)**	(236)
- other comprehensive income	**(13)**	30	**-**	-
Exchange differences	**1**	(103)	**-**	-
At 31 March	**(6,480)**	(5,150)	**(1,145)**	(134)
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(11,856)**	(9,931)	**(1,145)**	(134)
Deferred tax liabilities	**5,376**	4,781	**-**	-
	(6,480)	(5,150)	**(1,145)**	(134)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	Others RM'000	Total RM'000
At 1 April 2021	13,049	2,645	15,694
Recognised in profit or loss	514	369	883
Exchange differences	-	11	11
At 31 March 2022	**13,563**	**3,025**	**16,588**
Recognised in profit or loss	**395**	**(122)**	**273**
Exchange differences	**-**	**1**	**1**
At 31 March 2023	**13,958**	**2,904**	**16,862**

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33. DEFERRED TAXATION (CONT'D.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (cont'd.)

Deferred tax assets of the Group:

	Tax losses and unabsorbed capital allowances RM'000	Retirement benefit obligations RM'000	Provision for liabilities RM'000	Others RM'000	Total RM'000
At 1 April 2021	(9,149)	(353)	(3,734)	(4,532)	(17,768)
Recognised in:					
- profit or loss	(3,980)	(77)	966	(795)	(3,886)
- other comprehensive income	-	30	-	-	30
Exchange differences	-	(6)	(4)	(104)	(114)
At 31 March 2022	**(13,129)**	**(406)**	**(2,772)**	**(5,431)**	**(21,738)**
Recognised in:					
- profit or loss	**(1,523)**	**51**	**(826)**	**707**	**(1,591)**
- other comprehensive income	**-**	**(13)**	**-**	**-**	**(13)**
At 31 March 2023	**(14,652)**	**(368)**	**(3,598)**	**(4,724)**	**(23,342)**

Deferred tax (assets)/liability of the Company:

	Tax losses and unabsorbed capital allowances RM'000	Provision for liabilities RM'000	Accelerated capital allowances RM'000	Total RM'000
At 1 April 2021	-	(218)	320	102
Recognised in profit or loss	(336)	30	70	(236)
At 31 March 2022	**(336)**	**(188)**	**390**	**(134)**
Recognised in profit or loss	**(1,425)**	**(16)**	**430**	**(1,011)**
At 31 March 2023	**(1,761)**	**(204)**	**820**	**(1,145)**

33. DEFERRED TAXATION (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2023 RM'000	Group 2022 RM'000
Unutilised tax losses	**26,738**	22,765
Unabsorbed capital allowances	**4,412**	2,972
	31,150	25,737

In prior years, effective from year assessment 2019, the unabsorbed tax losses shall only be allowed to be carried forward for a maximum period of seven consecutive years of assessment. Any amount which is not utilised at the end of the period of seven years of assessment shall be disregarded.

However, based on the Finance Act 2021 which was gazetted on 31 December 2021, the period to carry forward the unabsorbed tax losses has been extended to ten years of assessment effective from the year of assessment 2019.

Certain deferred tax assets of the Group arising from unutilised tax losses and unabsorbed capital allowances have not been recognised as there may not be sufficient future taxable profits against which these items can be utilised given that the respective subsidiaries had a recent history of losses.

Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unutilised tax losses only can be carried forward as follows:

	Group 2023 RM'000	Group 2022 RM'000
Year of assessment 2028	**12,054**	12,054
Year of assessment 2029	**2,108**	2,108
Year of assessment 2030	**3,002**	3,002
Year of assessment 2031	**2,797**	2,797
Year of assessment 2032	**2,804**	2,804
Year of assessment 2033	**3,973**	-
	26,738	22,765

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34. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Trade payables				
Third parties	**5,613**	6,237	**858**	28
Other payables				
Tenants' rental deposits	**1,158**	1,323	**1,026**	993
Accruals	**13,711**	11,077	**838**	525
Provision for bonus	**4,598**	3,602	**375**	310
Receipts in advance	**1,992**	1,603	**-**	-
VAT payables	**-**	746	**-**	-
Others	**804**	488	**-**	-
	22,263	18,839	**2,239**	1,828
Total trade and other payables	**27,876**	25,076	**3,097**	1,856

Trade payables are non-interest bearing which are normally settled within 30 to 90 days (2022: 30 to 90 days).

35. PROVISION FOR WARRANTY

	Group	
	2023 RM'000	2022 RM'000
Provision for warranty	**970**	1,023

Provision for warranty is based on current volumes of products sold still under warranty, historic quality rates, and estimates and assumptions regarding future quality rates for new products.

Movements in the provision for warranty are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 April 2022/2021	**1,023**	3,115
Charge for the year (Note 8)	**396**	786
Reversal during the year (Note 8)	**(449)**	(2,878)
At 31 March	**970**	1,023

36. COMMITMENTS

(a) Capital expenditure

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Approved and contracted for:				
Property, plant and equipment	**11,860**	11,939	**196**	-
Approved but not contracted for:				
Property, plant and equipment	**22,610**	41,261	**17,833**	1,419
	34,470	53,200	**18,029**	1,419

(b) Operating lease commitments - as lessor

The Group and the Company have entered into operating leases on their investment properties consisting of certain office and commercial buildings 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 an annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2023 and 2022 for the Group and the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Within one year	**3,603**	4,029	**3,081**	3,184
After one year but not more than five years	**2,376**	5,458	**2,097**	5,233
	5,979	9,487	**5,178**	8,417

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37. RELATED PARTY DISCLOSURES

(a) 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.

	Income/(expense) 2023 RM'000	Income/(expense) 2022 RM'000
Group		
Ultimate holding company		
- Rental income	**887**	878
- Sales/services rendered	**300**	326
- Management fees	**(1,043)**	(1,905)
Fellow subsidiaries:		
- Rental income	**180**	162
- Sales/services rendered	**1,597**	2,016
- Management services	**460**	548
Related by virtue of common shareholder of the Company:		
- Purchases made	**(82)**	(24)
- Rental income	**24**	89
Related by virtue of Company's director, subsidiaries' director and corporate shareholder of the subsidiary:		
- Services received	**(241)**	(184)
- Purchases made	**(7,274)**	(9,403)
Company		
Ultimate holding company		
- Rental income	**887**	878
- Management fees	**(341)**	(576)
Subsidiaries:		
- Rental income	**180**	184
- Management services	**251**	325
- Purchases made	**(934)**	(787)
Fellow subsidiaries:		
- Management services	**-**	18

The directors are of the opinion that the transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

37. 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 the directors (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	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries and other short-term employee benefits	**3,783**	3,240	**1,561**	1,234
Contributions to defined contribution plan	**417**	414	**155**	105
	4,200	3,654	**1,716**	1,339

Included in the total key management personnel above are the remuneration in respect of the directors of the Company:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Directors' remuneration:				
Directors of the Company (Note 10)	**2,093**	2,119	**1,350**	1,288

38. SEGMENTAL INFORMATION

(a) Business segments:

The Group's major business segments are:

(i) Production and trading - Production and trading of security and confidential documents.

(ii) Plantation - Oil palm production and processing.

(iii) Investment holding and property management - Investment holding, rental and management of commercial properties.

(b) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three business segments predominately operate in two separate geographical areas:

(i) Malaysia - the operations in this area are principally printing and trading of security and confidential documents, oil palm production, property management and investment holding.

(ii) Indonesia - Oil palm production and processing.

38. SEGMENTAL INFORMATION (CONT'D.)

Business segments

The following table provides an analysis of the Group's revenue, results, assets and liabilities and other information by business segment:

	Production and trading of security documents		Investment holding		Property management		Oil palm production		Eliminations		Consolidated	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue												
External	**129,562**	104,126	**-**	-	**6,783**	7,060	**159,572**	189,405	**-**	-	**295,917**	300,591
Inter-segment	**-**	-	**58,140**	145,306	**1,005**	1,005	**-**	-	**(59,145)**	(146,311)	**-**	-
Total revenue	**129,562**	104,126	**58,140**	145,306	**7,788**	8,065	**159,572**	189,405	**(59,145)**	(146,311)	**295,917**	300,591
Results												
Profit from operations	**10,130**	8,556	**54,508**	137,254	**1,882**	2,236	**40,607**	90,651	**(58,163)**	(145,390)	**48,964**	93,307
Finance costs	**(25)**	(66)	**-**	-	**-**	-	**(1,279)**	(452)	**-**	-	**(1,304)**	(518)
Share of results of associate	**-**	-	**3,630**	2,278	**-**	-	**-**	-	**-**	-	**3,630**	2,278
Profit before tax and zakat											**51,290**	95,067
Income tax expense											**(12,284)**	(19,528)
Zakat paid											**(10)**	(108)
Profit for the year											**38,996**	75,431
Assets												
Segment assets	**164,538**	170,155	**263,561**	289,675	**49,221**	57,261	**446,730**	382,382	**(257,099)**	(213,933)	**666,951**	685,540
Deferred tax assets	**1,883**	1,715	**-**	-	**25**	19	**9,948**	8,197	**-**	-	**11,856**	9,931
Interest in associate	**-**	-	**39,722**	36,092	**-**	-	**-**	-	**-**	-	**39,722**	36,092
Consolidated total assets											**718,529**	731,563
Liabilities												
Segment liabilities	**16,284**	18,859	**580**	2,158	**1,597**	383	**171,761**	170,267	**(71,958)**	(61,330)	**118,264**	130,337
Consolidated total liabilities											**118,264**	130,337
Other information												
Capital expenditure	**3,129**	1,325	**84**	52	**122**	75	**16,798**	11,408	**(114)**	-	**20,019**	12,860
Depreciation and amortisation	**2,757**	3,397	**46**	86	**1,316**	1,611	**12,860**	13,062	**(201)**	(953)	**16,778**	17,203
Net charge/(write back) of ECLs	**164**	481	**-**	-	**5**	32	**1,105**	(301)	**-**	-	**1,274**	212
Net reversal of provision for warranty	**(53)**	(2,092)	**-**	-	**-**	-	**-**	-	**-**	-	**(53)**	(2,092)
Fair value changes in biological assets	**-**	-	**-**	-	**-**	-	**1,247**	(2,249)	**-**	-	**1,247**	(2,249)

38. SEGMENTAL INFORMATION (CONT'D.)

Geographical segments

The following table provides an analysis of the Group's revenue, carrying amount of segment assets and capital expenditure, analysed by geographical segments:

	Revenue		Segment assets		Capital expenditure	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Malaysia	**153,856**	131,311	**610,048**	623,349	**18,132**	12,162
Indonesia	**142,061**	169,280	**108,481**	108,214	**1,887**	698
	295,917	300,591	**718,529**	731,563	**20,019**	12,860

39. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(i) Financial assets and financial liabilities measured at amortised cost ("AC"); and

(ii) Financial assets measured at fair value through profit or loss ("FVTPL").

	Note	Carrying amount RM'000	AC RM'000	FVTPL RM'000
Group				
At 31 March 2023				
Financial assets				
Trade receivables	22	**43,837**	**43,837**	**-**
Other receivables (less prepayments and VAT receivables)	23	**4,653**	**4,653**	**-**
Due from related companies	24	**529**	**529**	**-**
Financial investments	25	**128,872**	**-**	**128,872**
Cash and bank balances	26	**67,747**	**67,747**	**-**
		245,638	**116,766**	**128,872**
Financial liabilities				
Trade payables	34	**5,613**	**5,613**	**-**
Other payables	34	**22,263**	**22,263**	**-**
Due to related companies	24	**51**	**51**	**-**
Lease liabilities	31	**82,272**	**82,272**	**-**
		110,199	**110,199**	**-**

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39. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Categories of financial instruments (cont'd.)

	Note	Carrying amount RM'000	AC RM'000	FVTPL RM'000
Group (cont'd.)				
At 31 March 2022				
Financial assets				
Trade receivables	22	41,806	41,806	-
Other receivables (less prepayments)	23	2,488	2,488	-
Due from related companies	24	813	813	-
Financial investments	25	153,324	-	153,324
Cash and bank balances	26	66,102	66,102	-
		264,533	111,209	153,324
Financial liabilities				
Trade payables	34	6,237	6,237	-
Other payables (less VAT payables)	34	18,093	18,093	-
Due to related companies	24	164	164	-
Lease liabilities	31	82,006	82,006	-
		106,500	106,500	-
Company				
At 31 March 2023				
Financial assets				
Trade receivables	22	**355**	**355**	**-**
Other receivables (less prepayments)	23	**359**	**359**	**-**
Due from related companies	24	**196**	**196**	**-**
Financial investments	25	**34,023**	**-**	**34,023**
Cash and bank balances	26	**1,068**	**1,068**	**-**
		36,001	**1,978**	**34,023**
Financial liabilities				
Trade payables	34	**858**	**858**	**-**
Other payables	34	**2,239**	**2,239**	**-**
Due to related companies	24	**368**	**368**	**-**
Lease liabilities	31	**66,658**	**66,658**	**-**
		70,123	**70,123**	**-**

39. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Categories of financial instruments (cont'd.)

