BUILDING RESPECT, RESOURCEFULNESS & RESILIENCE

FIMA CORPORATION BERHAD
(197401004110) (21185-P)

ANNUAL REPORT 2021

www.fimacorp.com

Manufacturing Division
Holding Up

Plantation Division
Positive Play

197401 004110

INSIDE THIS REPORT

46th ANNUAL GENERAL MEETING

Tuesday, 21 September 2021 | 9.30 a.m.

Broadcast Venue

Online Meeting Platform at https://meeting.boardroomlimited.my (domain registration number with MYNIC: D6A357657) provided by Boardroom Share Registrars Sdn Bhd

BUILDING RESPECT, RESOURCEFULNESS & RESILIENCE

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, plantation and property management segments.

OUR VALUES

Accountability

- We make business decisions based on vast experience, prudent judgement, and ownership of outcomes
- Committed and loyal to our clients and each other

Ethics & integrity

- Honest and professional conduct in all interactions and through our commitment to managing our resources wisely

Responsibility

- Integration of economic, social and environmental responsibility in all aspects and activities

Safety

- Committed to providing a safe and healthy work environment for our employees and neighbours

Passionate

- A strong commitment to delivering value to our customers and stakeholders

Value creation

- We focus on building and generating sustainable value for all stakeholders

About This Report

FimaCorp's 2021 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 this year.

The reporting period corresponds to our financial year, which runs from and covers the reporting period from 1 April 2020 to 31 March 2021, unless otherwise stated. All references to FimaCorp, the Group, the Company, the business, 'our' and 'we' refer to Fima Corporation Berhad and its subsidiaries.

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. These processes are more fully described on page 47 of this Report.

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.

Reporting Principles

The preparation of this Report is made in adherence to:

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

Feedback

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

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.

We encourage you to read our full Report at http://www.fimacorp.com/annual-reports.php. You will be able to download, retrieve and view any pages of the Annual Report at your convenience.

NOTICE OF 46th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Sixth ("46th") Annual General Meeting ("AGM") of FIMA CORPORATION BERHAD ("FimaCorp" and/or "the Company") will be conducted fully virtual through an online meeting platform at https://meeting.boardroomlimited.my (domain registration number with MYNIC: D6A357657) provided by Boardroom Share Registrars Sdn Bhd in Malaysia on Tuesday, 21 September 2021 at 9.30 a.m. for the following purposes:

ORDINARY BUSINESS

1.	To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2021 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) Dato' Roslan bin Hamir	**Resolution 1**
	(ii) Encik Rosely bin Kusip	**Resolution 2**
3.	To re-elect Encik Nik Feizal Haidi bin Hanafi who retires in accordance with Article 88 of the Company's Constitution and who, being eligible, offers himself for re-election.	**Resolution 3**
4.	To approve the payment of Directors' fees for the Non-Executive Directors of the Company for the ensuing financial year.	**Resolution 4**
5.	To approve the payment of Directors' fees for the Non-Executive Directors who sit on the Boards of subsidiary companies from 22 September 2021 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 22 September 2021 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 and to authorise the Directors to fix 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 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 27 August 2021 which are necessary for the day-to-day operations of the Company and/or its subsidiaries provided that such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company.

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

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

whichever is the earlier;

AND THAT the Board of Directors of the Company be and is hereby empowered and 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 and paid-up share capital of the Company at any time; and
(ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the total retained profits of the Company for the time being.

THAT the Directors be and are hereby 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

Notice of 46th Annual General Meeting

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

Kuala Lumpur
27 August 2021

(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.

The Board has endorsed that the Directors who retire in accordance with Article 108 of the Company's Constitution are eligible to stand for re-election.

The profiles of the retiring Directors are set out in Our Board of Directors section of the Company's Annual Report 2021.

(III) Resolution 3

Article 88 of the Company's Constitution provides that a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election. Encik Nik Feizal Haidi bin Hanafi, who was appointed as an Independent Non-Executive Director of the Company on 3 August 2021, shall hold office until the conclusion of the Company's 46th AGM and shall then be eligible for re-election in accordance with Article 88 of the Company's Constitution.

(IV) Resolutions 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 has agreed that shareholders' approval shall be sought at the 46th AGM of the Company on the following payments to Directors in three (3) separate resolutions as below:

- **Resolution 4** on payment of Directors' fees for the ensuing financial year.
- **Resolution 5** on payment of Directors' fees for the Non-Executive Directors ("NEDs") who sit on the Board of Directors of subsidiary companies from 22 September 2021 until the conclusion of the next AGM of the Company.
- **Resolution 6** on payment of Directors' remuneration (excluding Directors' fees) to the NEDs from 22 September 2021 until the conclusion of the next AGM of the Company.

Ordinary Resolutions 4, 5 and 6 comprise fees, allowances and other benefits payable to the Non-Executive Chairman, NEDs and Board Committees, including fees and allowances payable to them by subsidiaries. Payment of the said fees, allowances and other benefits referred to herein will be made by the Company as and when incurred.

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

Company

		Fee (per annum)	Meeting Allowance (per meeting)	Benefits
Board	Chairman	RM75,000	RM2,000	Medical coverage and other claimable benefits
	Member	RM50,000	RM2,000	
Committees	Chairman of Audit and Risk Committee	RM15,000	RM2,000	N/A
	Member of Audit and Risk Committee	RM10,000	RM2,000	N/A
	Member of Nomination and Remuneration Committee	N/A	RM2,000	N/A
	Member of Group Sustainability Committee	N/A	RM2,000	N/A
	Member of Risk Steering Committee	N/A	RM2,000	N/A
	Member of Ad Hoc Committee	N/A	RM2,000	N/A

Subsidiaries

Subsidiary	Position Held	Fee Type	Amount
Percetakan Keselamatan Nasional Sdn Bhd	Chairman	Director's fee per annum Meeting allowance per meeting	RM18,000 RM1,000
PT Nunukan Jaya Lestari	President Commissioner	Director's fee per annum Meeting allowance per meeting	RM18,000 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.

(V) Resolution 7

The Board had on 20 May 2021 approved the recommendation by the Audit and Risk Committee on the re-appointment of Messrs. Ernst & Young PLT as Auditors of the Company.

(VI) 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 27 August 2021 which is available on the 'Investors' section of the Company's website.

Notice of 46th Annual General Meeting

(b) Resolution 9

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

Further information on the Proposed Renewal of Shares Buy-Back Authority is set out in Part B of the Circular/Statement to Shareholders dated 27 August 2021 which is available on the 'Investors' section of the Company's website.

Notes:

A. Fully Virtual AGM

1. The 46th AGM of the Company will be conducted on a fully virtual basis where members are only allowed to participate remotely through live streaming and online remote voting via Remote Participation and Electronic Voting ("RPEV") facilities via online meeting platform available at https://meeting.boardroomlimited.my (domain registration number with MYNIC: D6A357657) provided by Boardroom Share Registrars Sdn Bhd in Malaysia.

   Kindly refer to the procedures provided in the Administrative Guide for the 46th AGM in order to register, participate, speak and vote remotely via RPEV facilities.

2. The online meeting platform which is the main venue of the 46th AGM is strictly for the purpose of complying with Section 327(2) of the Act that requires the main venue of a company's general meeting to be in Malaysia and the chairperson to be present at that main venue of the meeting.

3. The conduct of a fully virtual 46th AGM is in line with the Guidance Note and Frequently Asked Questions (Revised Guidance Note and FAQ) issued by the Securities Commission Malaysia on 16 July 2021.

B. Appointment of Proxy(ies)

1. Only members whose names appear in the General Meeting Record of Depositors as at 14 September 2021 shall be entitled to participate, speak and vote at the 46th AGM or appoint proxy(ies) to attend and/or vote on their behalf.

2. A member of the Company who is entitled to attend and vote at the 46th AGM may appoint up to 2 proxies by specifying the proportion of his shareholding to be represented by each proxy. A proxy may not be a member of the Company.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. The instrument appointing a proxy (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 46th AGM or adjournment thereof:

   (a) <u>In hard copy form</u>

   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. Boardroom Share Registrars Sdn Bhd will 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 Administrative Guide for the 46th 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. 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 46th AGM and subsequently, decide to participate in the 46th AGM yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of your proxy(ies) 48 hours before the 46th AGM. Your proxy(ies) on revocation will not be allowed to participate in the 46th AGM. In such event, you should advise your proxy(ies) accordingly.

7. The voting at the 46th AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the poll results.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The Directors who are retiring pursuant to Article 108 of the Company's Constitution and seeking re-election are:

   a. Dato' Roslan bin Hamir
   b. Encik Rosely bin Kusip

2. The Director who is retiring in accordance with Article 88 of the Company's Constitution and seeking re-election is:

   a. Encik Nik Feizal Haidi bin Hanafi

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

ADMINISTRATIVE GUIDE FOR THE 46th AGM

Meeting Day and Date	:	Tuesday, 21 September 2021
Commencement of Meeting	:	9.30 a.m.
Venue	:	Online Meeting Platform provided by Boardroom Share Registrars Sdn Bhd in Malaysia
Online Meeting Platform	:	https://meeting.boardroomlimited.my (domain registration number with MYNIC: D6A357657)

1. Fully Virtual 46th Annual General Meeting ("46th AGM")

1.1 In line with the Government's directive and Securities Commission Malaysia's revised Guidance Note and FAQs on the conduct of general meetings for listed issuers to curb the spread of Covid-19, the 46th AGM of the Company will be conducted fully virtual and entirely via RPEV facilities.

1.2 Shareholders can participate in our 46th AGM via online meeting platform at https://meeting.boardroomlimited.my (domain registration number with MYNIC: D6A357657) by registering online via the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com.

1.3 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 46th AGM, safely from your home.

1.4 Kindly ensure that the stability of the internet connectivity throughout the 46th 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 Due to the constantly evolving Covid-19 situation in Malaysia, the Company may be required to change the arrangements of the 46th AGM at short notice. Kindly check the Company's website or announcements for the latest updates on the status of the 46th AGM. The Company will continue to observe the guidelines issued by the Ministry of Health and will take all relevant precautionary measures as advised.

1.6 No recording or photography of the meeting proceedings is allowed.

2. Entitlement to Participate and Vote

2.1 Only members whose names appear in the General Meeting Record of Depositors as at 14 September 2021 shall be entitled to participate in the 46th AGM or appoint proxies to register and vote on their behalf by returning the proxy form which is enclosed in the Company's Annual Report 2021 and can also be downloaded from http://www.fimacorp.com/agm.php

3. Lodgement of Proxy Form

3.1 If you are unable to attend the 46th AGM and wish to appoint the Chairman of the meeting as your proxy to vote on your behalf, please deposit your proxy form at the Share Registrar's office, Board Share Registrars Sdn Bhd ("Boardroom Share Registrars"), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the time of holding the meeting or adjournment thereof. Any alteration to the proxy form must be initialled.

3.2 Boardroom Share Registrars will also provide a box at the ground floor of its office building to facilitate drop-off of proxy forms.

3.3 The proxy appointment may also be lodged electronically via Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com, which is free and available to all individual shareholders, not less than 48 hours before the time of holding the 46th AGM or no later than 9.30 a.m. on 19 September 2021 in accordance with the steps provided on page 9 of this Annual Report.

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

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

a. Access website https://investor.boardroomlimited.com.
b. Click <<Login>> and click <<Register>> to sign up as a user.
c. Complete registration and upload softcopy of MyKad/Identification Card (front and back in JPG/PNG/PDF format only) or Passport (in JPG/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 – eProxy Lodgement

a. Login to https://investor.boardroomlimited.com using your user ID and password provided by Boardroom Share Registrars.
b. Select "FIMA CORPORATION BERHAD 46th AGM" from the list of Corporate Meeting and click "Enter".
c. Click "Submit eProxy Form".
d. Read and accept the general terms and conditions and enter your CDS account number to appoint proxy and insert proxy details and voting instructions.

3.4 If you wish to participate in the 46th AGM yourself, please do not submit any proxy form for the 46th AGM. You will not be allowed to participate in the 46th AGM together with a proxy appointed by you.

3.5 If you have submitted your proxy form prior to the 46th AGM and subsequently, decide to participate in the 46th AGM yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of your proxy(ies) 48 hours before the 46th AGM. Your proxy(ies) on revocation will not be allowed to participate in the 46th AGM. In such event, you should advise your proxy(ies) accordingly.

4. Corporate Shareholders

4.1 Corporate shareholders who require their corporate representative to participate and vote at the 46th AGM must deposit their proxy form or certificate of appointment of corporate representative to the Boardroom Share Registrars' office not less than 48 hours before the 46th AGM. Alternatively, the proxy form or certificate of appointment of corporate representative may also be sent to Boardroom Share Registrars via email at BSR.Helpdesk@boardroomlimited.com.

5. Voting Procedures

5.1 The voting will be conducted by poll in accordance with Paragraph 8.29A of the Bursa Listing Requirements.

5.2 The Company has appointed Boardroom Share Registrars as the Poll Administrator to conduct the poll by way of electronic voting ("e-Voting") and Boardroom Corporate Services Sdn Bhd as Scrutineers to verify the poll results.

5.3 During the 46th AGM, the Chairman will invite the Poll Administrator to brief on the e-Voting housekeeping rules. The voting session will commence as soon as the Chairman calls for the poll to be opened and until such time when the Chairman announces the closure of the poll.

5.4 For the purpose of the 46th 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 the 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.

Administrative Guide for the 46th AGM

6. Remote Participation and Electronic Voting ("RPEV")

6.1 Please note that all members, including **(i) individual members; (ii) corporate shareholders; (iii) authorised nominees; and (iv) exempt authorised nominees,** shall use the RPEV facilities to participate and vote remotely at the 46th AGM.

6.2 If you wish to participate in the 46th AGM, you will be able to view a live webcast of the 46th AGM, ask questions and submit your votes in real time while the 46th AGM is in progress.

6.3 Kindly follow the steps below on how to request a login ID and password, and how to use the RPEV facilities:

BEFORE 46th 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 <<Login>> and click <<Register>> to sign up as a user. c. Complete registration and upload softcopy of MyKad/Identification Card (front and back in JPG/PNG/PDF format only) or Passport (in JPG/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.
2. Submit Request for Remote Participation User ID and Password *Note: Registration for remote access will be open on 27 August 2021. Please note that the closing time to submit your request is not less than 48 hours before the time of holding the 46th AGM or no later than 9.30 a.m. on 19 September 2021.*	**Individual Members** • Login to https://investor.boardroomlimited.com using your user ID and password. • Select "FIMA CORPORATION BERHAD 46th 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 and CDS account number, together with the certificate of appointment of corporate representative or proxy form to submit the request. • Please provide a copy of the Corporate Representative's MyKad/Identification Card (front and back in JPG/PNG/PDF format only) or Passport (in JPG/PNG/PDF format only), as well as his/her email address. **Authorised Nominees and Exempt Authorised Nominees** • Write in to BSR.Helpdesk@boardroomlimited.com by providing the name of member and CDS account number, together with the proxy form to submit the request. • Please provide a copy of the proxy holder's MyKad/Identification Card (front and back in JPG/PNG/PDF format only) or Passport (in JPG/PNG/PDF format only), as well as his/her email address.
3. Email Notification	a. You will receive a notification from Boardroom Share Registrars that your request has been received and is being verified. b. Upon system verification against the General Meeting Record of Depositors as at 14 September 2021, you will receive an email from Boardroom Share Registrars either approving or rejecting your registration for remote participation. c. If your registration is approved, you will receive your remote access user ID and password in the same email from Boardroom Share Registrars.

ON THE DAY OF THE 46th AGM	
Procedures	**Actions**
1. Login to Online Meeting Platform	a. The Online Meeting Platform will be open for login 1 hour before the commencement of the 46th AGM at 8.30 a.m. on 21 September 2021. b. The Online Meeting Platform can be accessed via one of the following: • scan the QR Code provided in the email notification after successful registration; or • navigate to the website at https://meeting.boardroomlimited.my (domain registration number with MYNIC: D6A357657). c. Enter the meeting ID number and sign in with the user ID and password provided in the confirmation email from Boardroom Share Registrars.
2. Participate *Note: Questions submitted online will be moderated before being sent to the Chairman to avoid repetition.*	a. If you would like to view live webcast, select the broadcast icon. b. If you would like to ask a question during the 46th AGM, select the messaging icon. c. Type your message within the chat box, click the send button once completed. d. The Chairman/Board of Directors will endeavour to respond to questions submitted by the shareholders/proxies regarding the resolutions to be tabled at the 46th AGM, as well as the Company's financial performance/prospects.
3. Voting	a. Once the 46th 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 the 46th AGM, the live webcast will end and the messaging window will be disabled. b. You can now logout from the meeting platform.

7. No Door Gifts

7.1 There will be no distribution of door gifts or vouchers for participation at this 46th AGM.

8. Enquiries

8.1 The Company welcomes questions and views from shareholders on the 46th AGM resolutions and Annual Report 2021 to be raised at the 46th AGM. Please submit your question(s) via Boardroom Share Registrars' website at https://investor.boardroomlimited.com using the same user ID and password provided in Step 2 – eProxy Lodgement and select "SUBMIT QUESTION" to pose questions commencing from 27 August 2021 and in any event no later than 9.30 a.m. on Tuesday, 14 September 2021. We will endeavour to provide responses to the queries during the 46th AGM session.

8.2 If you have any enquiry prior to the 46th AGM or if you wish to request for technical assistance to participate in the fully virtual meeting, please contact Boardroom Share Registrars during office hours on Monday to Friday from 9.00 a.m. to 5.00 p.m. (except on Public Holidays):

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

General Line : 03-7890 4700
Fax No. : 03-7890 4670
Email : BSR.Helpdesk@boardroomlimited.com

Members are reminded to monitor the Company's website and announcements for any changes to the arrangements of the 46th AGM.

Annual Report 2021

We strongly encourage you to download the digital versions of the documents to reduce the carbon footprints associated with their production and delivery. The Annual Report 2021 and Corporate Governance Report 2021 can be downloaded from the Company's website. Please access the online softcopy through your device by scanning this QR code.

GROUP CORPORATE STRUCTURE

FIMA CORPORATION BERHAD (197401004110) (21185-P)

FIMA CORPORATION BERHAD

Plantation Division

Oil palm cultivation, including oil palm production and processing

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

Manufacturing Division

Production and trading of security and confidential documents

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

Property Division (Non-Core)

Property management services

- 100% Fima Technology Sdn Bhd

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Adnan bin Shamsuddin
Chairman/Independent Non-Executive Director

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

Rezal Zain bin Abdul Rashid
Senior Independent Non-Executive Director

Dr. Roshayati binti Basir
Non-Independent Non-Executive Director

Rosely bin Kusip
Independent Non-Executive Director

Datuk Bazlan bin Osman
Independent Non-Executive Director

Nik Feizal Haidi bin Hanafi
Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

Rezal Zain bin Abdul Rashid
Chairman

Dato' Adnan bin Shamsuddin
Member

Datuk Bazlan bin Osman
Member

Rosely bin Kusip
Member

NOMINATION AND REMUNERATION COMMITTEE

Rezal Zain bin Abdul Rashid
Chairman

Dato' Adnan bin Shamsuddin
Member

Dr. Roshayati binti Basir
Member

Rosely bin Kusip
Member

COMPANY SECRETARIES

Jasmin binti Hood
LS 0009071
SSM PC No. 201908001455

Fadzil bin Azaha
CA 20995
SSM PC No. 201908001530

REGISTERED OFFICE

Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone No. : +603-2092 1211
Facsimile No. : +603-2092 5923
Email : fima@fimacorp.com
Website : www.fimacorp.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Professor 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

PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad

OUR BOARD OF DIRECTORS

DATO' ADNAN BIN SHAMSUDDIN

Chairman / Independent Non-Executive Director

Malaysian / 74 / Male

Academic / Professional Qualification(s)

- B.A (Hons) Second Class Upper in Economics, University of Malaya
- M.A. Economics, University of Southern California

Past Appointment(s)

- Executive Director, Malaysia Airports Holdings Berhad (1992-2003)
- Deputy Director General, Department of Civil Aviation (1983-1992)
- Director of Air Transport, Department of Civil Aviation (1977-1983)
- Assistant Secretary, Ministry of Transportation, Government of Malaysia (1971-1975)
- Administrative and Diplomatic Service, Government of Malaysia (1971-1992)

Present Directorship(s) of Public and Listed Companies

Nil

Membership of Board Committee(s)

- Audit and Risk Committee
- Nomination and Remuneration Committee

Date of Appointment

20 MAY 2003

Date of Last Re-election

28 August 2019

DATO' ROSLAN BIN HAMIR

Managing Director /
Non-Independent Executive Director

Malaysian / 54 / Male

Date of Appointment

8 DEC 1998

Date of Last Re-election

30 August 2018

Academic / Professional Qualification(s)

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

Past Appointment(s)

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

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)

Membership of Board Committee(s)

Nil

Our Board of Directors

REZAL ZAIN BIN ABDUL RASHID

Senior Independent
Non-Executive Director

Malaysian / 54 / Male

Academic / Professional Qualification(s)

- Bachelor of Arts (Accounting) Degree, University of Canberra, Australia
- Member, Malaysian Institute of Accountants
- Member, Certified Practising Accountant (CPA Australia)

Past 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)

Present Directorship(s) of Public and Listed Companies

Nil

Membership of Board Committee(s)

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

Date of Appointment

25 JUN 2002

Date of Last Re-election

29 September 2020

DR. ROSHAYATI BINTI BASIR

Non-Independent
Non-Executive Director

Malaysian / 57 / Female

Date of Appointment

23 NOV 2009

Date of Last Re-election

29 September 2020

Academic / Professional Qualification(s)

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

Past / Present Appointment(s)

- Consultant Radiologist, Sunway Medical Centre (2002-present)
- 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)

Present Directorship(s) of Public and Listed Companies

- Non-Independent Non-Executive Director, Nationwide Express Holdings Berhad

Membership of Board Committee(s)

- Nomination and Remuneration Committee

Our Board of Directors

ROSELY BIN KUSIP

Independent Non-Executive Director

Malaysian / 70 / Male

Academic / Professional Qualification(s)

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

Past / Present Appointment(s)