	Note	Carrying amount RM'000	AC RM'000	FVTPL RM'000
Company (cont'd.)				
At 31 March 2022				
Financial assets				
Trade receivables	22	564	564	-
Other receivables (less prepayments)	23	70	70	-
Due from related companies	24	145	145	-
Financial investments	25	44,638	-	44,638
Cash and bank balances	26	779	779	-
		46,196	1,558	44,638
Financial liabilities				
Trade payables	34	28	28	-
Other payables	34	1,828	1,828	-
Due to related companies	24	344	344	-
Lease liabilities	31	63,006	63,006	-
		65,206	65,206	-

(b) Determination of fair value

The fair value of financial assets and financial liabilities approximate their respective carrying values on the statement of financial position of the Group and of the Company.

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

(i) Cash and bank balances, receivables and payables

The carrying amounts approximate fair values due to the relatively short term maturity of these financial instruments.

(ii) Financial investments

Financial investments relates to Islamic money market unit trust funds whose fair value is determined by reference to the fair value provided by the fund manager of the unit trust funds at the close of the business on the reporting date. The investments are classified as level 2 in the fair value hierarchy.

There were no transfer between the fair value hierarchy during the financial year (2022: no transfer in either directions).

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40. 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

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group does not have any interest-bearing long term debt or long term interest bearing assets as at 31 March 2023. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits and money market unit trust funds which yield better return than cash at bank.

(b) Foreign exchange risk

The Group is mainly exposed to the Indonesian Rupiah ("IDR"). Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Sensitivity analysis

The net unhedged financial assets and financial liabilities of the Group that are not denominated in RM are as follows:

	Group	
	2023 RM'000	**2022 RM'000**
IDR		
Financial assets		
- Trade and other receivables	**10,004**	6,463
- Cash and cash equivalents	**57,774**	58,034
	67,778	64,497
Financial liabilities		
- Trade and other payables	**6,747**	5,203
Net exposure	**61,031**	59,294

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Foreign exchange risk (cont'd.)

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the IDR exchange rates against the RM with all other variables held constant.

	Group	
	2023 Effect on profit net of tax/ equity RM'000	2022 Effect on profit net of tax/ equity RM'000
IDR - strengthens 1% (2022: 1%)	**464**	451
IDR - weakens 1% (2022: 1%)	**(464)**	(451)

(c) Liquidity/funding risk

The Group and the Company define liquidity/funding risk as the risk that funds will not be available to meet their liabilities as and when they fall due.

The Group and the Company actively manage their operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible instruments to meet their working capital requirements. To ensure availability of funds, the Group and the Company closely monitor their cash flow position on a regular basis.

Notes to the Financial Statements

31 March 2023

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity/funding risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Group				
At 31 March 2023				
Financial liabilities:				
Trade and other payables (Note 34)	**27,876**	**-**	**-**	**27,876**
Amount due to related companies (Note 24)	**51**	**-**	**-**	**51**
Lease liabilities	**6,043**	**14,990**	**208,838**	**229,871**
	33,970	**14,990**	**208,838**	**257,798**
At 31 March 2022				
Financial liabilities:				
Trade and other payables, excluding VAT payables (Note 34)	24,330	-	-	24,330
Amount due to related companies (Note 24)	164	-	-	164
Lease liabilities	6,795	16,353	208,130	231,278
	31,289	16,353	208,130	255,772

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Liquidity/funding risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations. (cont'd.)

	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Company				
At 31 March 2023				
Financial liabilities:				
Trade and other payables (Note 34)	**3,097**	**-**	**-**	**3,097**
Amount due to related companies (Note 24)	**368**	**-**	**-**	**368**
Lease liabilities	**2,845**	**9,918**	**131,063**	**143,826**
	6,310	**9,918**	**131,063**	**147,291**
At 31 March 2022				
Financial liabilities:				
Trade and other payables (Note 34)	1,856	-	-	1,856
Amount due to related companies (Note 24)	344	-	-	344
Lease liabilities	2,529	9,401	129,091	141,021
	4,729	9,401	129,091	143,221

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade receivables.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position as disclosed in Note 39.

Notes to the Financial Statements
31 March 2023

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Credit risk (cont'd.)

Trade receivables

The Group and the Company minimise credit risk by entering into contracts with highly credit rated counterparties and through credit approval, financial limits and on-going monitoring procedures. Counterparties credit evaluation is done systematically using quantitative and qualitative criteria on credit risks specified by individual operating units. Depending on the creditworthiness of the counterparty, the Group and the Company may require collateral or other credit enhancements.

The Group and the Company use ageing analysis and credit limit review to monitor the credit quality of the receivables. Any customers exceeding their credit limit are monitored closely. With respect to the trade receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

With respect to the trade receivables which have no realistic prospect of recovery, the gross carrying amounts of the credit impaired receivables will be written off (either in partial or in full).

Recognition and measurement of impairment loss

The Group and the Company measure their impairment losses for financial assets using a forward-looking expected credit loss ("ECLs") approach. In determining the ECLs, the probability of default assigned to each customer is based on their individual both quantitative and qualitative information and analysis, Group's and Company's historical experience and informed credit assessment and including forward-looking information.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2023 and 31 March 2022:

	Weighted average loss rate %	Gross amount RM'000	Expected credit loss RM'000
Group			
At 31 March 2023			
Current	0%	**15,719**	**-**
1 to 60 days past due	0%	**9,798**	**-**
61 to 120 days past due	0%	**11,729**	**-**
More than 121 days past due	20%	**8,281**	**1,690**
		45,527	**1,690**
At 31 March 2022			
Current	0%	17,648	-
1 to 60 days past due	0%	17,017	-
61 to 120 days past due	0%	2,060	-
More than 121 days past due	23%	6,602	1,521
		43,327	1,521

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Credit risk (cont'd.)

Trade receivables (cont'd.)

Recognition and measurement of impairment loss (cont'd.)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 31 March 2023 and 31 March 2022: (cont'd.)

	Weighted average loss rate %	Gross amount RM'000	Expected credit loss RM'000
Company			
At 31 March 2023			
Current	**0%**	**220**	**-**
1 to 60 days past due	**0%**	**104**	**-**
61 to 120 days past due	**0%**	**31**	**-**
More than 121 days past due	**100%**	**385**	**385**
		740	**385**
At 31 March 2022			
Current	0%	402	-
1 to 60 days past due	0%	135	-
61 to 120 days past due	0%	12	-
More than 121 days past due	96%	395	380
		944	380

Notes to the Financial Statements
31 March 2023

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Credit risk (cont'd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the geographical location of its business on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date are as follows:

	Group			
	2023		2022	
	RM'000	% of total	RM'000	% of total
Malaysia	**37,717**	**86%**	37,589	76%
Indonesia	**6,120**	**14%**	4,217	24%
	43,837	**100%**	41,806	100%

Exposure to expected credit losses increases with concentrations of credit risk which may exist when a number of counterparties are involved in similar activities or operate in the same industry sector or geographical area, which may result in their ability to meet contractual obligations being impacted by changes in economic, political or other conditions.

At the reporting date, approximately RM28,767,000 (2022: RM28,825,000) of the Group's trade receivables was due from the Government of Malaysia.

Fixed deposits with licensed banks are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

41. 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 business 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 and purchase of treasury shares. The Group's approach in managing capital 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.

42. MATERIAL LITIGATIONS

(i) 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 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 Menteri Agraria dan Tata Ruang/Kepala Badan Pertahanan Nasional ("Minister") issued a decree revoking PTNJL's HGU with immediate effect ("Ministerial Order") based on the following reasons:

- 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 17,164 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"); and

- PTNJL to apply for a new HGU certificate for the remaining 2,809 hectares of land located at Land Allocated for Other Purposes ("APL").

On 21 October 2016, PTNJL initiated an action against the Minister, seeking an order to annul Revocation ("Lawsuit") in the Administrative Court ("State Administrative Court") of Jakarta, Indonesia seeking a court order to annul the Ministerial Order and also an order to postpone the enforcement of the Ministerial Order pending full and final determination of the matter by the Jakarta State Administrative Court. The matter was brought until judicial review application.

Vide the written decision of the Jakarta State Administrative Court dated 4 August 2021 (which was received by PTNJL's solicitors on 25 November 2021 and forwarded to PTNJL on 26 November 2021), PTNJL's judicial review application was dismissed. As a result of this ruling, the Ministerial Order revoking PTNJL's HGU land title, is upheld.

(b) On 28 November 2019, PTNJL had instituted a civil suit in the South Jakarta District Court ("the District Court") against the Minister and a Third Party (collectively, Defendants"). The President Republik Indonesia and Minister of Environmental Affairs and Forestry of Republic of Indonesia ("Forestry Ministry") have been named as co-defendants in the said suit.

PTNJL is inter alia seeking (i) recognition over its rights and to allow PTNJL to continue its plantation activities; (ii) bar AHL from preventing PTNJL from undertaking its plantation activities within the HGU areas which overlap with AHL's operating permits/interests; and (iii) to restrain Menteri Kehutanan from issuing any new licences permits or approvals to any parties on or within the HGU.

On 15 September 2020, the District Court delivered an oral judgement and dismissed the civil suit initiated by PTNJL against the Defendants on the basis that the District Court has no competency to hear the matter notwithstanding the civil nature of the claim.

PTNJL has filed its notice of appeal and memorandum of appeal on 28 September 2020 and 21 April 2021 respectively to the Pengadilan Tinggi DKI Jakarta (through the District Court) in respect of the decision of the District Court dated 15 September 2020.

Notes to the Financial Statements
31 March 2023

42. MATERIAL LITIGATIONS (CONT'D.)

(i) Hak Guna Usaha No. 01/Nunukan Utara (cont'd.)

(c) Bupati Nunukan vide a letter dated 12 June 2020 ("SK Bupati"), which was received by PTNJL on 23 July 2020, revoked PTNJL's Izin Usaha Perkebunan ("IUP") with immediate effect. On 19 October 2020, PTNJL had initiated a legal action in Samarinda State Administrative Court against Bupati Nunukan to annul the SK Bupati. Subsequently, the court allowed a third party, PT. Adindo Hutani Lestari's application to be included as an intervener in the suit. The matter was brought until Mahkamah Agung level.

Mahkamah Agung vide decision dated 31 March 2022, ruled in favour of PTNJL and directed the Bupati Nunukan to (i) cancel the SK Bupati; and (ii) issue a new IUP in favour of PTNJL less the overlapping areas with the third party.

Subsequently, on 2 January 2023, the revised IUP was issued in favour of PTNJL. The revised IUP covers 13,665 hectares which is net of the overlapping area of 3,500 hectares with a third party.

PTNJL is now following up with Kementerian Lingkungan Hidup dan Kehutanan, Jakarta and local authorities for the application of HGU for the APL area and to progress its "Izin Pelepasan Kawasan Hutan" application for the planted areas within forestry land, as well as the planted areas.

(ii) Legal action against Datasonic Technologies Sdn. Bhd.

On 30 July 2018, the Company's subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. ("PKN"), has 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 the PKN to DTSB.

On 13 October 2021, the High Court Judge ordered DTSB to pay PKN a sum of RM15,000,000 with 4% interest from the date of the court decision until full and final settlement. In addition, the Court has ordered PKN to pay DTSB costs of RM30,000.

PKN has on 29 October 2021, filed a Notice of Appeal at the Court of Appeal, appealing against some parts of the High Court's decision given on 13 October 2021.

The hearing for the appeal was concluded on 15 June 2022 and after hearing the oral submissions from the parties' respective counsel, the Court of Appeal had reserved its decision to be delivered on 18 August 2022.

On 26 October 2022, the Court of Appeal had allowed PKN's appeal in part. In this regard, the Court of Appeal had maintained the judgment of the High Court Judge save for the following:

(a) Post-judgment interest rate has been increased from 4% to 5% per annum.

(b) Costs of RM30,000.00 which was ordered by the High Court against PKN has been set aside. In turn, the costs of RM30,000.00 previously remitted by PKN to DTSB pursuant to the judgment of the High Court is to be refunded by DTSB to PKN.

(c) In addition, DTSB has been ordered to pay PKN costs in the sum of RM30,000.00 for the High Court action.

(d) Costs of RM5,000.00 to be paid by DTSB to PKN subject to allocator fee.

There is no further appeal by PKN on the matter. The Defendant has also fulfilled their obligations based on the judgements of the High Court and Court of Appeal.

43. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 23 June 2023.

Properties of the Group

No.	Location	Description/ Existing Use	Tenure	Land Area (Acres)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/03/23 (RM'000)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	FIMA CORPORATION BERHAD							
1.	PTD 4656 H.S(D) 13531 Mukim Jeram Batu Pontian, Johor	Industrial land and building	Freehold	2.71	66,608	716,000	07 July 1993	55
2.	Lot 1176 Mukim Pasir Panjang Port Dickson Negeri Sembilan	Bungalow	Freehold	0.82	N/A	1,583,000	07 July 1993/ 12 February 2015	74
3.	Lot 52068 Grant 50064 Mukim of Kuala Lumpur Wilayah Persekutan	Office Building	Freehold	1.45	270,372	43,206,000	17 August 1995	25
4	PT 363 HSD 27345 Mukim Kuala Betis Daerah Betis Jajahan Kecil Lojing Kelantan	Agriculture/ Oil Palm Plantation Estate building	Leasehold expiring 05/03/2077	5,688.24	N/A	91,252,000	3 May 2021	N/A
5	Lot 3468 PN 6353 Mukim Relai, Daerah Chiku Jajahan Gua Musang Kelantan	Agriculture/ Oil Palm Plantation	Leasehold expiring 05/03/2077	2,311.13	N/A	36,808,000	3 May 2021	N/A
	Sub Total			8,004.35	336,980	173,565,000		
	PERCETAKAN KESELAMATAN NASIONAL SDN. BHD.							
1.	Lot 27306 Section 13, Mukim Kajang District of Hulu Langat Selangor	Industrial land and building	Leasehold expiring 29/09/2086	8.30	250,560	9,943,000	26 January 2006	36
	Sub Total			8.30	250,560	9,943,000		
	CENDANA LAKSANA SDN. BHD.							
1.	PN 7602 (Lot 2925) and HSD 398 (PT 757P) Mukim of Tebak District of Kemaman Terengganu	Agriculture Oil Palm Plantation	Leasehold expiring 8/08/2048 (PN 7602) 8/08/2039 (HSD 398)	1,940.73	N/A	42,590,000	6 January 2014/ 20 March 2015	N/A
	Sub Total			1,940.73	N/A	42,590,000		

Properties of the Group

No.	Location	Description/ Existing Use	Tenure	Land Area (Acres)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/03/23 (RM'000)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	GABUNGAN WARISAN SDN. BHD.							
1.	PT 4718 H.S(D) 9350 Mukim of Kuala Stong District of Kuala Krai Kelantan	Agriculture Oil Palm Plantation	Leasehold expiring 22/07/2112	617.27	N/A	14,459,000	17 October 2014/ 10 March 2015	N/A
	Sub Total			617.27	N/A	14,459,000		
	TAKA WORLDWIDE TRADING SDN. BHD.							
1.	PT 6943 H.S(D) 2345 Mukim of Relai District of Gua Musang Kelantan	Agriculture Oil Palm Plantation	Leasehold expiring 5/03/2107	500.00	N/A	9,693,000	18 March 2015	N/A
	Sub Total			500.00	N/A	9,693,000		
	ETIKA GANGSA SDN. BHD.							
1.	PT 6944 H.S(D) 2346 Mukim of Relai District of Gua Musang Kelantan	Agriculture Oil Palm Plantation	Leasehold expiring 5/03/2107	500.00	N/A	9,128,000	18 March 2015	N/A
	Sub Total			500.00	N/A	9,128,000		
	LADANG BUNGA TANJONG SDN. BHD.							
1.	GRN 36415 Lot 2429 Mukim Lubok Bungor Jajahan Jeli Kelantan	Agriculture Oil Palm Plantation	Leasehold expiring 28/09/2069	3,288.90	N/A	50,059,000	20 February 2018	N/A
	Sub Total			3,288.90	N/A	50,059,000		
	FIMA SG. SIPUT ESTATE SDN. BHD.							
1.	PT 14352 H.S(D) 16214 Mukim Sungai Siput District of Kuala Kangsar Perak	Agriculture Oil Palm Plantation	Leasehold expiring 3/08/2075	4,942.00	N/A	31,228,000	4 December 2015	N/A
	Sub Total			4,942.00	N/A	31,228,000		

Properties of the Group

No.	Location	Description/ Existing Use	Tenure	Land Area (Acres)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/03/23 (RM'000)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	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 and palm oil mill	Leasehold expiring 12/05/2038 (HGU) 17/03/2035 (HGB)	49,355.75 286.15	N/A N/A	13,498,000 585,000	9 April 2007/ 31 December 2014	N/A 18
	Sub Total			49,641.90	-	14,083,000		
	GRAND TOTAL			69,443.45	587,540	354,748,000		

Analysis of Shareholdings

As at 26 June 2023

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	% of Total Shareholdings
1.	FIMA METAL BOX HOLDINGS SDN BHD	147,245,358	62.10
2.	LEONG KOK TAI	3,502,100	1.48
3.	WONG YU @ WONG WING YU	2,757,800	1.16
4.	LIAU KEEN YEE	2,603,000	1.10
5.	LIAU CHOON HWA & SONS SDN BHD	2,483,300	1.05
6.	TAN AH KOW @ TAN TOONG SOON	2,430,000	1.02
7.	HAMIDAH BINTI ABDUL RAHMAN	1,816,800	0.77
8.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	1,562,700	0.66
9.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR ROZILAWATI BINTI HAJI BASIR (PW-M00823)(421210)	1,321,500	0.56
10.	CHIN KIAN FONG	1,260,000	0.53
11.	LEE SIEW PENG	1,260,000	0.53
12.	WONG YU @ WONG WING YU	1,260,000	0.53
13.	WONG SOO PING	1,117,200	0.47
14.	ONG TECK PEOW	998,200	0.42
15.	ONG SIOK BEE	946,000	0.40
16.	YEO KHEE HUAT	864,900	0.36
17.	LIAU CHERN YEE	862,000	0.36
18.	YONG SIEW LEE	850,000	0.36
19.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN YEE MING	810,000	0.34
20.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	749,640	0.32
21.	ONG CHIN THYE	724,000	0.31
22.	INTROSCAPE SDN BHD	715,000	0.30
23.	TAN SIEW YOKE	714,000	0.30
24.	LIM SIEW GEOK	690,000	0.29
25.	SOH CHOO KEAN	639,000	0.27
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROSLAN BIN HAMIR	601,800	0.25
27.	TAN TEAN TUNE	600,000	0.25
28.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	599,543	0.25
29.	LIM KHUAN ENG	570,000	0.24
30.	TAN TIAN SANG @ TAN TIAN SONG	543,000	0.23

Analysis of Shareholdings
As at 26 June 2023

SUBSTANTIAL SHAREHOLDER

		DIRECT HOLDINGS	
No.	Name	No. of Shares	% of Shareholdings
1.	FIMA METAL BOX HOLDINGS SDN BHD	147,245,358	62.10

DISTRIBUTION BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shareholdings
Less than 100	318	9.78	3,506	0.00
100 - 1,000	505	15.52	278,714	0.12
1,001 - 10,000	1,541	47.37	7,666,070	3.23
10,001 - 100,000	752	23.12	22,281,409	9.40
100,001 to less than 5% of issued shares	136	4.18	59,638,473	25.15
5% and above of issued shares	1	0.03	147,245,358	62.10
TOTAL	**3,253**	**100.00**	**237,113,530**	**100.00**

CLASSIFICATION OF SHAREHOLDERS

Category	No. of Holders	% of Holders	No. of Shares	% of Shareholdings
1. Government Agencies	-	-	-	-
2. Bumiputra				
a. Individuals	83	2.55	2,602,920	1.10
b. Companies	7	0.22	147,290,708	62.12
c. Nominees Company	171	5.26	4,697,983	1.98
3. Non-Bumiputra				
a. Individuals	2,665	81.92	68,182,096	28.76
b. Companies	64	1.97	7,207,036	3.04
c. Nominees Company	150	4.61	3,713,330	1.57
d. Others	1	0.03	2	0.00
MALAYSIAN TOTAL	**3,141**	**96.56**	**233,694,075**	**98.56**
4. Foreign				
a. Individuals	70	2.15	723,121	0.30
b. Companies	3	0.09	116,673	0.05
c. Nominees Company	39	1.20	2,579,661	1.09
FOREIGN TOTAL	**112**	**3.44**	**3,419,455**	**1.44**
GRAND TOTAL	**3,253**	**100.00**	**237,113,530**	**100.00**

Analysis of Shareholdings
As at 26 June 2023

DIRECTORS' SHAREHOLDINGS

Directors	DIRECT HOLDINGS No. of Shares	DIRECT HOLDINGS % of Shareholdings	INDIRECT HOLDINGS No. of Shares	INDIRECT HOLDINGS % of Shareholdings
DATUK BAZLAN BIN OSMAN	10,000	0.00	-	-
DATO' ROSLAN BIN HAMIR	-	-	601,800[a]	0.25
ROSELY BIN KUSIP	-	-	-	-
REZAL ZAIN BIN ABDUL RASHID	-	-	-	-
DR. ROSHAYATI BINTI BASIR	175,600	0.07	150,413,658[b]	63.44
NIK FEIZAL HAIDI BIN HANAFI	-	-	-	-

Notes:

(a) *601,800 ordinary shares are held under Maybank Nominees (Tempatan) Sdn. Bhd.*

(b) *Deemed interested by virtue that:*

- (i) *Fima Metal Box Holdings Sdn. Bhd.'s ("Fima Metal Box") direct shareholding in the Company. Fima Metal Box is a major shareholder of the Company and is a wholly-owned subsidiary of KFima.*
- (ii) *Her sister, Datin Rozilawati Binti Haji Basir's indirect shareholding of 1,321,500 ordinary shares (or 0.56%) in the Company which is held under Maybank Nominees (Tempatan) Sdn. Bhd.*
- (iii) *Her mother, Puan Sri Datin Hamidah Binti Abdul Rahman's direct shareholding of 1,816,800 ordinary shares (or 0.77%) in the Company.*
- (iv) *Zailini Binti Zainal Abidin's ("Zailini") indirect shareholding of 30,000 ordinary shares (or 0.01%) in the Company which is held under M & A Nominee (Tempatan) Sdn. Bhd. Zailini is the sister-in-law of Dr. Roshayati Binti Basir.*

Notice of 48th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Forty-Eighth ("48th") Annual General Meeting ("AGM") of FIMA CORPORATION BERHAD ("FimaCorp" and/or "the Company") will be conducted on a virtual basis via live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities available at https://meeting.boardroomlimited.my, from the Broadcast Venue at the 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 August 2023 at 9.30 a.m., to transact the following business:

ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2023 and the Directors' and Auditors' Reports thereon. **Please refer to Note A**

2. To re-elect the following Directors, who retire by rotation in accordance with Article 108 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   (i) Encik Nik Feizal Haidi Bin Hanafi **Resolution 1**
   (ii) Dr. Roshayati Binti Basir **Resolution 2**

3. To approve the payment of Directors' fees for each of the Non-Executive Directors of the Company for the ensuing financial year. **Resolution 3**

4. To approve the increase in the fees for the Chairman of the Board from 1 April 2023 until the conclusion of the next AGM of the Company. **Resolution 4**

5. To approve the payment of Directors' fees for each of the Non-Executive Directors who sit on the Boards of FimaCorp subsidiaries from 30 August 2023 until the conclusion of the next AGM of the Company. **Resolution 5**

6. To approve the payment of Directors' remuneration (excluding Directors' fees) for the Non-Executive Directors from 30 August 2023 until the conclusion of the next AGM of the Company. **Resolution 6**

7. To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company for the financial year ending 31 March 2024 and to authorise the Directors to determine their remuneration. **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 the 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 2.5 Part A of the Company's Circular/Statement to Shareholders dated 31 July 2023 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.

Notice of 48th Annual General Meeting

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

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

(i) cancel the FimaCorp Shares so purchased; or
(ii) retain the FimaCorp 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 FimaCorp Shares so purchased as treasury shares and cancel the remainder of the FimaCorp 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 FimaCorp Shares shall continue to be valid until all the purchased FimaCorp Shares have been dealt with by the Directors of the Company;

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

(i) the conclusion of the next AGM of the Company, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Bursa Listing Requirements or any other relevant authorities;

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

10. 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)
MUHAMMAD FADZLILAH BIN ABDUL RA'FAR
(SSM PC No. 202208000410) (CA 39941)
Company Secretaries

Kuala Lumpur
31 July 2023

NOTES:

(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 108 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.

At the 48th AGM, Encik Nik Feizal Haidi Bin Hanafi and Dr. Roshayati Binti Basir being the longest in office since their last retirements are to stand for re-election as Directors of the Company and being eligible, have offered themselves for re-election.

The Nomination and Remuneration Committee had through an external consultant carried out an assessment of the Directors including Directors who are standing for re-election under Article 108 of the Company's Constitution for the financial year 2023 and recommended for their re-election. The Board endorsed the recommendation of the Nomination and Remuneration Committee on the re-election of the retiring Directors. In addition, the retiring Directors have also met all the criteria in accordance with the Directors' Fit and Proper Policy of the Company. The Board hereby recommends that shareholders vote in favour of their re-election.

The profiles of the retiring Directors are set out in Our Board of Directors section of the Company's Annual Report 2023.