- Chairman, Risda Estates Sdn Bhd (2020-present)
- 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 Plantations, Kumpulan Guthrie Berhad (2000-2003)
- General Manager, Estates, Kumpulan Guthrie Berhad (1994-2000)
- Manager, Highlands Lowlands Berhad (1971-1994)

Present Directorship(s) of Public and Listed Companies

Nil

Membership of Board Committee(s)

- Audit and Risk Committee
- Nomination and Remuneration Committee

Date of Appointment

14 MAR 2019

Date of Last Re-election

28 August 2019

DATUK BAZLAN BIN OSMAN

Independent
Non-Executive Director

Malaysian / 57 / Male

Date of Appointment

5 APR 2019

Date of Last Re-election

28 August 2019

Academic / Professional Qualification(s)

- Fellow of Association of Chartered Certified Accountants
- Chartered Accountant, Malaysian Institute of Accountants
- Diploma in Accounting, Polytechnic of North London, United Kingdom

Past / Present Appointment(s)

- Independent Non-Executive Director, Bursa Malaysia Berhad (2020-present)
- Independent Non-Executive Director, Syarikat Takaful Malaysia Keluarga Berhad (2020-present)
- Independent Non-Executive Director, Glomac Berhad (2020-present)
- Vice President (2021-present), Council Member (2019-2021), Malaysian Institute of Accountants
- Director, Malaysia Professional Accountancy Centre (2020-present)
- Deputy Chair (2020-present), Council Member (2019-2020), ACCA Malaysia Advisory Committee
- Independent Non-Executive Director, Citibank Berhad (non-listed) (2019-present)
- Non-Executive Chairman / Director, GITN Sdn Bhd (2017-present)
- 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
- Non-Executive Director, Labuan Reinsurance (L) Ltd (2007-2012)
- Commissioner, PT XL Axiata Tbk (2005-2008)
- 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)

Present Directorship(s) of Public and Listed Companies

- Glomac Berhad
- Syarikat Takaful Malaysia Keluarga Berhad
- Bursa Malaysia Berhad
- Citibank Berhad (non-listed)

Membership of Board Committee(s)

- Audit and Risk Committee

Our Board of Directors

NIK FEIZAL HAIDI BIN HANAFI

Independent Non-Executive Director

Malaysian / 49 / Male

Academic / Professional Qualification(s)

- Bachelor of Economics, International Islamic University

Past / Present Appointment(s)

- Chief Executive Officer, Vuca Warrior Sdn Bhd & 1M Leadership Academy Sdn Bhd (2016-present)
- 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)

Present Directorship(s) of Public and Listed Companies

Nil

Membership of Board Committee(s)

Nil

Date of Appointment

3 AUG 2021

Date of Last Re-election

N/A

Notes:

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

2. ***Family relationship with any Director and/or major shareholder of the Company:***
None of the Directors have a family relationship 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, a major shareholder of the Company.

3. ***Convictions for offences:***
None of the Directors have any convictions for offences within the past five (5) years other than traffic offences (if any) and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

4. ***Attendance of Board meetings:***
The attendance of the Directors at Board meetings held during the financial year ended 31 March 2021 is disclosed in the Corporate Governance Overview Statement.

OUR SENIOR MANAGEMENT

DZAKWAN BIN MANSORI

Executive Director, Sales, Percetakan Keselamatan Nasional Sdn Bhd

59 · M

He joined Fima Securities Sdn Bhd, a stockbroking 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. 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.

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

MOHD ADIZURAIMIN BIN MOHD AFFANDI

Senior Plantation Controller

49 · M

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

Our Senior Management

FADZIL BIN AZAHA

Company Secretary

44 · M

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

He has 22 years of working experience in accounting, finance, treasury, auditing and corporate advisory. Prior to joining KFima Group, he was Senior Manager (Assurance and Business Advisory) of Ernst & Young, Malaysia.

He is a Chartered Accountant and a member of Malaysian Institute of Accountants (MIA). He is also a fellow member of the Certified Practising Accountants Australia (CPA Australia).

JASMIN BINTI HOOD

Company Secretary

48 · F

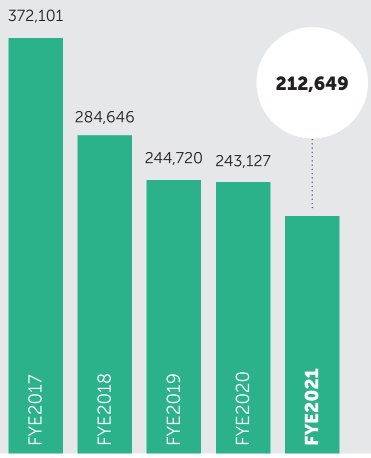
She joined KFima on 2 January 2008 and was appointed as Company Secretary in the same year. She is currently Company Secretary to KFima's Group subsidiaries including its listed subsidiary Fima Corporation Berhad ("FimaCorp") and for all Board Committees of KFima and FimaCorp. She has over 20 years' experience in legal, corporate secretarial and compliance roles, having served in public listed companies and financial institutions.

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

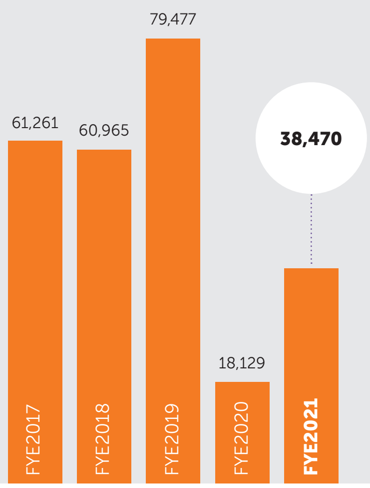
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended 31 March (RM'000)	2017	2018	2019	2020	2021
REVENUE	372,101	284,646	244,720	243,127	212,649
PROFIT					
Profit before taxation	61,261	60,965	79,477	18,129	38,470
Income tax expenses	26,254	20,891	14,151	9,322	7,335
Profit/(Loss) attributable to:					
Non-controlling interests	(2,708)	5,952	7,880	(2,929)	4,002
Profit after taxation and non-controlling interest	37,715	34,122	57,446	11,736	27,133
ASSETS AND LIABILITIES					
Total assets	718,659	640,502	673,727	630,675	635,611
Total liabilities	129,368	75,151	76,569	64,685	65,110
Non-controlling interests	25,913	18,958	23,383	18,747	22,221
Shareholders' funds	563,378	546,393	573,775	547,243	548,280
EARNINGS AND DIVIDEND					
Earnings per share (sen)					
Basic	15.64	14.15	23.90	4.90	11.37
Diluted	15.64	14.15	23.90	4.90	11.37
Gross dividend per share (sen)	17.50	12.50	12.50	12.50	12.50
Net dividend per share (sen)	17.50	12.50	12.50	12.50	12.50
SHARE PRICES					
Transacted price per share (RM)					
Highest	2.33	2.36	2.01	1.96	1.88
Lowest	2.02	1.95	1.75	1.01	1.15

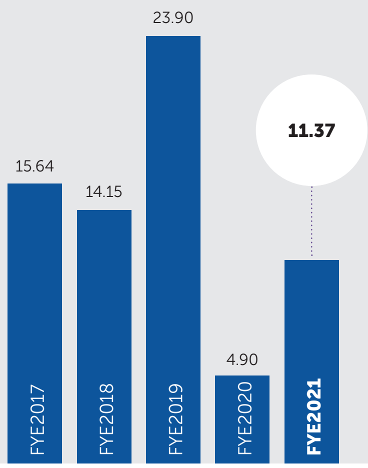
REVENUE
RM (million)



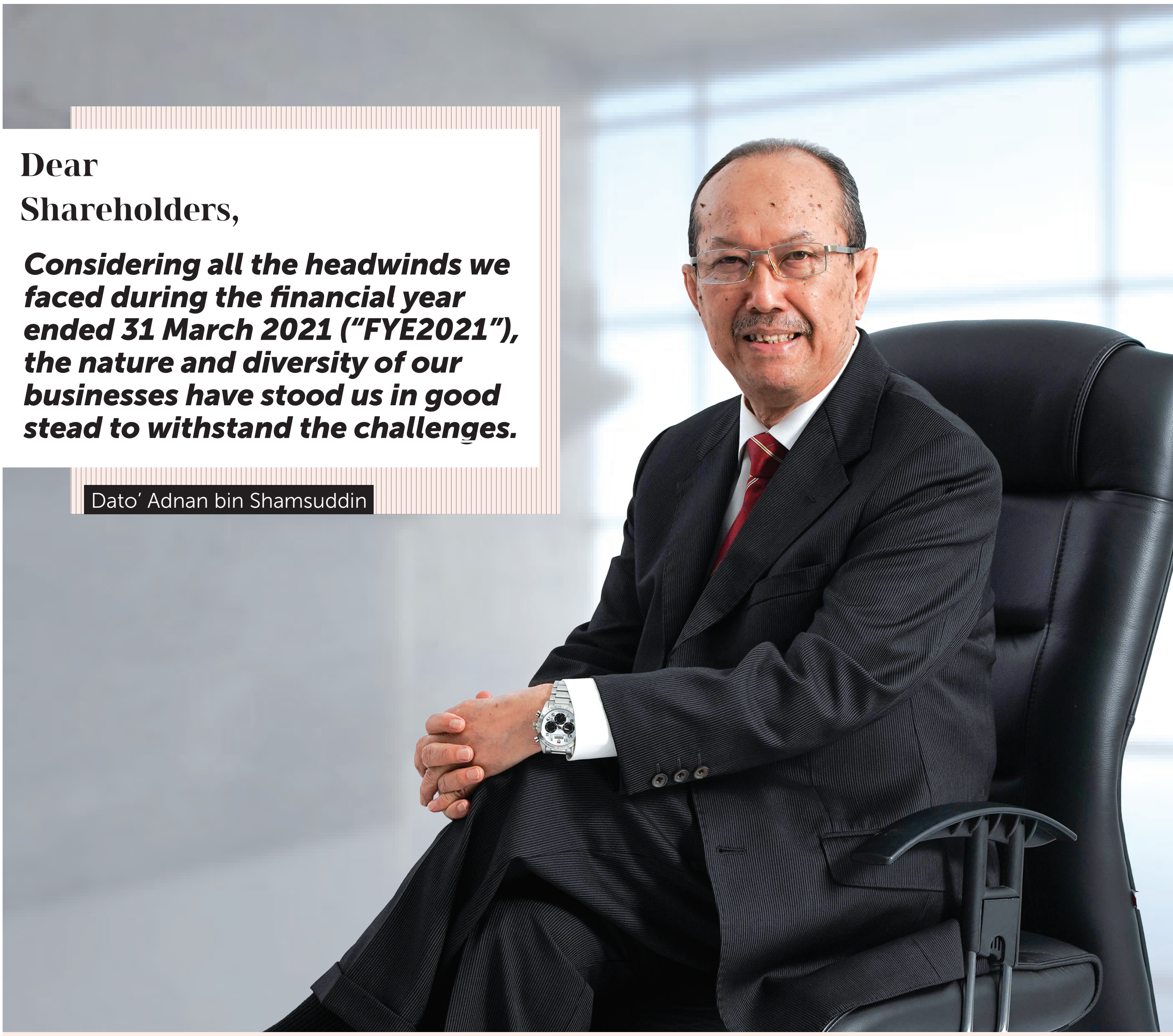
PROFIT BEFORE TAX
RM (million)



EARNINGS PER SHARE
(Basic) (RM sen)



CHAIRMAN'S STATEMENT



Dear
Shareholders,

Considering all the headwinds we faced during the financial year ended 31 March 2021 ("FYE2021"), the nature and diversity of our businesses have stood us in good stead to withstand the challenges.