(III) **Resolutions 3, 4, 5 and 6**

Section 230(1) of the Act provides, among 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 Chairman of the Board from 1 April 2023 until the conclusion of the next AGM of the Company.
- **Resolution 5** on payment of Directors' fees for each of the Non-Executive Directors ("NEDs") who sit on the Board of Directors of FimaCorp subsidiaries from 30 August 2023 until the conclusion of the next AGM of the Company.
- **Resolution 6** on payment of Directors' remuneration (excluding Directors' fees) to the NEDs from 30 August 2023 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 proposed increase in fee payable to the Chairman of the Board. The Board has recommended an increase in the Chairman's fees from the current RM75,000 per annum to RM90,000 per annum. The proposed increase is to reflect the Chairman's responsibilities and time commitments and to align with the Kumpulan Fima Berhad Group's Board remuneration structure. The Board believes the proposed increase in Chairman's fees is justified and in the best interest of the Company. The Board hereby recommends that shareholders vote in favour of Ordinary Resolution 4.

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

Company

<table>
<tr><th rowspan="2" colspan="2"></th><th colspan="2">Fee
(per annum)</th><th rowspan="2">Meeting Allowance
(per meeting)</th><th rowspan="2">Benefits</th></tr>
<tr><th>Existing</th><th>Proposed Revision (Ordinary Resolution 4)</th></tr>
<tr><td rowspan="2">Board</td><td>Chairman</td><td>RM75,000</td><td>RM90,000</td><td>RM2,000</td><td rowspan="2">Medical coverage and other claimable benefits</td></tr>
<tr><td>Member</td><td>RM50,000</td><td>No change</td><td>RM2,000</td></tr>
<tr><td rowspan="3">Committees</td><td>Chairman of Audit and Risk Committee</td><td>RM15,000</td><td>No change</td><td>RM2,000</td><td>N/A</td></tr>
<tr><td>Member of Audit and Risk Committee</td><td>RM10,000</td><td>No change</td><td>RM2,000</td><td>N/A</td></tr>
<tr><td>Member of Nomination and Remuneration Committee</td><td>N/A</td><td>N/A</td><td>RM2,000</td><td>N/A</td></tr>
<tr><td rowspan="3">Sub-Committees</td><td>Member of Group Sustainability Committee</td><td>N/A</td><td>N/A</td><td>RM2,000</td><td>N/A</td></tr>
<tr><td>Member of Risk Steering Committee</td><td>N/A</td><td>N/A</td><td>RM2,000</td><td>N/A</td></tr>
<tr><td>Member of Ad Hoc Committee</td><td>N/A</td><td>N/A</td><td>RM2,000</td><td>N/A</td></tr>
</table>

Subsidiaries

Subsidiary	Position Held	Fee Type	Amount
Percetakan Keselamatan Nasional Sdn. Bhd.	Director	Director's fee per annum Meeting allowance per meeting	RM12,000 RM1,000
PT Nunukan Jaya Lestari	Director	Director's fee per annum Meeting allowance per meeting	RM12,000 RM1,000
FCB Plantation Holdings Sdn. Bhd.	Chairman	Director's fee per annum Meeting allowance per meeting	RM18,000 RM1,000
Ladang Bunga Tanjong Sdn. Bhd.	Director	Director's fee per annum Meeting allowance per meeting	RM12,000 RM1,000

In determining the estimated amount of remuneration payable for the NEDs, various factors, including the number of scheduled meetings of 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 23 June 2023 approved the Audit and Risk Committee's recommendation for shareholders' approval to be sought at the 48th AGM for re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company for the financial year ending 31 March 2024.

The Board and the Audit and Risk Committee collectively agreed that Messrs. Ernst & Young PLT has met the relevant criteria prescribed by Paragraph 15.21 of the Bursa Listing Requirements.

(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 31 July 2023, which is available on 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 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 Part B of the Circular/Statement to Shareholders dated 31 July 2023, which is available on the 'Investors' section of the Company's website.

Notice of 48th Annual General Meeting

Notes:

A. Registration for Remote Participation and Voting through RPEV Facilities

1. The 48th AGM of the Company will be conducted on a virtual basis via live streaming and RPEV facilities provided by Boardroom Share Registrars Sdn. Bhd. at https://meeting.boardroomlimited.my. Please follow the procedures provided in the Administrative Guide for the 48th AGM in order to register, participate and vote remotely via the RPEV facilities.

2. The Broadcast Venue of the 48th AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the 48th AGM to be present at the main venue of the general meeting and to facilitate the conduct of the virtual meeting.

3. Members, proxies or corporate representatives are not allowed to be physically present at the Broadcast Venue. Only essential individuals and authorised personnel as determined by the Company shall be allowed entry into the Broadcast Venue.

B. Submission of Questions before and during the 48th AGM

1. Members may submit questions electronically in relation to the agenda items for the 48th AGM prior to the meeting via https://investor.boardroomlimited.com no later than 9.30 a.m. on Tuesday, 22 August 2023. The responses to these questions will be shared at the 48th AGM.

2. Members may also pose questions via real time submission at https://meeting.boardroomlimited.my during the 48th AGM.

C. Appointment of Proxy(ies)

1. Only members whose names appear in the General Meeting Record of Depositors as at 22 August 2023 shall be entitled to participate, speak and vote at the 48th 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 AGM, may appoint up to 2 proxies by specifying the proportion of his/her 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 (proxy form) may be made in a hard copy form or by electronic means in the following manner and must be deposited to the Company's share registrar, Boardroom Share Registrars Sdn. Bhd., not less than 48 hours before the time appointed for holding the 48th AGM or adjournment thereof:

   (a) In hard copy form

   The proxy form must be deposited at the Company's share registrar's office situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

   (b) By electronic means

   The proxy form can also be lodged electronically through Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com. Kindly refer to the Administrative Guide for the 48th AGM on the procedures for electronic lodgement of proxy form.

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 Sdn. Bhd. not less than 48 hours before the time appointed for holding the 48th AGM or adjournment thereof. Alternatively, the proxy form or certificate of appointment of corporate representative may also be sent to Boardroom Share Registrars Sdn. Bhd. via email at BSR.Helpdesk@boardroomlimited.com.

6. If you have submitted your proxy form prior to the 48th AGM and subsequently, decide to participate in the 48th AGM yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of your proxy(ies) 48 hours before the 48th AGM. Your proxy(ies) on revocation will not be allowed to participate in the 48th AGM. In such event, you should advise your proxy(ies) accordingly.

7. The voting at the 48th 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

The Directors who are retiring pursuant to Article 108 of the Company's Constitution and seeking re-election are:

(i) Encik Nik Feizal Haidi Bin Hanafi
(ii) Dr. Roshayati Binti Basir

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

Administrative Guide for the 48th AGM

Meeting Day and Date	: Tuesday, 29 August 2023
Online Meeting Platform	: https://meeting.boardroomlimited.my
Registration	: Virtual Meeting using Remote Participation and Electronic Voting ("RPEV") facilities online via the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com
Commencement of Meeting	: 9.30 a.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 48th Annual General Meeting ("48th AGM")

1.1 The Company's 48th AGM will be conducted virtually through live streaming and online remote participation using RPEV facilities from the Broadcast Venue, in accordance with the revised Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia on 7 April 2022. In this respect, the Company will continue to leverage technology, to ensure that the 48th AGM supports meaningful engagement between the Board and shareholders of the Company.

1.2 The main and only venue for the 48th 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 AGM.

1.3 Shareholders can participate in our 48th AGM via online meeting platform at https://meeting.boardroomlimited.my by registering online via the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com. 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 AGM.

1.4 Kindly ensure the stability of the internet connectivity throughout the 48th 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.

1.5 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 General Meeting Record of Depositors as at 22 August 2023 shall be entitled to participate in the 48th AGM or appoint proxies to participate and vote on their behalf.

3. Proxy

3.1 If you are unable to participate the 48th AGM and wish to appoint the proxies to participate and vote on your behalf or the Chairman of the meeting as your proxy, please indicate your voting instructions in the proxy form.

3.2 Corporate shareholders who require their corporate representative to participate and vote at the 48th AGM must deposit their proxy form or certificate of appointment of corporate representative to the Company's share registrar, Boardroom Share Registrars Sdn. Bhd. ("Boardroom Share Registrars").

3.3 You may download the proxy form from our website http://www.fimacorp.com/agm.php.

4. Lodgement of Proxy Form

4.1 The instrument appointing a proxy (proxy form) may be made in hard copy form or by electronic means, and must be deposited to the Boardroom Share Registrars, not less than 48 hours before the time appointed for holding the 48th AGM or adjournment thereof:

(a) In hard copy form

The proxy form must be deposited at the Boardroom Share Registrars' office situated at 11^{th} Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan. Boardroom Share Registrars will also provide a box at the ground floor of its office building to facilitate drop-off of proxy forms.

(b) By electronic means

The proxy form can also be lodged electronically through Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com. Kindly refer to the procedures for electronic lodgement of proxy form provided 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 e-Proxy Lodgement.

a. Access website https://investor.boardroomlimited.com.
b. Click <<Register>> to sign up as a user.
c. Complete your registration and upload softcopy of MyKad/Identification Card (front and back in JPEG/PNG/PDF format only) or Passport (for foreign shareholder) (in JPEG/PNG/PDF 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: e-Proxy Lodgement

a. Login to https://investor.boardroomlimited.com using your user ID and password provided by Boardroom Share Registrars.
b. Select "FIMA CORPORATION BERHAD 48^{TH} AGM" from the list of Corporate Meeting and click "Enter".

For Individual/Corporate Shareholders:
1. Go to "PROXY" and click on "Submit eProxy Form".
2. Select the company you would like to be represented if more than one company (for corporate shareholder).
3. Enter your Central Depository System ("CDS") account number and insert the number of securities held.
4. Appoint your proxies or the Chairman of the AGM and enter the required particulars for your proxies.
5. Read and agree to the Terms and Condition by clicking "Next".
6. Indicate your voting instructions – For, Against or Abstain, otherwise your proxies will decide your votes.
7. Review and confirm your proxies' appointment.
8. Click "Apply".
9. Download or print the e-Proxy form as acknowledgment.

For Authorised Nominee and Exempt Authorised Nominee:
1. Go to "PROXY" and click on "Submit eProxy Form".
2. Select the company you would like to be represented (if more than one).
3. Proceed to download the file format for "Submission of Proxy Form".
4. Prepare the file for the appointment of proxies by inserting the required data.
5. Proceed to upload the duly completed Proxy Appointment file.
6. Review and confirm your proxy appointment and click "Submit".
7. Download or print the e-Proxy form as acknowledgement.

Note: If you are the authorised representatives for more than one authorised nominee/exempt authorised nominee/corporate shareholder, kindly click the home button and select "Edit Profile" in order to add company's name.

Administrative Guide for the 48th AGM

4.2 If you wish to participate in the 48th AGM yourself, please do not submit any proxy form for the 48th AGM. You will not be allowed to participate in the 48th AGM together with a proxy appointed by you.

4.3 If you have submitted your proxy form prior to the 48th AGM and subsequently, decide to participate in the 48th AGM yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of your proxies 48 hours before the 48th AGM. Your proxies on revocation would not be allowed to participate in the 48th AGM. In such event, you should advise your proxies accordingly.

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 SKY Corporate Services Sdn. Bhd. as Scrutineers to verify the poll results.

5.3 During the 48th AGM, the Chairman will invite the Poll Administrator to present a short video 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 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 AGM.

6.2 If you wish to participate in the 48th AGM, you will be able to view a live webcast of the 48th AGM, ask questions and submit your votes in real time whilst the 48th 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 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 https://investor.boardroomlimited.com. b. Click <<Register>> to sign up as a user. c. Complete your registration and upload softcopy of MyKad/Identification Card (front and back in JPEG/PNG/PDF format only) or Passport (for foreign shareholder) (in JPEG/PNG/PDF 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.

Administrative Guide for the 48th AGM

BEFORE 48TH AGM	
Procedures	**Actions**
2. Submit Request for Remote Participation User ID and Password *Note:* *Registration for remote access will be opened on 31 July 2023. Please note that the* ***closing time to submit your request*** *is not less than 48 hours before the time of holding the 48th AGM or no later than 9.30 a.m. on 27 August 2023.*	**Individual Members** • Login to https://investor.boardroomlimited.com using your user ID and password. • Select "FIMA CORPORATION BERHAD 48TH AGM" from the list of Corporate Meeting and click "Enter". • Click "Register for RPEV". • Read and accept the general terms and conditions and enter your CDS account number to 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 in JPEG/PNG/PDF format only) or Passport (for foreign shareholder) (in JPEG/PNG/PDF format only) 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 in JPEG/PNG/PDF format only) or Passport (for foreign shareholder) (in JPEG/PNG/PDF format only) as well as his/her email address.
3. Email Notification	a. Upon system verification against the General Meeting Record of Depositors as at 22 August 2023, you will receive an email from Boardroom Share Registrars either approving or rejecting your registration for remote participation. b. 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 AGM	
Procedures	**Actions**
1. Login to Online Meeting Platform	a. The Online Meeting Platform will be opened for login 1 hour before the commencement of the 48th AGM at 8.30 a.m. on 29 August 2023. b. Follow the steps given to you in the email from Boardroom Share Registrars, using the remote access user ID and password provided. c. The steps will also guide you on how to view live webcast, pose questions and vote.
2. Participate	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 AGM, select the messaging icon. c. Type your message within the chat box, click the send button once completed. d. The Chairman/the Board 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 AGM, as well as financial performance/prospect of the Company. e. In order to ensure a smooth and efficient conduct of the 48th AGM, questions that are repetitive in nature and/or have been responded to will not be specifically addressed. f. All questions and responses will be made available on the Company's website after the 48th AGM.
3. Voting	a. Once the 48th 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 AGM, the live webcast will end and the messaging window will be disabled. b. You can now logout from the meeting platform.

Administrative Guide for the 48th AGM

7. No Door Gifts

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

8. Enquiries

8.1 The Company welcomes questions and views from shareholders on the 48th AGM resolutions and Annual Report 2023 to be raised at the 48th AGM. Please submit your questions via Boardroom Share Registrars' website at https://investor.boardroomlimited.com using the same user ID and password provided in Step 2: e-Proxy Lodgement and select "SUBMIT QUESTION" to pose questions commencing from 31 July 2023 and in any event no later than 9.30 a.m. on Tuesday, 22 August 2023. We will endeavour to provide responses to the queries during the 48th AGM session.

8.2 If you have any enquiry relating to RPEV facilities or any of the above, please contact Boardroom Share Registrars during office hours on Mondays to Fridays from 9.00 a.m. to 5.00 p.m. (except on Public Holidays):

General Line : +603-7890 4700
Fax No. : +603-7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

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

Annual Report 2023

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 2023 and Corporate Governance Report 2023 can be downloaded from the Company's website. Please access the online softcopy through your device by scanning this QR code.

Corporate Information

BOARD OF DIRECTORS

Datuk Bazlan Bin Osman
Chairman / Independent Non-Executive Director

Dato' Roslan Bin Hamir
Managing Director / Non-Independent Executive Director

Rosely Bin Kusip
Senior Independent Non-Executive Director

Rezal Zain Bin Abdul Rashid
Non-Independent Non-Executive Director

Dr. Roshayati Binti Basir
Non-Independent Non-Executive Director

Nik Feizal Haidi Bin Hanafi
Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Nik Feizal Haidi Bin Hanafi
Chairman

Rosely Bin Kusip
Member

Rezal Zain Bin Abdul Rashid
Member

NOMINATION AND REMUNERATION COMMITTEE

Rosely Bin Kusip
Chairman

Nik Feizal Haidi Bin Hanafi
Member

Rezal Zain Bin Abdul Rashid
Member

COMPANY SECRETARIES

Jasmin Binti Hood
LS 0009071
SSM PC No. 201908001455

Muhammad Fadzlilah Bin Abdul Ra'far
CA 39941
SSM PC No. 202208000410

REGISTERED OFFICE

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

PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad

SHARE REGISTRAR

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

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : FIMACOR
Stock Code : 3107
Sector : Industrial Products & Services
Sub-Sector : Industrial Services

AUDITORS

Messrs. Ernst & Young PLT

Directory of Group Operations

MANUFACTURING DIVISION

Percetakan Keselamatan Nasional Sdn. Bhd. (198701007433) (166151-T)
No. 1, Jalan Chan Sow Lin
55200 Kuala Lumpur
Telephone: +603-9222 2513
Facsimile : +603-9222 4401

Security Printers (M) Sdn. Bhd. (197701003239) (34025-W)
No. 1, Jalan Chan Sow Lin
55200 Kuala Lumpur
Telephone: +603-9222 2513
Facsimile : +603-9222 4401

PLANTATION DIVISION

PT Nunukan Jaya Lestari (NPWP 02.033.898.4-725.000)
Jln. Hasanuddin No. 62, RT06
Sungai Bolong, Kec. Nunukan
Kab. Nunukan, Kalimantan Utara
77482, Indonesia

Cendana Laksana Sdn. Bhd. 201201039689 (1024167-W)
Ladang 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 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 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 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

Etika Gangsa Sdn. Bhd. 200601035188 (754947-D)
Ladang 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

Fima Sg. Siput Estate Sdn. Bhd. 201301038071 (1067900-V)
Ladang Sg. Siput
PT 14352 Mukim Sungai Siput
31100 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

Directory of Group Operations

PLANTATION DIVISION

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)
Ladang Bunga Tanjong
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 Fima Kuala Betis
PT 363 Mukim Kuala Betis
Jajahan Kecil Lojing
18300 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

Ladang Fima Aring
Lot 3468, Mukim Relai
Jajahan Gua Musang
18300 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

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 COMPANY

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 2800

Performance Data

Environmental

Water Consumption

Group Water Consumption (ML)

	FYE2023	FYE2022	FYE2021	FYE2020
Water Consumption (ML)	355	353	306	330

Water Withdrawal by Source (ML)

Source	FYE2023	FYE2022	FYE2021	FYE2020
Surface water (lake, pond)	276	288	272	296
Groundwater (well)	36	34	4	5
Municipal water (tap water)	43	31	30	29
Total	**355**	**353**	**306**	**330**

Water Consumption by Division (ML)

Division	FYE2023	FYE2022	FYE2021	FYE2020
Plantation	328	325	276	301
Manufacturing	16	17	15	13
Head Office	11	11	15	16
Total	**355**	**353**	**306**	**330**

Indonesian Plantation's Water Consumption Intensity per Tonne FFB Produced (m^3/MT)

Year	*Water Consumption (m^3)	FFB Processed (MT)	Water Intensity per Tonne per FFB Processed (m^3/MT)
FYE2023	202,151	175,345	1.15
FYE2022	220,694	181,140	1.22
FYE2021	207,275	168,055	1.23
FYE2020	215,055	188,770	1.14

**Includes only FFB processing and boiler water consumption*

Waste Management

Waste by Type (MT)

Type	FYE2023	FYE2022	FYE2021
Hazardous	8	28	111
Non-hazardous	190,368	202,942	207,177
Total	**190,376**	**202,970**	**207,288**

Waste by Division (MT)

Type	FYE2023	FYE2022	FYE2021
Plantation	190,228	202,846	207,182
Manufacturing	148	124	106
Total	**190,376**	**202,970**	**207,288**

Waste by Disposal Method According to Hazardous and Non-Hazardous (MT)

	FYE2023		FYE2022		FYE2021	
Disposal Method	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous	Hazardous	Non-hazardous
Reuse	Nil	136,790	Nil	141,704	Nil	132,774
Recycle	Nil	140	Nil	96	Nil	91
Composting	Nil	53,438	Nil	61,142	Nil	74,226
Recovery	Nil	Nil	Nil	Nil	Nil	86
Incineration	8	Nil	28	Nil	111	Nil
Grand Total	**8**	**190,368**	**28**	**202,942**	**111**	**207,177**

Empty Fruit Bunches ("EFB") Produced (MT)

	FYE2023	FYE2022	FYE2021
Total EFB produced	38,576	39,851	36,972

Energy Consumption

Group Energy Consumption

Year	Total Energy Consumption (GJ)
FYE2023	62,296
FYE2022	62,554
FYE2021	63,252
FYE2020	66,777

Performance Data

Energy Consumption by Division (GJ)

Division	FYE2023	FYE2022	FYE2021	FYE2020
Plantation	52,422	54,066	54,935	56,427
Manufacturing	8,941	7,511	7,356	9,569
Head Office	933	977	961	781
Grand Total	**62,296**	**62,554**	**63,252**	**66,777**

Energy Consumption by Source (GJ)

Types of Energy	FYE2023	FYE2022	FYE2021	FYE2020
Diesel & Petrol	39,896	41,609	43,124	42,600
Solar PV	1,087	1,154	963	582
Biomass	12,287	12,028	11,276	13,344
Electricity	9,025	7,762	7,889	10,252
Grand Total	**62,296**	**62,554**	**63,252**	**66,777**

Non-Renewable Energy (Litres)

Division	FYE2023	FYE2022	FYE2021	FYE2020
Plantation	1,151,887	1,208,887	1,253,126	1,239,459
Manufacturing	14,667	7,754	7,797	6,142
Grand Total	**1,166,554**	**1,216,642**	**1,260,923**	**1,245,601**

Note: Non-Renewable Energy consist of petrol and diesel

Fuel Consumption Intensity

Plantation Transportation Fuel Oil Intensity Per Tonne FFB Produced

Country	Year	Fuel Oil Consumption (L)	FFB Produced (MT)	Fuel Oil Intensity Per Tonne FFB Produced (L/MT)
Malaysia	FYE2023	70,946	18,925	3.75
	FYE2022	64,254	19,350	3.32
	FYE2021	63,141	14,960	4.22
	FYE2020	47,831	7,813	6.12
Indonesia	FYE2023	379,737	130,029	2.92
	FYE2022	375,343	133,930	2.80
	FYE2021	418,079	156,983	2.66
	FYE2020	453,715	188,930	2.40

Note: Fuel Oil consist of diesel and petrol. Petrol consumption by Land Surf was included in the intensity computation

Electricity Consumption (MWh)

Year	Electricity Consumption (MWh)
FYE2023	6,222
FYE2022	5,818
FYE2021	5,591
FYE2020	6,716

Electricity Consumption (MWh)

Division	FYE2023	FYE2022	FYE2021	FYE2020
Plantation	3,619	3,534	3,355	3,899
Manufacturing	2,344	2,013	1,969	2,600
Head Office	259	271	267	217
Grand Total	**6,222**	**5,818**	**5,591**	**6,716**

Purchased Electricity Consumption (MWh)

Division	FYE2023	FYE2022	FYE2021	FYE2020
Plantation	174	159	201	185
Manufacturing	2,282	1,944	1,936	2,600
Head Office	51	53	54	63
Grand Total	**2,507**	**2,156**	**2,191**	**2,848**

Renewable Source (Solar Energy – MWh)

Division	FYE2023	FYE2022	FYE2021	FYE2020	Purpose of Usage
Plantation	32	34	22	8	Workers Quarters
Manufacturing	62	68	33	0	Bangi Warehouse
Head Office	208	218	212	153	Office building
Grand Total	**302**	**321**	**267**	**162**	

Renewable Sources (Biomass – MWh)

Division	FYE2023	FYE2022	FYE2021	FYE2020	Purpose of Usage
Plantation	3,413	3,341	3,132	3,707	Palm Oil Mill (Fibre & Shell)

Performance Data

GHG Emissions

Group GHG Emission

Division	FYE2023	FYE2022	FYE2021	FYE2020
Plantation	3,163	3,289	3,417	3,382
Manufacturing	2,049	1,736	1,726	2,303
Head Office	60	62	63	67
Grand Total	**5,272**	**5,087**	**5,206**	**5,752**

GHG Emission by Source Type

Type of Energy	FYE2023	FYE2022	FYE2021	FYE2020
Non-Renewable				
Petrol	55	84	81	43
Diesel	3,071	3,171	3,288	3,297
Purchase Electricity	2,100	1,783	1,793	2,380
Renewable				
Biomass	4	5	4	5
Solar PV	21	22	19	12
POME	21	22	21	16
Grand Total	**5,272**	**5,087**	**5,206**	**5,752**

Scope 1 – Direct Emissions (tCO_2eq)

Division	FYE2023	FYE2022	FYE2021	FYE2020
Plantation	3,038	3,181	3,314	3,330
Manufacturing	41	25	22	15
Head Office	15	16	15	11
Grand Total	**3,094**	**3,221**	**3,351**	**3,356**

Scope 2 – Indirect Emissions (tCO_2eq)

Division	FYE2023	FYE2022	FYE2021	FYE2020
Plantation	47	25	41	36
Manufacturing	2,008	1,711	1,704	2,288
Head Office	45	47	48	56
Grand Total	**2,100**	**1,783**	**1,793**	**2,380**

Scope 3 – Other Indirect Emissions (tCO_2eq)

Division	FYE2023	FYE2022	FYE2021	FYE2020
Plantation				
POME	21	22	21	16
External Transporter	56	61	41	Nil
Grand Total	**77**	**83**	**62**	**16**

GHG Emissions Intensity (tCO_2eq)

Plantation

	FYE2023	FYE2022	FYE2021	FYE2020
Total Emission	3,163	3,289	3,417	3,382
Revenue RM million	159.57	189.41	123.27	103.12
GHG Emission Intensity	**19.82**	**17.36**	**27.72**	**32.80**

Manufacturing

	FYE2023	FYE2022	FYE2021	FYE2020
Total Emission	2,049	1,736	1,726	2,303
Revenue RM million	129.56	104.13	101.93	134.00
GHG Emission Intensity	**15.82**	**16.67**	**16.93**	**17.19**

Group

	FYE2023	FYE2022	FYE2021	FYE2020
Total Emission	5,272	5,087	5,206	5,752
Revenue RM million	295.92	300.60	232.17	245.48
GHG Emission Intensity	**17.81**	**16.92**	**22.42**	**23.43**

**Due to diesel computation factor, the emission for all division has been affected*

Performance Data

SOCIAL

Headcount

Group Total Headcount

	FYE2023	FYE2022	FYE2021	FYE2020
No. of Employees	1,710	1,686	1,641	1,744

Headcount by Gender

	FYE2023	%	FYE2022	%	FYE2021	%	FYE2020	%
Male	1,294	75.7	1,284	76.2	1,255	76.5	1,335	76.5
Female	416	24.3	402	23.8	386	23.5	409	23.5