Dato' Adnan bin Shamsuddin

We delivered a good set of results, with profit increasing over the prior year despite the impact of Covid-19.

Total revenue was RM212.65 million, driven by the Plantation segment. Profit before tax ("PBT") was RM38.47 million, significantly higher than last year's PBT of RM18.13 million, reflecting strong commodity prices, cost controls and offsetting the lower PBT contributions from Manufacturing. Our divisions' performance is as illustrated below:

REVENUE

	FYE2020 RM million	FYE2021 RM million
Manufacturing	134.00	101.93
Plantation	103.12	103.75
Property Management (non-core)	6.01	6.97
Group Revenue	243.13	212.65

PBT

	FYE2020 RM million	FYE2021 RM million
Manufacturing	25.99	14.60
Plantation	(10.62)	20.95
Property Management (non-core)	3.72	2.24
Share of Results of Associate	1.96	4.13
Others	(2.92)	(3.45)
Group PBT	18.13	38.47

> ***The Company, on 28 September 2020, entered into an agreement to acquire 3,237 hectares of oil palm plantation lands in Gua Musang, Kelantan for RM51.50 million.***

Although our businesses were impacted by pandemic-driven headwinds, particularly in the first half of FYE2021, the Group's disciplined performance fundamentally reflects a resilience we have talked about for some time but which, by any objective measure, was on display and well demonstrated in dealing with a number of curve balls. This resiliency is vital as we look to meet the continuing challenges to the many parts of the global economy where Covid-19 remains a very large and present threat to lives and livelihoods. In this context, it is pleasing that the Group was able to grow profits, preserve the strength of our balance sheet, while also advancing strategic plans and initiatives that hold the prospect of substantial future value creation.

Manufacturing division's revenue and PBT were lower primarily as a result of the pandemic and consequent travel restrictions which led to a significant reduction in the demand for travel documents.

Plantation division's revenue was slightly higher than last year and PBT was RM20.95 million (FYE2020: loss of RM10.62 million), underpinned by higher average selling prices of crude palm oil and crude palm kernel oil ("CPKO") as well as higher volumes of CPKO sold. Even well before the pandemic, we anticipated that plantation would be a growth area for us and the decision to give this sector a more strategic focus was made some years back. In line with this strategy, the Company, on 28 September 2020, entered into an agreement to acquire 3,237 hectares of oil palm plantation lands in Gua Musang, Kelantan for RM51.50 million. The acquisition was completed on 3 May 2021 and the Group's total plantable landbank now stands at 12,911 hectares, net of the areas in Indonesia that have been the subject of dispute and on-going litigation (discussed below).

As shareholders are aware, the Mahkamah Agung had on 27 November 2019 overturned its earlier decision and allowed the judicial review application by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional against our Indonesian subsidiary, PT Nunukan Jaya Lestari ("PTNJL"), thereby upholding the revocation of PTNJL's ownership over a part of its titled land area which overlapped with forest areas. Although PTNJL has filed an appeal and the suit is still ongoing, PTNJL has had to cease operations in the disputed/overlapping area measuring approximately 800 hectares. We are naturally disappointed with this outcome; nevertheless, the Board remains resolute in taking all reasonable steps to protect our interests and we will continue to respectfully and actively engage with the local and central governments as well as the counterparties involved to ensure that PTNJL, which employs over 1,000 local workers, continues to be viable.

A more detailed review of the results and the operating performance for the year of each of the Group's business divisions is presented on pages 29 to 45 of this Annual Report.

Dividend

After having considered the Group's current liquidity position, future growth requirements and the resulting cash flow outlook, the Board has, for FYE2021, approved payment of 2 interim dividends. The first interim dividend of 5.0 sen was paid on 30 December 2020 while the second interim dividend of 7.5 sen per share is payable on 3 September 2021. This will bring the total dividend for the full year to 12.5 sen per share (FYE2020: 12.5 sen).

Chairman's Statement

Dividends paid out represent
132.1%
of PATANCI

The dividends paid out represent about 132.1% of profit after taxation and non-controlling interest ("PATANCI").

Governance

The Board is collectively responsible for the long-term success of the Group, for developing and delivering its strategy and for establishing a framework of prudent and effective controls to assess and manage risk effectively, ever mindful of the dynamic corporate and regulatory landscape.

During the year, we commissioned an external review of the Group's risk management framework. Following this review, the Board approved the adoption of a revised Enterprise Risk Management ("ERM") framework with reference to the most current global standards and best practices. The Group's emerging and principal risks, together with its appetite with respect to each risk, were also identified and agreed upon.

We also refined delegated authorities, to ensure an appropriate balance between making efficient decisions and appropriate oversight. In addition, the Board increased its focus on environmental, social and governance ("ESG") matters and looked at how they should be embedded in our decision-making processes. In this regard, we have formally integrated ESG into the new ERM framework. The Audit & Risk Committee ("ARC") is charged with the oversight responsibility for monitoring both sustainability goals and enterprise risks. The steps taken by the ARC, on behalf of the Board, in reviewing the ERM are described in the Statement on Risk Management and Internal Control on page 91.

As noted earlier, we have formally integrated sustainability into the new ERM framework, which will further reinforce consideration of ESG elements in all activities and decision-making processes.

The Board has also received more presentations from members of the senior team. It is even more crucial, particularly in times like these, for the Board to remain visible to the management teams, enhancing our insights into their operations and helping us to identify situations which may require the Board's intervention or support. We have sought and will continue to constructively challenge and stress test our general governance environment and key issues, as well as to reinforce the cultural tone and expected behaviours.

Board Changes

On 21 July 2021, we announced that I would be retiring from the Board at the conclusion of the Annual General Meeting ("AGM") on 21 September 2021. Subsequently, on 3 August 2021, we welcomed Encik Nik Feizal Haidi bin Hanafi to the Board. Encik Nik Feizal brings with him significant technology-oriented and international experience which the Board believes can contribute significantly to discussions on the Group's long-term strategies.

Sustainability

Interest in ESG matters is increasingly shaping business decisions, and our stakeholders, rightly, have high expectations of us to operate our business responsibly with respect to the safety and health of our people and the communities in which we operate.

As noted earlier, we have formally integrated sustainability into the new ERM framework which will further reinforce consideration of ESG elements in all activities and decision-making processes.

I am happy to report that the Group has been able to retain the headcount of our permanent workforce and maintain their benefits such as medical coverage this year. We also provided additional support to non-executive staff to ease the pressures on their families. I have to say that at no time did the Board hesitate when making those decisions. We are upholding the commitment that we have always expressed, which is to look after the interests and well-being of our employees who have worked so diligently to maintain operational momentum despite the numerous challenges faced during the year.

We remain committed to improving on our internal energy and emissions intensity. In this regard, we have been steadily addressing our greenhouse gas emissions and our water efficiency in FYE2021. These efforts are underpinned by annual targets and KPIs for the management team. We are pleased to record zero fatalities in FYE2021 and all of the 3 employees affected by Covid-19 have fully recovered.

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

Key Focus Areas

Our first priority has always been to re-invest in our existing businesses because the industries in which we operate have long-term growth opportunities and we aim to capture them. Of course, our plans will depend on a range of factors including future treatment and containment of the pandemic, the capacity of businesses to maintain operations and government stimulus packages and reform.

For Plantation, our focus will be to realise improved returns on our greenfield assets. We are projecting that crop volumes from existing areas will improve due to the young age profile of the palms in our Malaysian estates. While there are plans in the medium term to further expand our landbanks, for now we intend to concentrate on completing the development of the 2,000 hectares in Ladang Sg. Siput and rehabilitating the newly acquired 3,237 hectares in Kelantan that I mentioned earlier, as well as continuously improving the overall agronomic standards and productivity of our estates.

The full impact of the pandemic on our Manufacturing segment will take some time to unwind even though some revenue uplift from contracts/projects that had been deferred or pushed to this current year are anticipated. On the back of the ongoing travel/movement restrictions, we expect our Manufacturing segment's activity levels to remain constrained in this current financial year.

REFLECTIONS

Dato' Adnan bin Shamsuddin reflects on his time with FimaCorp, his achievements and what he wants to see FimaCorp do next

Q. **You are stepping down from the Board after 18 years – 11 as Chairman – and will be handing over the reins upon conclusion of this year's AGM. How do you feel about the transition?**

A. The transition has been very well-considered and planned over the last few years. We brought in 2 independent non-executive directors almost two years ago as part of this transition and we are looking to further enhance the diversity and experience of the Board. It is an exciting time for the Group, and I am looking forward to seeing where they take it.

Q. **You have said that the Group is very different to the one you joined in 2003 – with milestones including the expansion of the Group's plantation business. What do you think were your greatest contributions to the Group's growth?**

A. When I joined the Board in 2003, FimaCorp was already entering its new phase of growth and there have been several significant milestones that have led us to where we are today. The first was PKN. In March 1998, Malaysia issued the world's first e-Passport and PKN was part of this historic moment. Subsequently in 2010, PKN, in cooperation with its technology partners, once again created history and produced the upgraded, highly secure e-Passport which was fully compliant with the stringent travel document standards set by the International Civil Aviation Organization (ICAO) and this really shook up the industry.

In 2002, the Group entered into a joint venture with Giesecke & Devrient Gmbh for the establishment of Giesecke & Devrient Malaysia Sdn Bhd ("G&D Malaysia") whose principal activities are printing and production of banknotes of the highest technology, security and quality. G&D Malaysia began operations in September 2003 and its plant in Shah Alam is Malaysia's only banknote printing plant. In 2013, a second printing line was opened in Malaysia, doubling the plant's capacity.

In 2006, we ventured into the plantation business on a large scale, starting with PT Nunukan Jaya Lestari in Indonesia and followed by several other greenfield acquisitions in Malaysia. The Group's

Chairman's Statement

plantable landbank now stands at 12,911 hectares. Expanding into plantation has proven to be a successful strategy over the years as it has improved our resiliency. We're good at seeing the opportunities to grow – as well as when to slow down.

As a result of the change in the Group's business activities and the level of the contributions to the Company's financial results from these activities, FimaCorp was reclassified from Property to Industrial Products under Bursa Malaysia's sectoral classification in May 2010.

Those of us involved over the past 18 years have had the privilege of helping 'transform' the Group in its growth. In terms of my own contributions as Chairman, I believe that the role of the chair is one of influence rather than direct power. I take the position that transactions must be driven by the management team and execution must also be through the management team. In those circumstances, I (as the Chairman), alongside my fellow Non-Executive Directors on the Board, will be the check and balance to ensure that the actions taken are in line with our long-term strategy to create value. We have a collaborative culture, with a flat hierarchy that allows us to work at pace and share information, gather feedback and take decisions in an effective way. Due to the efforts of a terrific group of Board colleagues, a farsighted Managing Director and a creative, dedicated team, the Group now has a solid foundation from which to grow. That makes me feel extraordinarily proud and humbled to have been a part of this transformation process. There have been many temptations to pursue bigger, riskier deals, but we have always resisted. We're fairly cautious, so every decision needs to be very well-considered.

Q. What do you think of the relationship between the government and businesses, which are extremely important but can be a little bit tense sometimes?

A. This is a sensitive topic but the reality is that the government sets the tone and it is up to business people to deliver performance and meet expectations. That said, the relationship between the government and business must therefore be one of productive conversation. On the other hand, I also feel that the government has to play its role in ensuring a level playing field in the market that can foster, protect and promote healthy competition instead of making it (or perceived as) a 'zero-sum' game. Fair and vigorous competition will ensure market players remain focused on driving productivity as well as on their standards of behaviours. Now, more than ever, productivity growth and high standards of behaviour should be our collective priority to ensure the future well-being of our economy.

Q. What would you like to see FimaCorp do next?

A. I leave FimaCorp with many, many fond memories and my wish is to see FimaCorp keep on getting better – to watch it grow and develop over many decades to come and to continue fighting the good fight! The challenges faced in the last few years and the way in which the leadership team have dealt with them have only strengthened my belief that the Group's best days are still to come.

Outlook

We expect the macroeconomic conditions to remain challenging and, at the time of writing, the potential threat and possible impact of another wave of Covid-19 continues to be a concern. However, and as we look ahead, the Group remains an exceptionally resilient business with a dedicated and resourceful workforce, quality assets and a healthy balance sheet. The stresses of the year have further highlighted the strength of our business model and our achievements in several areas within our existing business give us a solid basis to further develop those sectors in line with the Group's investment guardrails. These strategic attributes - accompanied by a continued focus on ESG - should enable us to deliver a resilient performance in the shorter term and to benefit from the opportunities that our markets offer over the medium and longer terms.

Appreciation & Acknowledgements

As noted earlier, I will retire from the Board this year and it is with much sadness that I bid you farewell as I step down after the conclusion of the coming AGM. I can reflect on a Company that has made great strides over the years. FimaCorp is unique, and it has been a great privilege for me to chair this Company. The Group is very different to the one I joined in 2003 and I very much look forward to the next chapter of its success.

I would like to extend my heartfelt thanks to my Board members for their meaningful contributions and support to me all these years. A special thank you goes out to the entire FimaCorp workforce for their hard work and efforts. We recognise the loyalty of our employees, and we are deeply appreciative of it. The Board's gratitude also extends to our shareholders, business partners, customers and all stakeholders whose trust and confidence we greatly value, and we wish each of you safety and good health.

Thank you.

Dato' Adnan bin Shamsuddin
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

Introduction

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

FimaCorp is an investment holding company with subsidiaries principally involved in Manufacturing, Plantation and Property Management. The businesses are spread across Malaysia and Indonesia and currently employ 1,641 people.

GROUP STRATEGIC OVERVIEW

OUR KEY PERFORMANCE OBJECTIVES

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

- **Profitable Revenue Growth**
- **Solid Return on Capital Employed**
- **Strong Cash Generation**

HOW WE DO IT

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

Our four 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 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 three sustainability values that support these objectives and strategic drivers are:

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

Management Discussion & Analysis

Key Financial Highlights

		FYE2020 Restated	FYE2021	Variance %
Revenue	RM million	243.13	212.65	(12.5)
Cost of Sales ("COS")	RM million	165.91	131.10	(21.0)
Gross Profit ("GP")	RM million	77.22	81.55	5.6
Gross Profit Margin ("GP margin")	%	31.8	38.3	6.5
Earnings Before Interest and Taxation ("EBIT")	RM million	18.50	39.12	111.5
Profit Before Tax ("PBT")	RM million	18.13	38.47	112.2
Profit After Tax ("PAT")	RM million	8.81	31.14	253.5
Profit Attributable to Equity Holders of the Company/ PATMI	RM million	11.74	27.13	131.1
Return on Shareholders' Equity ("ROE")	%	1.6	5.5	3.9
Return on Capital Employed ("ROCE")	%	3.2	6.6	3.5
Net Cash Flow Generated from Operating Activities	RM million	18.60	100.19	438.7
Total Assets	RM million	630.68	635.61	0.8
Total Liabilities	RM million	64.69	65.11	0.6
Capital Employed	RM million	586.87	591.75	0.8
Retained Earnings	RM million	441.99	439.45	(0.6)

Revenue

	FYE2020 RM Million	Contribution %	FYE2021 RM Million	Contribution %	Variance RM Million	Variance %
Manufacturing	134.00	55.1	101.93	47.9	(32.07)	(23.9)
Plantation	103.12	42.4	103.75	48.8	0.63	0.6
Others/Non-core						
Property Management	6.01	2.5	6.97	3.3	0.96	16.0
TOTAL	**243.13**	**100.0**	**212.65**	**100.0**	**(30.48)**	**(12.5)**

Revenue
RM212.65 million
-12.5%

PBT
RM38.47 million
+112.2%

Total revenue generated by the Group for FYE2021 was RM212.65 million, compared with RM243.13 million for FYE2020, a decline of 12.5% mainly due to lower contributions from Manufacturing division.

Plantation division recorded a marginal increase in revenue of 0.6% y-o-y to RM103.75 million, mainly due to higher average Crude Palm Oil ("CPO") price per MT (CIF, net of duty) which increased by 12.3% y-o-y (FYE2021: RM2,328 per MT, FYE2020: RM2,073 per MT) despite the overall decline in CPO volumes sold (FYE2021: 35,177 MT, FYE2020: 44,022 MT) and higher Indonesian export levy during the year. The sales of Crude Palm Kernel Oil ("CPKO") and Fresh Fruit Bunches ("FFB") improved significantly by RM10.15 million and RM5.00 million, respectively. The division now is the leading revenue contributor of the Group during the year under review.

Manufacturing division's revenue declined by 23.9% to RM101.93 million from RM134.00 million registered last year, impacted by the decline in sales volumes and changes in order patterns for certain product segments. The Covid-19 pandemic adversely impacted sales of the division's travel, transport, foreign travel and confidential documents, totalling RM34.46 million.

PBT

	FYE2020 RM Million	Contribution %	FYE2021 RM Million	Contribution %	Variance RM Million	Variance %
Manufacturing	25.99	143.4	14.60	37.9	(11.39)	(43.8)
Plantation	(10.62)	(58.6)	20.95	54.5	31.57	297.3
Property Management	3.72	20.5	2.24	5.8	(1.48)	(39.8)
Share of Results of Associate	1.96	10.8	4.13	10.7	2.17	110.7
Others	(2.92)	(16.1)	(3.45)	(8.9)	(0.53)	(18.2)
TOTAL	**18.13**	**100.0**	**38.47**	**100.0**	**20.34**	**112.2**

“

In line with the increase in PBT, the Group achieved PAT of RM31.14 million (FYE2020: RM8.81 million), up by RM22.33 million.

The Group posted a higher **PBT** of RM38.47 million compared with RM18.13 million for FYE2020, representing an increase of 112.2% or RM20.34 million. The increase in Group PBT was mainly due to higher PBT contribution from the Plantation division. In addition, in FYE2020, the Group had recognised a one-off impairment loss of RM17.79 million relating to PTNJL's property, plant and equipment (PPE) and Right of Use (ROU).

Plantation division's PBT improved to RM20.95 million from a loss of RM10.62 million in the previous year. The Group's Indonesian subsidiary, PT Nunukan Jaya Lestari, recorded PBT of RM24.73 million, offsetting the loss of RM3.78 million registered by the Group's Malaysian estates. The division also achieved improved GP margins due to the decrease in average maintenance and cultivation expenditure per MT in its newly matured estates as well as positive contribution from higher CPO prices and higher CPKO sales volume in FYE2021.

Manufacturing division's PBT decreased by 43.8% to RM14.60 million (FYE2020: RM25.99 million) in line with the lower revenue posted for the year due to the impact of the Covid-19 pandemic that affected most of the division's core products. The division's GP margin was lower y-o-y due to the drop in demand for its travel and confidential documents, which generally command a higher margin.

Despite generating lower revenue, the Group's **GP** rose by 5.6% y-o-y to RM81.55 million from RM77.22 million in FYE2020 due to lower COS. On the back of higher GP margin achieved by the Plantation division, the Group's GP margin increased from 31.8% to 38.3%.

The **COS** of the Group for FYE2021 was RM131.10 million, which was RM34.81 million lower compared to the previous year. The decrease was mainly attributable to lower maintenance and cultivation expenses incurred by the Plantation division for its mature areas as well as lower production costs incurred by the Manufacturing division due to lower levels of activity.

Share of Results of Associate increased from RM1.96 million in the previous year to RM4.13 million on the back of stronger contribution from Giesecke & Devrient Malaysia Sdn Bhd ("G&D Malaysia"). G&D Malaysia posted higher revenue and PBT of RM225.48 million and RM20.31 million (FYE2020: RM166.83 million and RM10.69 million), respectively, representing an improvement of 35.2% and 90.0% y-o-y, respectively.

In line with the increase in PBT, the Group achieved **PAT** of RM31.14 million (FYE2020: RM8.81 million), up by RM22.33 million. Meanwhile, the Group's taxation expenses as at 31 March 2021 decreased from RM9.32 million to RM7.34 million.

Profit Attributable to Equity Holders of the Company increased by 131.1% or RM15.39 million to RM27.13 million from RM11.74 million recorded in FYE2020. Basic net earnings per share increased to 11.37 sen based on a weighted average of 238.58 million shares (FYE2020: 4.90 sen based on 239.75 million shares).

Shareholders' Funds stood at RM548.28 million, representing an increase of RM1.04 million or 0.2% from the previous financial year. Retained earnings were RM439.45 million, RM2.54 million lower than RM441.99 million recorded last year.

ROE measures how efficiently a company is generating income from the equity investments of its shareholders. With the increase in PAT, the Group recorded higher ROE of 5.5% in FYE2021 based on shareholders' equity of RM570.50 million (FYE2020: RM565.99 million) as compared to 1.6% recorded in the prior year.

Capital employed measures the value of all the assets utilised by the Group to generate earnings and acceptable

Management Discussion & Analysis

return on investment, taking into account the long-term business strategy of the Group. **ROCE** for FYE2021 increased to 6.6% from 3.2% registered in the previous year due to an increase in EBIT from RM18.50 million to RM39.12 million.

Finance Cost and Liabilities

The Group's **Finance Cost** increased from RM0.37 million in FYE2020 to RM0.65 million in FYE2021. The Group's Finance Cost for the year was mainly contributed by higher interest expense on lease liabilities in Plantation division, which amounted to RM0.55 million.

Total Liabilities increased by 0.7% y-o-y to RM65.11 million from RM64.69 million in FYE2020 due to an increase in lease liabilities and trade, and other payables.

Liquidity and Capital Resources

The Group's capital expenditure ("CAPEX") and working capital requirements were financed by cash generated from operations.

The Group's financial position as at 31 March 2021 remains healthy with cash and bank balances and financial investments totalling RM195.57 million (FYE2020: RM174.58 million), higher by 12.0% compared to the prior year.