Headcount by Region

	FYE2023		FYE2022		FYE2021		FYE2020	
	Male	Female	Male	Female	Male	Female	Male	Female
Malaysia	506	223	493	207	384	160	444	178
Indonesia	788	193	791	195	871	226	891	231

Headcount by Employee Category, Gender, Age Group and Region

	Gender		Age Group			Region	
Employee Category	Male	Female	<30 years	30-50 years	>50 years	Malaysia	Indonesia
FYE2023							
Senior Management	5	0	0	4	1	5	0
Management	20	3	0	15	8	18	5
Executive	44	18	13	43	6	42	20
Non-Executive	1,225	395	492	992	136	664	956
FYE2022							
Senior Management	4	1	0	3	2	5	0
Management	22	3	1	15	9	20	5
Executive	44	18	18	39	5	42	20
Non-Executive	1,214	380	491	962	141	633	961
FYE2021							
Senior Management	4	1	0	3	2	5	0
Management	20	2	1	14	7	19	3
Executive	50	22	24	38	10	51	21
Non-Executive	1,181	361	447	950	145	469	1,073
FYE2020							
Senior Management	5	1	0	3	3	5	1
Management	25	2	1	18	8	23	4
Executive	54	24	28	38	12	56	22
Non-Executive	1,251	382	489	997	147	538	1,095

Permanent and Temporary Employees Headcount by Region and Gender

	FYE2023		FYE2022		FYE2021		FYE2020	
Region	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Permanent Employees								
Malaysia	386	196	302	174	212	126	230	126
Indonesia	413	181	423	188	468	210	592	222
Temporary Employees								
Malaysia	120	27	191	33	172	34	214	52
Indonesia	375	12	368	7	403	16	299	9

Headcount by Division and Gender

	FYE2023		FYE2022		FYE2021		FYE2020	
	Male	**Female**	**Male**	**Female**	**Male**	**Female**	**Male**	**Female**
Head Office	9	7	12	9	17	10	26	10
Manufacturing	159	113	153	111	155	113	163	124
Plantation	1,126	296	1,119	282	1,083	263	1,146	275

Headcount by Nationality

	FYE2023	FYE2022	FYE2021	FYE2020
Malaysia	654	671	493	563
Indonesia	1,038	991	1,116	1,156
Bangladesh	15	20	23	24
India	3	4	9	1

Group Local Headcount

	FYE2023	FYE2022	FYE2021	FYE2020
Local Headcount	1,625	1,647	1,584	1,675
Local Employment Rate	95.0%	97.7%	96.5%	96.0%

Performance Data

Local Headcount by Region

Region	Malaysia	Indonesia
Nationality		
FYE2023		
- Malaysian	649	5
- Indonesian	62	976
- Others	18	0
Total Headcount by Region	729	981
Local Headcount by Region	649	976
Local Headcount Rate by Region	89.0%	99.5%
FYE2022		
- Malaysian	666	5
- Indonesian	10	981
- Others	24	0
Total Headcount by Region	700	986
Local Headcount by Region	666	981
Local Headcount Rate by Region	95.1%	99.5%
FYE2021		
- Malaysian	490	3
- Indonesian	22	1,094
- Others	32	0
Total Headcount by Region	544	1,097
Local Headcount by Region	490	1,094
Local Headcount Rate by Region	90.1%	99.7%
FYE2020		
- Malaysian	558	5
- Indonesian	39	1,117
- Others	25	0
Total Headcount by Region	622	1,122
Local Headcount by Region	558	1,117
Local Headcount Rate by Region	89.7%	99.6%

Local Senior Management by Region

	FYE2023	FYE2022	FYE2021	FYE2020
Malaysia	5	5	5	5
Indonesia	0	0	0	0

New Hire

Group New Hire and New Hire Rate

	FYE2023	FYE2022	FYE2021	FYE2020
Total of New Hire	594	528	92	550
New Hire Rate	34.7%	31.3%	5.6%	31.5%

New Hire and New Hire Rate by Gender, Age Group, Region, Employee Category, Division and Employment Status

	FYE2023		FYE2022		FYE2021		FYE2020	
	Total of New Hire	New Hire Rate	Total of New Hire	New Hire Rate	Total of New Hire	New Hire Rate	Total of New Hire	New Hire Rate
By Gender								
- Male	521	40.3%	473	36.8%	743	59.2%	743	55.7%
- Female	73	17.5%	55	13.7%	238	61.7%	238	58.2%
By Age Group								
- <30	346	68.5%	317	62.2%	62	13.1%	275	53.5%
- 30-50	245	23.2%	201	19.7%	30	3.0%	269	25.5%
- >50	3	2.0%	10	6.4%	0	0.0%	6	2.4%
By Region								
- Malaysia	293	40.2%	304	43.4%	66	12.1%	294	47.3%
- Indonesia	301	30.7%	224	22.7%	26	2.4%	256	22.8%
By Employee Category								
- Senior Management	0	0.0%	0	0.0%	0	0.0%	0	0.0%
- Management	2	8.0%	1	4.0%	0	0.0%	0	0.0%
- Executive	2	3.2%	4	6.5%	6	8.3%	2	2.6%
- Non-Executive	590	36.4%	523	32.8%	86	5.6%	548	33.6%
By Division								
- Head Office	1	6.3%	1	4.8%	0	0.0%	1	2.8%
- Manufacturing	64	23.5%	43	16.3%	19	7.1%	75	26.1%
- Plantation	529	37.2%	484	34.5%	73	5.4%	474	33.4%
By Employment Status								
- Permanent	113	9.6%	173	15.9%	25	2.5%	33	2.8%
- Temporary	481	90.1%	355	59.3%	67	10.7%	517	90.1%

Performance Data

Attrition & Turnover

Group Turnover and Turnover Rate

	FYE2023	FYE2022	FYE2021	FYE2020
Total of Turnover	577	436	172	491
Turnover Rate	33.7%	25.9%	10.5%	28.2%

Turnover and Turnover Rate by Gender, Age Group, Region, Employee Category, Division and Employment Status

	FYE2023		FYE2022		FYE2021		FYE2020	
	Total of Turnover	Turnover Rate	Total of Turnover	Turnover Rate	Total of Turnover	Turnover Rate	Total of Turnover	Turnover Rate
By Gender								
- Male	530	41.0%	391	30.5%	156	12.4%	448	33.6%
- Female	47	11.3%	45	11.2%	16	4.1%	43	10.5%
By Age Group								
- <30	305	60.4%	230	45.1%	78	16.5%	203	39.2%
- 30-50	263	25.0%	198	19.4%	86	8.6%	270	25.6%
- >50	9	6.0%	8	5.1%	8	4.9%	18	10.6%
By Region								
- Malaysia	250	34.3%	186	26.6%	103	18.9%	153	24.6%
- Indonesia	327	33.3%	250	25.4%	69	6.3%	338	30.1%
By Employee Category								
- Senior Management	0	0.0%	0	0.0%	1	20.0%	0	0.0%
- Management	1	4.0%	0	0.0%	2	9.1%	0	0.0%
- Executive	4	6.5%	6	9.7%	6	8.3%	2	2.6%
- Non-Executive	572	35.3%	430	27.0%	163	10.6%	489	29.9%
By Division								
- Head Office	0	0.0%	0	0.0%	1	3.7%	0	0.0%
- Manufacturing	30	11.0%	19	7.2%	9	3.4%	13	4.5%
- Plantation	547	38.5%	417	29.8%	162	12.0%	478	33.6%
By Employment Status								
- Permanent	184	15.6%	160	14.7%	50	4.9%	148	12.6%
- Temporary	393	73.6%	276	46.1%	122	19.5%	343	59.8%

Training

Group Employee Training

	FYE2023	FYE2022	FYE2021	FYE2020
Total of Training Hours	4,937	3,278	3,097	6,249
Average Training Hour per Employee	2.89	1.94	1.89	3.58

Training Hours by Division

	FYE2023	FYE2022	FYE2021	FYE2020
Head Office	80	75	70	224
Manufacturing	2,880	1,864	2,320	4,648
Plantation	1,977	1,339	707	1,377

Training by Gender

	FYE2023		FYE2022		FYE2021		FYE2020	
	Male	Female	Male	Female	Male	Female	Male	Female
Total Employees	1,294	416	1,284	402	1,255	386	1,335	409
Total Training Hours	3,661	1,276	2,093	1,185	1,805	1,292	4,117	2,132
Average Training Hours per Employee	2.83	3.07	1.63	2.95	1.44	3.35	3.08	5.21

Training by Employee Category

	FYE2023		FYE2022		FYE2021		FYE2020	
	Total Training Hours	Average Training Hours per Employee	Total Training Hours	Average Training Hours per Employee	Total Training Hours	Average Training Hours per Employee	Total Training Hours	Average Training Hours per Employee
Senior Management	64	21.33	76	15.20	0	0.00	44	7.33
Management	672	26.88	401	16.04	413	18.77	536	19.85
Executive	1,257	20.27	963	15.53	1,146	15.92	1,644	21.08
Non-Executive	2,944	1.82	1,838	1.15	1,538	1.00	4,025	2.46

Performance Data

Average Training Hour by Region, Division and Gender

	FYE2023		FYE2022		FYE2021		FYE2020	
	Male	Female	Male	Female	Male	Female	Male	Female
By Region								
- Malaysia	5.64	5.67	3.82	5.44	3.60	6.39	8.91	11.84
- Indonesia	1.03	0.06	0.26	0.30	0.48	1.19	0.18	0.10
By Division								
- Head Office	8.00	1.14	5.25	1.33	0.00	7.00	8.62	0.00
- Manufacturing	10.42	10.83	5.39	9.37	8.83	8.42	15.58	17.00
- Plantation	1.72	0.15	1.08	0.47	0.40	1.03	1.18	0.09

Parental Leave

	FYE2023		FYE2022		FYE2021	
	Male	Female	Male	Female	Male	Female
Total no. of employees who were entitle to parental leave	843	416	900	402	NA	NA
Total no. of employees who took parental leave	14	19	14	22	6	24
Total no. of employees who returned to work in the reporting period after parental leave ended	14	18	14	20	6	22
Total no. of employees who returned to work after parental leave ended and who were still employed 12 months after their return to work	13	15	5	20	NA	NA

	FYE2023	FYE2022	FYE2021
Return-to-Work rate (%)	97.0	94.4	93.3
Retention Rate (%)	82.4	89.3	NA

Occupational Safety and Health Result

Fatalities (Non-Employees)

	FYE2023	FYE2022	FYE2021	FYE2020
Contractor's Worker	0	0	0	0

Work-Related Accidents (Employees Only)

	FYE2023	FYE2022	FYE2021	FYE2020
Total Hours Worked	3,558,544	3,466,320	3,564,176	3,637,568
Fatalities	0	0	0	0
Work-related Injuries	26	12	19	16
Injuries by Absent Day	267	110	204	123
Accident Rate	15.24	7.34	11.23	9.26
Lost Time Injury Frequency Rate (LTIFR)	7.31	3.46	5.33	4.40

GOVERNANCE

Value Distribution to Stakeholders (RM million)

	FYE2023	FYE2022	FYE2021	FYE2020
Community Investment	0.40	0.17	0.35	0.71
Dividends	39.71	45.16	31.74	30.05
Employee Wages and Benefits	37.09	32.00	27.70	33.77
Taxes	39.00	32.53	28.73	12.30
Total	**116.20**	**109.86**	**88.52**	**76.83**

Supply Chain – Support for Local Procurement (%)

	FYE2023		FYE2022		FYE2021		FYE2020	
	Local	Foreign	Local	Foreign	Local	Foreign	Local	Foreign
Malaysia	96.7	3.3	95.9	4.1	-	-	-	-
Indonesia	79.5	20.5	90.1	9.9	91.8	8.2	92.1	7.9

GRI Content Index

GRI GENERAL DISCLOSURES			
GRI 102: General Disclosures			
Disclosure Number		**Page**	**Remarks**
102-1	Name of the organisation	Front Cover	Fima Corporation Berhad (197401004110) (21185-P)
102-2	Activities, brands, products and services	3, 12, 16-27	Refer to Group Corporate Structure, Management Discussion & Analysis, and Segmental Review.
102-3	Location of headquarters	205	Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur.
102-4	Location of operations	206	Refer to the Directory of Group Operations in this Report.
102-5	Ownership and legal form	205	FimaCorp is a public company listed on the Main Market of Bursa Malaysia Securities Berhad. • Stock Name: FIMACOR • Stock Code: 3107 • Sector: Industrial Products and Service • Sub Sector: Industrial Services
102-6	Markets served	16-27	Refer to Segmental Review.
102-7	Scale of the organisation	3, 8,12, 16-27	Refer to the following sections in this Report: • Group Corporate Structure and workforce data in this Report. • Management Discussion & Analysis, Segmental Reviews, Five-Year Group Financial Highlights.
102-8	Information on employees and other workers	45-47, 214-218	Refer to the Human Capital and Employee Performance Data sections: - Employee Headcount - Diversity - Employment Contact - Employee Turnover
102-9	Supply chain	56	FimaCorp's supply chain predominantly consists of contractors and vendors providing raw materials, services, packaging materials and logistics services.
102-10	Significant changes to the organisation and its supply chain	-	There were no significant changes in FYE2023.
102-11	Precautionary Principle or approach	84	Refer to the Statement on Risk Management and Internal Control in this Report.
102-12	External initiatives	34, 57	SDGs, MSPO, Certifications.
102-13	Membership of associations	232	Refer to the list of membership of associations.
102-14	Statement from senior decision-maker	9, 12	Refer to the Chairman's Statement and Management Discussion & Analysis in this Report.
102-15	Key impacts, risks, and opportunities	38, 84	Our approach to managing the key impacts, risks and opportunities is reviewed in the respective Sustainability and TCFD Sections of this Report. Refer also to the Statement on Risk Management and Internal Control.
102-16	Values, principles, standards, and norms of behaviour	4, 64, 84	Refer to the Our Values section as well as the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control in this Report.
102-17	Mechanisms for advice and concerns about ethics	93	The Group has in place a Whistle-blowing Policy and grievance procedures to address employees' and third parties' concerns.
102-18	Governance structure	64	Refer to the Corporate Governance Overview Statement in this Report.
102-19	Delegating authority	64	Refer to the Corporate Governance Overview Statement in this Report.

GRI GENERAL DISCLOSURES			
GRI 102: General Disclosures			
Disclosure Number		**Page**	**Remarks**
102-20	Executive-level responsibility for economic, environmental, and social topics	64	Refer to the Corporate Governance Overview Statement in this Report.
102-21	Consulting stakeholders on economic, environmental, and social topics	30-32, 53	Refer to Sustainability Report - Stakeholder Engagement - Social Impact Assessment
102-22	Composition of the highest governance body and its committees	59-64, 205	Refer to the Corporate Information, Our Board of Directors, Our Group Management, and the Corporate Governance Overview Statement sections in this Report.
102-23	Chair of the highest governance body	59	FimaCorps' is Chairman, Datuk Bazlan Bin Osman, is an Independent Non-Executive Director.
102-24	Nominating and selecting the highest governance body	64	Refer to the Corporate Governance Overview Statement in this Report.
102-25	Conflicts of interest	55, 64	Refer to the Corporate Governance Overview Statement in this Report. Directors and Group employees are required to observe the highest ethical standards in conducting the Group's business. Also refer to Responsible Business Practices, and Anti-Fraud, Bribery and Corruption.
102-26	Role of highest governance body in setting purpose, values, and strategy	36, 64	Refer to the Corporate Governance Framework and TCFD Governance Structure.
102-27	Collective knowledge of highest governance body	69-71	In FYE2023, the Directors attended and participated in various seminars, presentations and workshops. The details are set out in the Training and Development section of the Corporate Governance Overview Statement in this Report.
102-28	Evaluating the highest governance body's performance	64	Refer to the review of ethical leadership in the Corporate Governance Overview Statement in this Report.
102-29	Identifying and managing economic, environmental, and social impacts	36, 54, 64	The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance with quarterly reporting to Audit & Risk Committee. Refer also to the Corporate Governance Overview Statement in this Report.
102-30	Effectiveness of risk management processes	81, 84	The Audit & Risk Committee has oversight of the Group's risk management processes. Refer to the Audit and Risk Committee Report and Statement on Risk Management and Internal Control in this Report.
102-31	Review of economic, environmental, and social topics	36, 54, 64	The Board reviews and approves the SR2023. The Group Sustainability Committee has oversight of the Group's sustainability initiatives.
102-32	Highest governance body's role in sustainability reporting	36, 54, 64	The Board reviews and approves the SR2023. The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance.
102-35	Remuneration policies	75-76	The Group's compensation structure includes fixed and variable components depending on the employee's job grade. Each location within the Group has its own locally defined employee benefit schemes.
102-36	Process for determining remuneration	75-76	Refer to the Corporate Governance Overview Statement in this Report.
102-37	Stakeholders' involvement in remuneration	193	The Non-Executive Directors' ("NEDs") remuneration is subject to annual shareholders' approval. Details of the fees and benefits payable to the NEDs are disclosed in FimaCorp's Notice of 48th Annual General Meeting.

GRI Content Index

GRI GENERAL DISCLOSURES			
GRI 102: General Disclosures			
Disclosure Number		**Page**	**Remarks**
102-40	List of stakeholder groups	30-32	We recognise that an important component of its value-creation offering is based on inclusive stakeholder relationships and focused engagement. Stakeholders are generally identified through various channels in the course of doing business, and accountability for stakeholder engagement is centred in the operational management and functional structures in the Group.
102-41	Collective bargaining agreements	50	FimaCorp respects the right of workers to have collective bargaining agreements and honours all the provisions covered in the agreements.
102-42	Identifying and selecting stakeholders	30, 32	Stakeholders are generally identified through various channels in the course of doing business, and accountability for stakeholder engagement is centred in the operational management and functional structures in the Group.
102-43	Approach to stakeholder engagement	30	We respond to our stakeholders' expectations in various ways, depending on the nature and scale of the issues.
102-44	Key topics and concerns raised	30	Engagement and relationship building is part of management activity, and it helps identify important commercial and relationship issues and the formulation of workable solutions which are often industry specific.
102-45	Entities included in the consolidated financial statements	12, 97	The Group's core divisions are Manufacturing and Plantation. Refer to the Management Discussion & Analysis and the Financial Statements in this Report.
102-46	Defining report content and topic boundaries	1	Refer to About This Report.
102-47	List of material topics	32-34	Materiality Assessment.
102-48	Restatements of information	43-44	The following data was restated: *Group Energy Consumption:* - Unit has been changed from MT to kWh and multiply by 0.0036 electricity factor. *Electricity factor:* - Electricity consumption for Head Office excludes our tenants' electricity consumption. *GHG Emission:* - Due to diesel computation factor, the emission for all division has been affected.
102-49	Changes in reporting	-	No significant changes to the Group's organisational structure.
102-50	Reporting period	1	1 April 2022 to 31 March 2023.
102-51	Date of most recent Report	-	Our last Sustainability Report was dated 23 August 2022.
102-52	Reporting cycle	1	Annually; coinciding with the financial year ended 31 March 2023.
102-53	Contact point for questions regarding the Report	Inner Front Cover	All enquiries and comments can be forwarded to fima@fimacorp.com
102-54	Claims of reporting in accordance with the GRI Standards	1	About This Report.
102-55	GRI content index	222	
102-56	External assurance	-	This Report has not been externally assured. However, the Group Sustainability Committee oversees the ESG aspects in the Group. In addition, Group Internal Audit has performed a limited assurance review on selected indicators published in the SR2023 namely agricultural practices, water consumption, waste management, energy consumption, GHG emissions, employee profiles, human rights, injury rates and certified management systems.

GRI Content Index

MATERIAL TOPICS - ECONOMIC			
Disclosure Number		**Page**	**Remarks**
Economic			
Management Approach			
103-1	Explanation of the material topic and its boundary	1, 29, 32-33	Refer to About this Report: Materiality Process & Sustainability, and Our Approach to sustainability sections of this Report. In the Engaging Stakeholders section, we have compiled a table listing the issues that are of material interest to our stakeholders. While the table does not explicitly reference the GRI topics, these can be inferred from it. We have selected material topics with the purpose of showcasing our impacts, risks, opportunities, and how we create and sustain value over time. Our approach to managing specific material topics is addressed in the respective sections of our SR2023. We report annually on our progress in addressing material topics and impacts in the SR and the AR. Internal reports to the respective committees ensure that performance is monitored regularly. Where required, we review and work to revise and improve our approach with key stakeholders to improve our performance.
103-2	The management approaches and its components		
103-3	Evaluation of the management approach		
201: Economic Performance			
201-1	Direct economic value generated and distributed	8, 12, 16-27, 54-57	Refer to the Management Discussion & Analysis, Segmental Reviews, Five-Year Group Financial Highlights of this Report. Refer also to the Our Business section of SR2023. We drive economic value in the communities where we operate in various ways; inter-alia, the employment we create, the direct taxes paid to host governments, as well as by sourcing goods and services from local businesses.
201-2	Financial implications and other risks and opportunities due to climate change	36-38	Addressing the impacts of climate change on the business is a material issue and issues are raised in various sections of the SR2023, notably, the Environmental section. Refer also to the Task Force on Climate-related Financial Disclosures (TCFD) section in this Report.
201-3	Defined benefit plan obligations and other retirement plans	140	Details are also provided in FimaCorp's Audited Financial Statements 2023 in this Report in notes 6 (Staff Costs) and 7 (Directors' Remuneration).
202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	49	Each of the Group's operations and divisions implements its own locally defined employee benefits scheme. The Group pays at least the minimum wage as required by law in the countries we operate, and in no areas of operation does the salary varies by gender.
202-2	Proportion of senior management hired from local community	46	In FYE2023, our local employment rate was 95.0% and 100% of the Group's senior management were local employees.
203: Indirect Economic Impacts			
203-2	Significant indirect economic impacts	56	Our contribution comprises inter-alia indirect taxes paid to host governments, social security contributions on the wages of our employees, goods, sales and services tax, property taxes etc. Refer to the Our Business section of SR2023.
204: Procurement Practices			
204-1	Proportion of spending on local suppliers	56	Percentage (%) of Suppliers Engaged in Malaysia and Indonesia.

GRI Content Index

MATERIAL TOPICS - ECONOMIC			
Disclosure Number		**Page**	**Remarks**
Economic			
Management Approach			
205: Anti-Corruption			
205-1	Operations assessed for risks related to corruption	-	All of our operations, as well as our suppliers, are monitored for fraudulent activity and corruption. No specific corruption-related risks have been identified.
205-2	Communication and training about anti-corruption policies and procedures	49, 92	A number of other Group policies also address bribery and corruption risks in areas such as procurement, gifts and hospitality, and charitable donations. Training sessions, including e-learning and workshops, were conducted to educate employees on anti-bribery practices. working in procurement sales. and operational functions are required to attend anti-bribery training on an annual basis.
205-3	Confirmed incidents of corruption and actions taken	-	There were no confirmed incidents of corruption during the review period.
206: Anti-Competitive Behaviour			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practice	-	There were no such legal actions during the review period.

MATERIAL TOPICS - ENVIRONMENT			
Disclosure Number		**Page**	**Remarks**
Environment			
Management Approach			
103-1	Explanation of the material topic and its boundary	1, 29, 32-33	Refer to materiality and boundaries of environmental performance sections. Refer to About this Report: Materiality Process & Sustainability, and Our Approach to sustainability. The issues of material interest to our stakeholders are listed in the table in the section on Engaging Stakeholders. Although this does not make explicit reference to the GRI topics, these can be inferred from the table. Material topics have been chosen with the aim of demonstrating our impacts, risks and opportunities and how we create and preserve value over time. Our approach to managing specific material topics is addressed in the respective sections of our SR2023. We report annually on our progress in addressing material topics and impacts in the SR and the AR. Internal reports to the respective committees ensure that performance is monitored regularly. Where required, we review and work to revise and improve our approach with key stakeholders to improve our performance.
103-2	The management approach and its components		
103-3	Evaluation of the management approach		

MATERIAL TOPICS - ENVIRONMENT			
Disclosure Number		**Page**	**Remarks**
Environment			
Management Approach			
302: Energy			
302-1	Energy consumption within the organisation	43, 209, 210	We strive to efficiently manage our energy consumption across all our operations, where each division has its own energy consumption and intensity targets. Refer to energy management section and energy performance data.
302-3	Energy intensity	43, 210	It may not always be possible or practical to reduce absolute energy consumption year-on-year given the correlation between business activity and energy consumption. The Group has identified consumption drivers per energy source specific and appropriate to each operation. This enables the Group to track performance and drive efficiency at the consumption level.
302-4	Reduction of energy consumption	43	Refer to our energy management and initiatives sections in the SR2023. Inter-alia, we strive to efficiently manage our energy consumption across all our operations, where each division has its own energy consumption and intensity targets based on a year-on-year improvement.
302-5	Reduction in energy requirements of products and services.	-	The Group's divisions and their operations have a range of initiatives to improve consumption efficiency and consideration is given to switching to alternate renewable energy source where practicable. In this regard we closely monitor the intensities of the resources we utilise e.g. fuel, diesel and water, which are disclosed in the Sustainability Report. Such efficiency improvements benefit the Group by mitigating rapidly rising energy costs, and the associated need to reduce GHG emissions.
303: Water and Effluents			
303-1	Interactions with water as shared resource	41, 208	The Group is committed to more efficient water consumption through reduced withdrawal from prudent usage, increased recycling, and water-harvesting initiatives. Our operations use intensity-based metrics tailored to specific consumption levels, considering the diverse nature of our operations. This ensures operational relevance and accuracy in managing efficiency.
303-2	Management of water discharge-related impacts	41, 208	The minimum standards for the quality of effluent discharged and the parameters that should be monitored are in line with the requirements of the local municipal by-laws and/or authorities where we operate.
303-3	Water withdrawal	41, 208	Refer to the Water Impact section of the SR2023.
303-5	Water consumption	41, 208	Refer to the Water Impact section of the SR2023.