The Group's **Total Assets** in FYE2021 amounted to RM635.61 million. Total assets increased by RM4.94 million or 0.8% compared to last year mainly due to higher property, plant and equipment amounting to RM87.08 million (FYE2020: RM81.53 million).

During the year under review, the Group acquired the business assets of PMBK Sawit Sdn Bhd which includes, inter alia, the leases of the plantation lands known as Ladang Aring (measuring 935 hectares) and Ladang Kuala Betis (measuring 2,302 hectares), both located in Gua Musang, Kelantan, for an aggregate sum of RM51.50 million.

Return on Capital Employed

FYE2020
3.2%

FYE2021
6.6%

Free Cash Flow

FYE2020
RM1.60 million

FYE2021
RM89.46 million

Total Assets

FYE2020
RM630.68 million

FYE2021
RM635.61 million

Despite a reduction in revenue, the Group continued to register strong cash flow. **Net Cash Generated from Operating Cash Flow** stood at RM100.19 million, representing an increase more than two-fold from last year (FYE2020: RM18.60 million).

The Group's **Free Cash Flow ("FCF")** was positive at RM89.46 million, an increase of RM87.86 million from the previous financial year. **FCF** is the cash a company generates after taking into consideration cash outflows that support its operations and maintain its capital assets.

For FYE2021, the Group spent a total of RM10.73 million (FYE2020: RM17.00 million) on **CAPEX**. The Group's CAPEX in respect of property, plant and equipment incurred in the financial year was largely attributable to our Plantation division, amounting to RM9.60 million.

Outlook

"The year 2020 ended with higher export revenue at RM73.25 billion attributed to the higher average CPO price and low closing stock at 1.27 million tonnes.

Plantation Outlook

Overall, 2020 was a challenging year for the Malaysian oil palm industry due to the global outbreak of Covid-19. The industry experienced a temporary slowdown in the first half of 2020 in export demand and prices but towards the second half, conditions improved due to the gradual reopening of economic sectors with the relaxation of movement restrictions coupled with the government's initiatives under the National Economic Recovery Plan (PENJANA).

The year 2020 ended with higher export revenue at RM73.25 billion attributed to the higher average CPO price and low closing stock at 1.27 million tonnes. India and China maintained their positions as the largest Malaysian palm oil export markets in 2020, with a total of 5.46 million tonnes or 31.4% of total Malaysian palm oil exports. This was followed by the European Union European Union ("EU") at 1.94 million tonnes (11.1%), Pakistan at 1.00 million tonnes (5.8%), the Philippines at 0.69 million tonnes (4.0%), Turkey at 0.62 million tonnes (3.5%) and USA at 0.54 million tonnes (3.1%). These top seven markets accounted for 10.27 million tonnes or 59.0% of total Malaysian palm oil exports in 2020.

The CPO price rally since June 2020 was driven by supply disruptions in key edible oil as well as palm oil-producing regions. With demand outpacing supply, the Bursa Malaysia Derivatives Exchange's benchmark price surpassed RM4,000 a tonne by early January 2021. In March 2021, it hit its highest level, reaching RM4,283 a tonne.

Other key industry indicators in the year 2020, however, witnessed lower performance, with CPO production, yield of FFB, national oil extraction rate, exports and imports of palm oil as well as palm oil stocks experiencing declines.

Palm oil output from Indonesia and Malaysia was adversely affected by drought and reduced fertiliser application in 2019. This was compounded by a workers' shortage as a result of movement restrictions and border closures brought about by the Covid-19 pandemic. Indonesia and Malaysia produce about 85% of the total global palm oil supply. The lower-than-expected supply of other edible oils, particularly sunflower and rapeseed oils, induced a sharp rise in vegetable oil prices, which then had a spillover effect on CPO prices.

On the whole, the palm oil outlook in 2021 looks favourable compared with the average prices of 2019 and 2020. It will depend on the impact of La Nina on the soybean complex in South America and Indonesia's B30 biodiesel mandate. The full implementation of the B30 mandate in Indonesia and the B20 mandate in Malaysia is crucial to sustain domestic consumption and absorb the anticipated palm oil supply growth. A global vegetable oil deficit will lend support to CPO prices going into 2021.

In 2021, Malaysian palm oil production is forecast to reach close to 20 million MT, which will be contributed by the maturing oil palm areas that were replanted in 2018 as well as better FFB yields. The recent change in export tax structure in Indonesia which incentivises processed palm oil exports and makes crude palm oil of Indonesian origin more costly will likely shift demand for CPO from Indonesia to Malaysia.

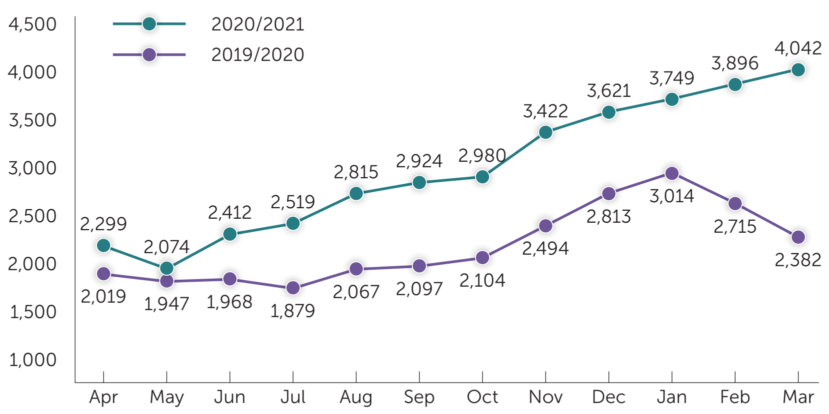
(Source: MPOC/MPOB/CPOC)

Palm Oil Statistics

	Malaysia's Export & Import Data			
	Exports (MT)		Imports (MT)	
	2020/2021	2019/2020	2020/2021	2019/2020
Apr	1,654,499	1,236,478	62,112	56,596
May	1,715,719	1,369,351	61,789	37,101
Jun	1,397,140	1,706,597	101,250	48,841
Jul	1,486,485	1,783,284	40,069	52,691
Aug	1,736,300	1,578,075	51,055	32,311
Sep	1,409,089	1,612,155	71,112	48,273
Oct	1,641,973	1,674,304	85,034	45,398
Nov	1,405,638	1,303,271	74,684	112,663
Dec	1,396,157	1,624,692	123,029	282,058
Jan	1,213,569	947,539	85,033	165,258
Feb	1,089,529	900,339	66,735	87,326
Mar	1,184,973	1,188,697	79,216	137,332
	17,333,091	**16,926,803**	**903,138**	**1,107,869**

(Source: MPOB)

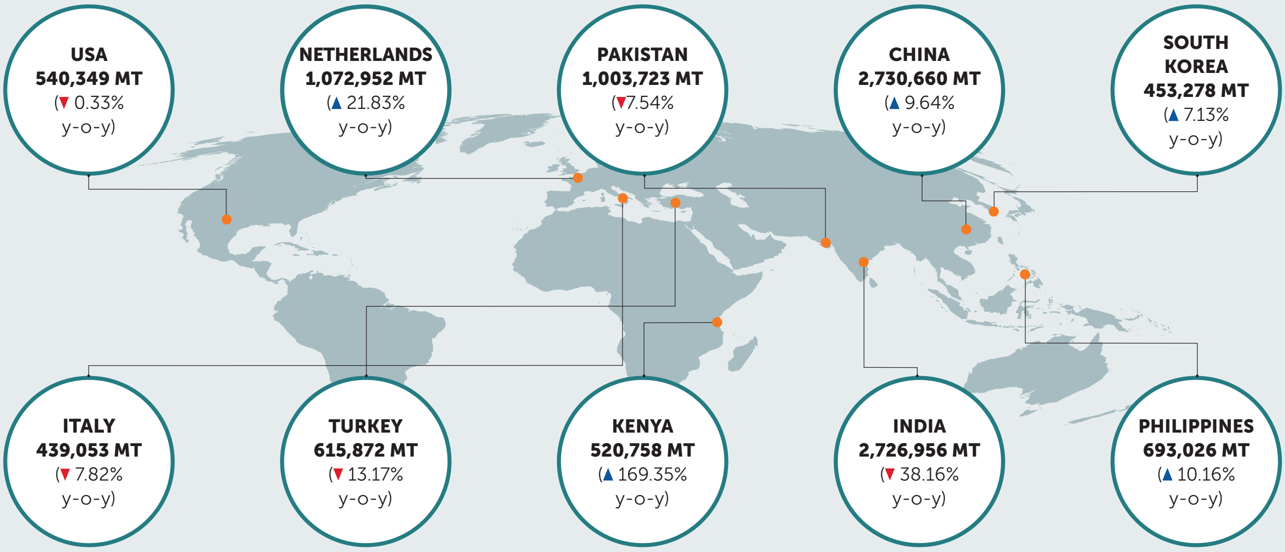
Monthly Average CPO Prices



(Source: MPOB)

Management Discussion & Analysis

Malaysia's Export to Major Countries



(Source: MPOC and MPOB)

Security Printing Outlook

In light of the Covid-19 crisis that continues to create economic uncertainty and loss in the business sector, the security printing industry will focus on managing risk and ensuring continued health. Each individual business will need a deep understanding of changing market conditions and government policy. Because this industry supplies most of its offerings to government agencies around the world, participating organisations are potentially in a good position to avert some risk because they supply essential products and solutions to a lumpy but consistent pipeline. Furthermore, their proximity to important policymakers could enable them to make timely and critical decisions regarding business planning and commercial activities.

In the marketplace, quarantining and isolation broadly mean a reduced demand for passports and visas because of travel restrictions and less demand for tax stamps, product authentication and brand protection as consumers restrict their discretionary spend. There has been a noticeable uptick in the demand for banknotes as people hoard cash for security and many central banks plan on injecting more cash into their local cash cycles as a short-term shot in the arm.

The following are the industry's key trends and drivers for the next five years:

(Source: Smithers – The Future of Global Security Printing to 2024)

1. The shift to polymer banknotes is progressing in over 20 countries and an increasing range of denominations is being issued. This shift will continue and counterfeits will increase, enabled by technology.

2. A rise in card and mobile payments and a decline in cash purchasing is being seen in countries like Sweden. This will continue but will not be universal over the next five years.

3. Multipurpose IDs/digital IDs are already increasing within many countries. By 2024, this will be underpinned by developments in secure biometrics and driven by national and international programmes and technology developments. This will lead to a reduction in printed forms of ID.

4. Automation at borders is already emerging, from ePassports to biometrics (face recognition). Passports on chip cards are being developed linking to other ID, such as driving licences. Demand for digital documents will continue to rise to 2024.

5. The shift from physical security printing to platform approaches/software (blockchain,track and trace across supply chains) continues as demand increases and full system solutions will be required.

Manufacturing Division   Plantation Division

HOLDING UP

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.