GRI Content Index

MATERIAL TOPICS - ENVIRONMENT			
Disclosure Number		**Page**	**Remarks**
Environment			
Management Approach			
304: Biodiversity			
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	39-40	Within our oil palm estates, riparian reserves are set aside as conservation areas and wildlife corridors which include, among others, sanctuaries for migratory birds and elephants and habitats for jungle flora and fauna.
304-2	Significant impacts of activities, products, and services on biodiversity	39-40	Environmental Impact Assessments and/or Environmental Management Plan, as the case may be, are carried out ahead of any new plantation development, or as may be required by relevant legislation.
304-3	Habitats protected or restored	39-40	Refer to Our Environment section of the SR2023. Except for Plantation, the Group's operations have limited impact on natural habitats. Within our oil palm estates, riparian reserves are set aside as conservation areas and wildlife corridors which include, among others, sanctuaries for migratory birds and elephants and habitats for jungle flora and fauna. PTNJL has also set aside areas within its plantation as water catchment zone. Chemical applications are strictly prohibited at the water catchment zone in order to preserve them.
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	40	We adopt sustainable practices to mitigate conflicts between humans and elephants, ensuring the conservation and protection of this species.
305: Emissions			
305-1	Direct (Scope 1) GHG emissions	38, 44, 212, 213	We focus on actively reducing our GHG emissions by executing operational efficiencies across our business operations, including cutting down on our fuel consumption, incorporating renewable energy and adopting new energy-efficient technology. - Refer to GHG emission table.
305-2	Energy indirect (Scope 2) GHG emissions		
305-3	Other indirect (Scope 3) GHG emissions		
305-4	GHG emissions intensity		
305-5	Reduction of GHG emissions		
306: Waste			
306-1	Waste generation and significant waste-related impacts	42	We prevent and minimise waste by reusing, recycling and energy recovery, as well as by practising safe waste disposal to reduce risks to the environment and human health.
306-2	Management of significant waste-related impacts	42	We adhere to a zero waste and zero discharge approach, aiming to minimise waste generation and eliminate any discharge of waste materials. To achieve this, we have implemented effective waste conversion practices, transforming waste and excess materials into valuable resources. Examples include the conversion of organic waste into fertilisers.
306-3	Waste generated	209	
306-4	Waste diverted from disposal	209	
306-5	Waste directed to disposal	209	
307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	-	No environmental-related penalties or fines were imposed during the reporting period.

MATERIAL TOPICS - SOCIAL			
Disclosure Number		**Page**	**Remarks**
Social			
Management Approach			
103-1	Explanation of the material topic and its boundary	1, 29, 32-33	Refer to the materiality and boundaries of social performance sections. The issues of material interest to our stakeholders are listed in the table in the section on Engaging Stakeholders. Although this does not make explicit reference to the GRI topics, these can be inferred from the table. Material topics have been chosen with the aim of demonstrating our impacts, risks and opportunities and how we create and preserve value over time. Our approach to managing specific material topics is addressed in the respective sections of our SR2023. We report annually on our progress in addressing material topics and impacts in the SR and the AR. Internal reports to the respective committees ensure that performance is monitored regularly. Where required, we review and work to revise and improve our approach with key stakeholders to improve our performance.
103-2	The management approach and its components		
103-3	Evaluation of the management approach		
401: Employment			
401-1	New employee hires and employee turnover	46, 47	Refer to Human Capital section and Performance data.
401-2	Benefits provided to full-time employees that are not provided to the temporary or part-time employees	49	Each of the Group's operations and divisions implements its own locally defined employee benefits scheme.
401-3	Parental leave	49, 220	
402: Labour Management Relations			
402-1	Minimum notice periods regarding operational changes	-	With regards to any operational changes, the length of the notice period ranges from one to three months, depending on the geographical location of our operating companies and the requirements set by relevant government authorities.
403: Occupational Safety and Health			
403-1	Occupational health and safety management system	51-52	Each business division has their own health and safety committee, which comprises management and employee representatives. These committees oversee the health and safety management of their staff, including managing, investigating and resolving reported incidences. There are a number of trainings conducted across the Group that are aimed at enhancing employees' awareness and education on health and safety in the workplace.
403-2	Hazard identification, risk assessment, and incident investigation	52	
403-4	Worker participation, consultation, and communication on occupational health and safety	52	
403-5	Worker training on occupational health and safety	52	
403-9	Work-related injuries	51, 221	
404: Training and Education			
404-1	Average hours of training per year per employee by gender and by employee category	49, 219-220	Refer to Employee Development: Types of Training. Training Performance Data.

GRI Content Index

MATERIAL TOPICS - SOCIAL			
Disclosure Number		**Page**	**Remarks**
Social			
Management Approach			
404: Training and Education			
404-2	Programmes for upgrading employee skills and transition assistance programmes	49	We continuously provide technical and soft-skill training to ensure our employees stay relevant and updated with the latest industry knowledge.
404-3	Percentage of employees receiving regular performance and career development reviews	50	In FYE2023, 100% of our employees received performance reviews.
405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	59-63, 214	The composition of our workforce is detailed in the SR2023. The composition of our Board of Directors and Group Management is provided on pages 59 to 63 in this Report.
405-2	Ratio of basic salary and remuneration of women to men	-	We are committed to building a workforce which reflects the communities in which we operate. We hire and promote based on merit and performance and do not discriminate against age, race, gender, nationality, religious belief or disability.
406: Non-Discrimination			
406-1	Incidents of discrimination and corrective action taken	46	There were zero reported cases of discrimination in the year under review.
407: Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	48, 50	Freedom of association and collective bargaining are fundamental rights which Fima Corp has committed to uphold. There are no operations where the right to exercise freedom of association and collective bargaining is at significant risk.
408: Child Labour			
408-1	Operations and suppliers at significant risk for incidents of child labour	48	No operations or suppliers were found to have significant risk of child labour. There have been instances at our estate in Indonesia where children accompanied their parents to the fields and assisted in loose fruit collection and other light tasks; however, these are not considered to be significant. Details on how this issue is being addressed is set out in the SR2023. Each division/business unit and their respective human resource departments must establish clear recruitment procedures to ensure all workers (permanent/ temporary) are above the minimum working age at the time of hiring.
409: Forced or Compulsory Labour			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	48	No operations or suppliers were found to have significant risk of forced or compulsory labour. Our policies prohibit forced and bonded labour, require adherence to laws governing working ages and hours, seek to ensure safe and healthy working conditions and transparent record keeping. There were zero reported cases of breaches of human and workers' rights in the year under review.

MATERIAL TOPICS - SOCIAL			
Disclosure Number		**Page**	**Remarks**
Social			
Management Approach			
412: Human Rights Assessment			
412-2	Employee training on human rights policies or procedures	46, 48	Upon starting their new job, each employee is provided with an Employee Handbook, which contains information about their employment terms and outlines the standards of professional behaviour expected from all members of our workforce. We do not knowingly support or do business with any organisation who is found to be involved in slavery, servitude and forced or child labour. All suppliers/ vendors are provided with a copy of our policies, and they are required to submit a declaration of compliance to our standards of business conduct and expectations, including in relation to human rights.
413: Local Community			
413-1	Operations with local community engagement, impact assessments, and development programmes	30, 53	All our operations engage their local communities appropriately. We engage with a wide range of stakeholders to understand their interests and concerns and to construct its value propositions based in large part on stakeholder input. For example, Social Impact Assessments are conducted for new plantation development projects.
415: Public Policy			
415-1	Political contribution	-	Fima Corp does not make any donations to political parties.
418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	There were zero breaches of data privacy and information during the year under review.
419: Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	-	There were no non-compliances with laws and regulations in the social and economic areas during the year under review.

Appendix

MEMBERSHIP OF ASSOCIATIONS

GRI 102-13

As active members of various associations, we actively engage in maintaining and advancing the goals and agendas of our respective industries. Our membership provides a platform for consultation, discussion, and collaboration with fellow industry members, allowing us to address matters of common interest and collectively work towards the progress and success of our respective industries as a whole.

Malaysia

Incorporated Society of Planters **(ISP)**

Malaysian Employers Federation **(MEF)**

Indonesia

Gabungan Pengusaha Kelapa Sawit Indonesia **(GAPKI)**

Association of Plantation Investors of Malaysia in Indonesia **(APIMI)**

PROXY FORM

FIMA CORPORATION BERHAD
(197401004110) (21185-P)

I/We ______________________________ NRIC/Company No. ______________________
(Full Name in Capital Letters)

of ____
(Full Address)

being a Member of **FIMA CORPORATION BERHAD** ("FimaCorp" and/or "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)

or failing him/her, the Chairman of the Meeting, 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 conducted on a virtual basis via live streaming and online remote voting using Remote Participation and Electronic Voting ("RPEV") facilities available at https://meeting.boardroomlimited.my, from the Broadcast Venue at the 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 August 2023 at 9.30 a.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 Nik Feizal Haidi Bin Hanafi who retires by rotation in accordance with Article 108 of the Company's Constitution. **- Ordinary Resolution 1**		
2.	To re-elect Dr. Roshayati Binti Basir who retires by rotation in accordance with Article 108 of the Company's Constitution. **- Ordinary Resolution 2**		
3.	To approve the payment of Directors' fees for each of the Non-Executive Directors of the Company for the ensuing financial year. **- Ordinary Resolution 3**		
4.	To approve the increase in the fees for the Chairman of the Board from 1 April 2023 until the conclusion of the next AGM of the Company. **- Ordinary Resolution 4**		
5.	To approve the payment of Directors' fees for each of the Non-Executive Directors who sit on the Boards of FimaCorp subsidiaries from 30 August 2023 until the conclusion of the next AGM of the Company. **- Ordinary Resolution 5**		
6.	To approve the payment of Directors' remuneration (excluding Directors' fees) for the Non-Executive Directors from 30 August 2023 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 for the financial year ending 31 March 2024 and to authorise the Directors to determine 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**		

* *Strike out whichever not applicable.*

No. of Shares Held

CDS Account No.

____
Signature *(If shareholder is a corporation, this part should be executed under seal)*

Dated this ______________ **day of** ______________ **2023**

Notes:

1. *The 48th AGM of the Company will be conducted on a virtual basis via live streaming and RPEV facilities which will be made available on the online portal provided by Boardroom Share Registrars Sdn. Bhd. at https://meeting.boardroomlimited.my. Please follow the procedures provided in the Administrative Guide for the 48th AGM in order to register, participate and vote remotely via the RPEV facilities.*
2. *The Broadcast Venue of the 48th AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the 48th AGM to be present at the main venue of the general meeting and to facilitate the conduct of the virtual meeting.*
3. *Members, proxies or corporate representatives are not allowed to be physically present at the Broadcast Venue. Only essential individuals and authorised personnel as determined by the Company shall be allowed entry into the Broadcast Venue.*
4. *Members may login via https://investor.boardroomlimited.com to pose and submit questions electronically in relation to the agenda items for the 48th AGM prior to the meeting and no later than 9.30 a.m. on Tuesday, 22 August 2023. The responses to these questions will be shared at the 48th AGM. Members may also pose questions via real time submission at https://meeting.boardroomlimited.my during the 48th AGM.*
5. *Only members whose name appears in the General Meeting Record of Depositors as at 22 August 2023 shall be entitled to participate, speak and vote at the 48th AGM or appoint proxy(ies) to attend and/or vote on their behalf.*
6. *A member of the Company who is entitled to attend and vote at the 48th AGM, may appoint up to 2 proxies by specifying the proportion of his/her shareholding to be represented by each proxy. A proxy may not be a member of the Company.*
7. *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.*

Fold here

FIMA CORPORATION BERHAD
(197401004110) (21185-P)

AFFIX STAMP

BOARDROOM SHARE REGISTRARS SDN. BHD.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia

Fold here

8. *The instrument appointing a proxy (proxy form) may be made in a hard copy form or by electronic means in the following manner and must be deposited to the Company's share registrar, Boardroom Share Registrars Sdn. Bhd. not less than 48 hours before the time appointed for holding the 48th AGM or adjournment thereof:*
   (a) *In hard copy form*
   The proxy form must be deposited at the Company's share registrar's office situated at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.
   (b) *By electronic means*
   The proxy form can also be lodged electronically through Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com. Kindly refer to the Administrative Guide for the 48th AGM on the procedures for electronic lodgement of proxy form.
9. *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 Sdn. Bhd. Alternatively, the proxy form or certificate of appointment of corporate representative may also be sent to Boardroom Share Registrars Sdn. Bhd. via email at BSR.Helpdesk@boardroomlimited.com.*
10. *If you have submitted your proxy form prior to the 48th AGM and subsequently, decide to participate in the 48th AGM yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of your proxy(ies) 48 hours before the 48th AGM. Your proxy(ies) on revocation will not be allowed to participate in the 48th AGM. In such event, you should advise your proxy(ies) accordingly.*
11. *The voting at the 48th AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the poll results.*

FIMA CORPORATION BERHAD
(197401004110) (21185-P)

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