FYE2021 Key Focus Areas

- Strengthen nationwide support services
- 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

REVENUE

RM101.93 million

23.9%
Decrease Y-o-Y

(FYE2020: RM134.00 million)

PBT

RM14.60 million

43.8%
Decrease Y-o-Y

(FYE2020: RM25.99 million)

Manufacturing Division : Holding Up

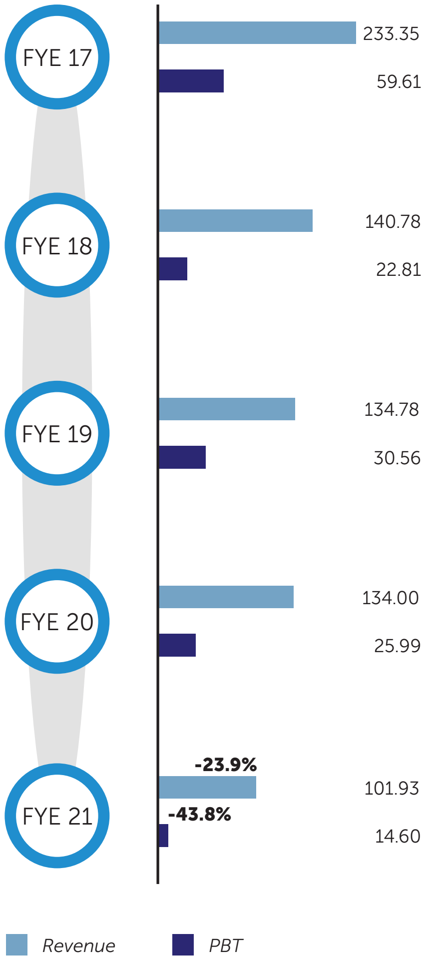
Revenue for the financial year ended 31 March 2021 ("FYE2021") was RM101.93 million which represents a year-on-year ("y-o-y") decrease of 23.9% from the RM134.00 million reported in the previous year. The division's travel, transport, foreign travel and confidential documents subsegments continued to be significantly impacted by Covid-19 and ongoing secular challenges. The revenue pressures were partially offset by lower overhead and selling expenses.

Travel and foreign travel documents subsegments were down by 97.0% and 31.2% respectively, compared to last year, primarily driven by lower volumes amid travel restrictions and border closures. Similarly, volume in the transport document subsegment was also adversely affected by the pandemic-related travel restrictions which in turn led to a 10.7% y-o-y decline in revenue. Confidential documents declined 80.0% y-o-y from RM6.90 million to RM1.38 million. As expected, several of the division's planned projects for this product segment were deferred or cancelled, which in turn resulted in the weaker performance. Meanwhile, the division's non-core subsegments, namely the stamps, postal & banking documents subsegment and certificates and passes subsegment, delivered notable improvements, having cumulatively generated a combined y-o-y revenue growth of 52.5%.

Given the large decline in revenue, PBT was down by 43.8% y-o-y to RM14.60 million compared to RM25.99 million registered last year.

> ***"The division's non-core subsegments, namely the stamps, postal & banking documents subsegment and certificates and passes subsegment, delivered notable improvements, having cumulatively generated a combined y-o-y revenue growth of 52.5%.***

5-Year Revenue & PBT Performance (RM million)



Security Printing Facts

Intaglio Printing: A Powerful Security Tool

A security printing technique known as Intaglio printing is a long-established security printing technique used not just for banknotes but also for high-security document printing.

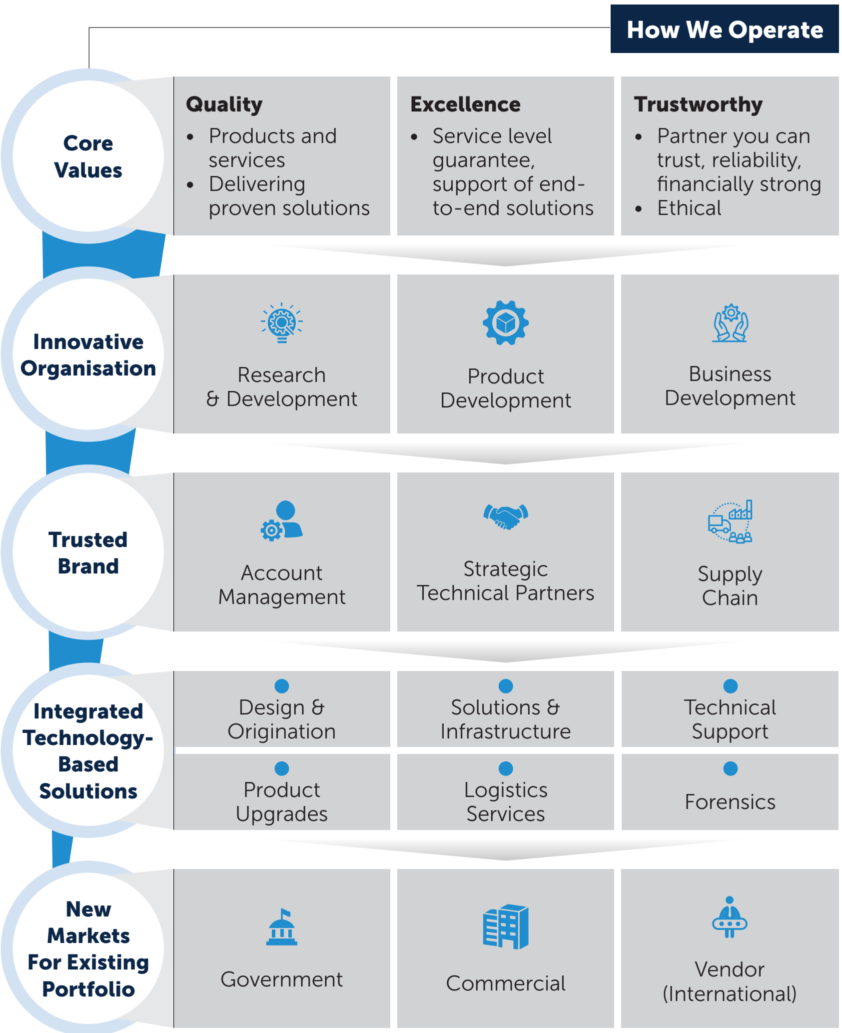
- The lines to be printed are cut into a metal plate through an etching or engraving process.
- The ink is applied to the surface of the plate and pushed into the recessed lines.
- A rolling press is then used to apply very high pressure to push the paper into the recessed lines.
- The area that prints is below the surface of the plate.

According to the Keesing Journal of Documents & Identity (June 2017), Intaglio remains a technique that cannot be replaced by inkjet or toner printing, at least for now. It is also barely accessible to counterfeiters. Tactile effects, in particular, are hard to reproduce. Intaglio continues to offer a high level of security compared to digital printing.

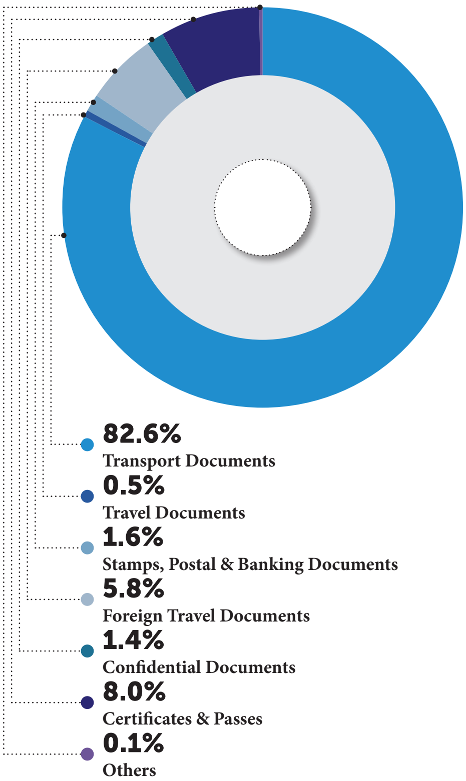
The division spent RM0.86 million on CAPEX compared to RM0.46 million last year, representing a modest 86.7% increase. The CAPEX spent during FYE2021 was primarily restricted to assets needed to meet or maintain the Division's operational requirements and to put in place several initiatives to reduce energy usage. As a result of the installation of solar PV panels at our facility, the division has reduced its electricity consumption and Scope 2 carbon emissions by 23.5% and 23.4% respectively. Moving forward, we aim to integrate more renewable energies into our operations and drive down the carbon footprint of our business.

The share of results of associate company, G&D Malaysia improved by 110.7% y-o-y from RM1.96 million last financial year to RM4.13 million. During FYE2021, G&D Malaysia registered higher revenue and PBT of RM225.48 million and RM20.31 million, respectively, representing an improvement of 35.2% and 90.0% y-o-y respectively.

During FYE2021, our facilities continued to operate with minimal disruption and remained fully operational in compliance with strict operating protocols imposed by the government.



Revenue Contribution by Product



Outlook

The full impact of the pandemic on this division will take some time to unwind even though some revenue uplift from contracts/projects that were deferred or pushed to this current year is anticipated. Based on our current visibility, the environment remains dynamic and we foresee continued softness in the business. Our transport and travel document volumes are anticipated to improve on the back of new contract renewals which we hope will help us maintain or grow earnings although they will still remain below pre-pandemic levels. On the other hand, we also expect margin pressures in some product segments due to increased competition and as we lose some of our economies of scale.

The division will continue to make disciplined decisions and prudently manage our business based on current economic conditions. Certain macro trends, like the pandemic, remain outside our control and as such, we will remain proactive in managing those that we can control and protect our key markets. Our scalable and client-centric operating model, coupled with our strong balance sheet, allows us to flex in alignment with market demand and activity levels and to manage the structural changes in our business. Additionally, the actions we are taking to better align our cost structure with ongoing business needs will help ensure that we maintain our competitiveness.

Manufacturing Division — **Plantation Division**

POSITIVE PLAY

Following the acquisition of 2 new plantation lands, the Group now owns and operates 12 estates in Malaysia and Indonesia with a total plantable landbank area of 12,911 hectares, of which 8,164 hectares have been planted with oil palm and 6,843 hectares are mature. The Group also owns a 45 MT/HR palm oil mill in Indonesia.

FYE2021 Key Focus Areas

- Improve operational cost efficiency and effectiveness through stringent monitoring, increased usage of information and communications technology (ICT) and mechanisation
- Improve accessibility to facilitate mechanisation and speedier crop evacuation
- Replanting programme using high-yielding oil palm planting materials
- 100% Malaysia Sustainable Palm Oil ("MSPO") certification obtained

REVENUE

RM103.75 million

0.6%
Increase Y-o-Y

(FYE2020: RM103.12 million)

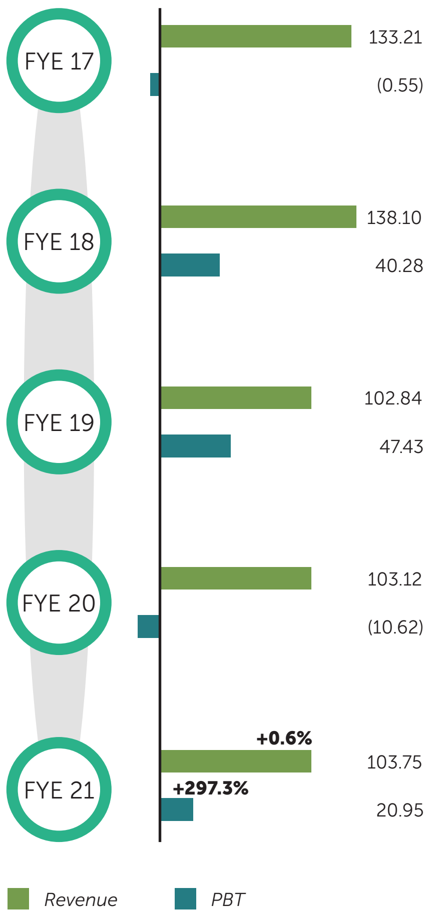
PBT

RM20.95 million

297.3%
Increase Y-o-Y

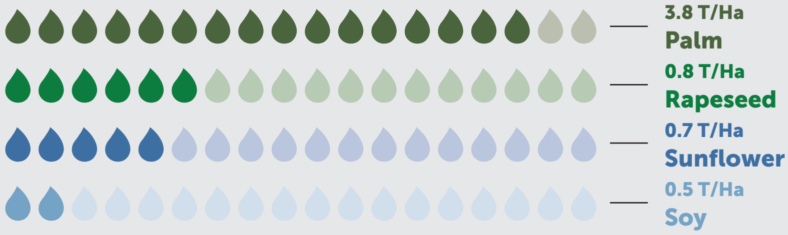
(FYE2020: Loss of RM10.62 million)

5-Year Revenue & PBT Performance (RM million)



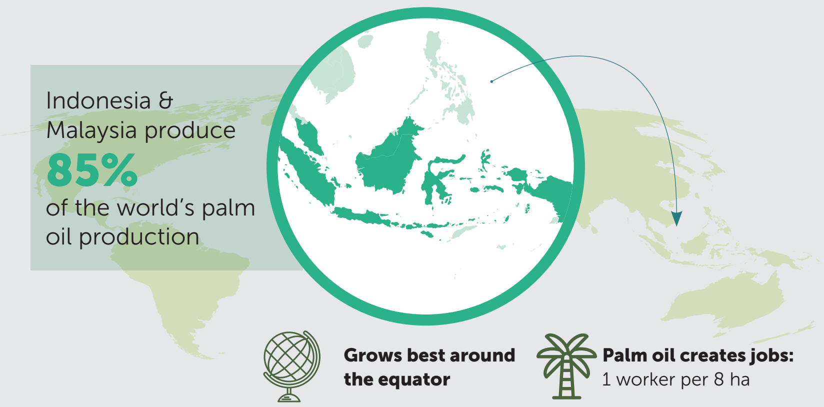
Palm Oil Facts

Land-use efficiency



*Note: *T/Ha = Tonnes/Hectare*

Economic contribution



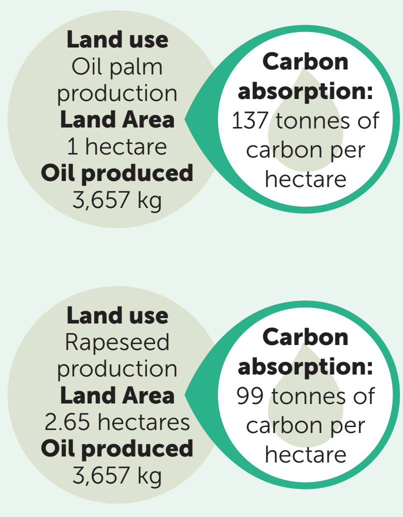
(Source: World Economic Forum)

Plantation division recorded a profit before tax of RM20.95 million with a revenue of RM103.75 million, an increase of 297.3% and 0.6%, respectively, underpinned by higher average CPO and CPKO prices realised during the year, offsetting the decline in overall CPO volumes sold and higher Indonesian export levy. Last year, the division's PBT was impacted by a one-off recognition of impairment losses on property, plant and equipment and right-of-use assets in the Group's Indonesian subsidiary, PT Nunukan Jaya Lestari ("PTNJL"), amounting to RM17.79 million. This impairment arose following the decision made by the Mahkamah Agung allowing the judicial review application by the Menteri Agraria dan Tata Ruang/ Kepala Badan Pertanahan Nasional ("BPN") against PTNJL. The division also achieved improvement in its gross profit margins due to positive contributions from higher CPO and CPKO prices and higher CPKO volume, as well as management and operational efficiency improvements initiated within the division during the year.

The Group's total FFB production in FYE2021 decreased by 4.9% y-o-y to 148,759 MT from last year's 156,450 MT owing to lower FFB production from our Indonesian estates. This was partially offset by the improved yields from our Malaysian estates. The Group's average FFB yield declined from 21.58 MT per mature hectare to 20.39 MT per mature hectare in FYE2021. Palms aged between 10 and 18 years make up 5,942 hectares of the Group's total planted area.

CPO and CPKO production were 35,424 MT and 3,068 MT, respectively (FYE2020: 40,934 MT and 1,035 MT). CPO production fell by 5,510 MT, owing to lower FFB production and lower purchase of third-party crops. Average CPO (CIF, net of duty) and CPKO prices realised during the year were RM2,328 (FYE2020: RM2,073) and RM3,685 (FYE2020: RM3,242) per MT, respectively. CPO and PK prices have improved y-o-y on the back of the low inventory level of palm oil in Malaysia and Indonesia and higher soybean oil prices. During the year, the Group's average oil extraction rate ("OER") decreased by 0.60% to 21.08% (FYE2020: 21.68%). Adverse weather conditions, particularly in the second half of FYE2021, which affected crop quality and hampered evacuation activities, contributed to the decline in OER.

Carbon Absorption Comparison



(Source: More sustainable vegetable oil: balancing productivity with carbon storage opportunities – by Thomas D Alcock, David E Salt, Paul Wilson, Stephen J Ramsden)

Plantation Division : Positive Play

Indonesia

FFB produced by our Indonesian subsidiary, PT Nunukan Jaya Lestari ("PTNJL"), reduced by 10.0% to 133,799 MT compared to last year's 148,637 MT. FFB yield per mature hectare decreased by 4.5% to 22.54 MT (FYE2020: 23.58 MT). FFB purchased from third parties also declined to 34,339 MT from 40,257 MT recorded in previous year. Oil extraction rate ("OER") also declined from 21.68% to 21.08% during the reporting year. However, we hope to see better improvement in OER in the future as we continue to identify gaps.

The reduction in FFB produced by PTNJL was mainly due to the declining yields from the older areas as well as the reduction in the size of its mature areas. In the case of the latter and as noted earlier, Mahkamah Agung had on 27 November 2019 overturned its earlier decision and allowed the judicial review application by BPN against PTNJL. Although PTNJL has filed an appeal and the suit is still ongoing, PTNJL has had to, in the interest of good order, cease operations in the disputed/ overlapping area measuring approximately 800 hectares. PTNJL continues to take all reasonable steps to protect its interests and is actively engaging with the local and central governments as well as the counterparties involved to ensure that PTNJL, which employs over 1,100 local workers, continues to be viable.

Malaysia

FFB produced by our Malaysian estates improved significantly from 7,813 MT to 14,960 MT, as more areas attained maturity and moved towards prime age. Total mature area rose to 1,361 hectares from 951 hectares in the last financial year. The increase in FFB production raised the Malaysian estates' average FFB yield to 11.00 MT per mature hectare from 8.21 MT per mature hectare recorded last year. For the coming year, the FFB production is expected to improve further due to more areas moving towards prime age.

Ladang Cendana, Kemaman, Terengganu

Ladang Cendana's FFB production recorded a significant increase of 90.4% to 7,827 MT (FYE2020: 4,111 MT) in line with the expansion of the estate's mature area from 491 hectares to 557 hectares. In addition, the average yield per mature hectare improved to 14.05 MT from 8.37 MT recorded in the prior year. Continuous improvements in roads and facilities which allowed for better crop delivery and evacuation contributed to the increase in FFB production. For the current financial year, the estate intends to introduce semi-mechanised assisted infield collection as part of its field operations, which is expected to positively impact the estate's overall productivity and reduction of labour.

In FYE2021, Ladang Cendana continued to face issues related to elephant encroachment, resulting in the damage of nearly 593 palms with 24 incidents documented during the year. However, the damage was significantly lower compared to the 1,295 palms that were damaged last year as a result of the implementation of stringent and effective surveillance of elephant movements, as well as frequent inspections by the patrolling team.

> ***"The increase in FFB production raised the Malaysian estates' average FFB yield to 11.00 MT per mature hectare from 8.21 MT per mature hectare recorded last year.***

Ladang Bunga Tanjong, Jeli, Kelantan

Area under cultivation stood at 1,298 hectares, of which 494 hectares were mature (FYE2020: 437 hectares). Total FFB produced increased to 5,147 MT compared to 3,376 MT recorded last year and the average yield per mature hectare improved to 10.42 MT from 7.72 MT recorded in the prior year. This was achieved despite the shortage of skilled harvesters. During the year, the estate switched from the conventional knapsack spray pump to controlled droplet applicator ("CDA") pump for its spraying activities as it produces optimum sizes of spray droplets for particular applications. These CDA applications have resulted in significant savings and reductions in upkeep and maintenance costs of RM20.61 per hectare.

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

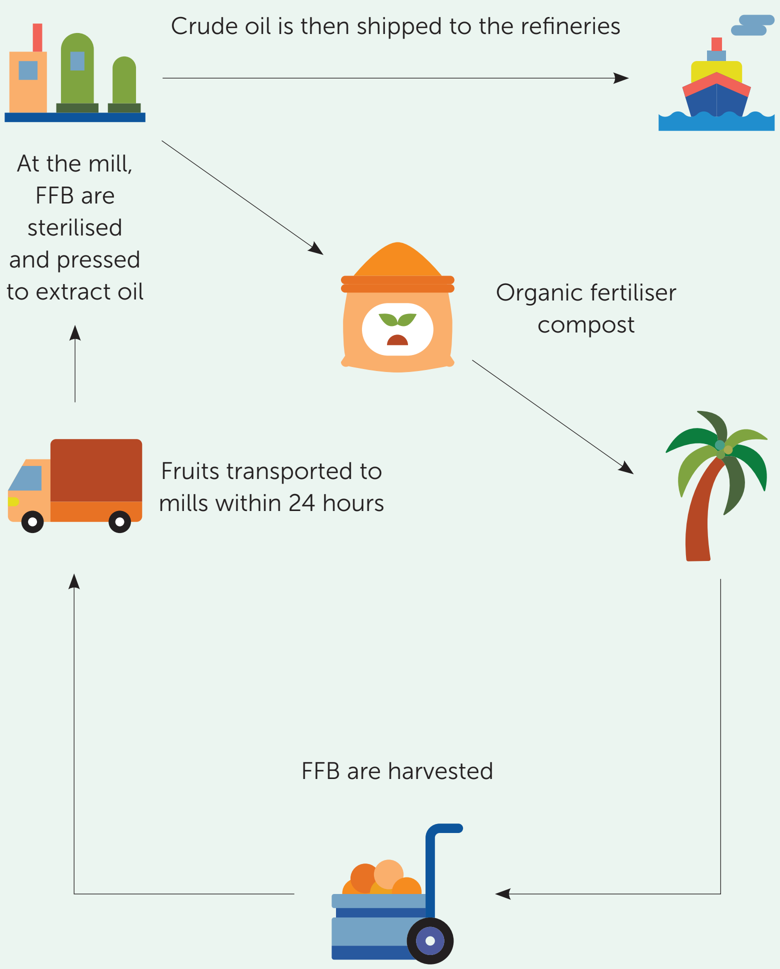
Area under cultivation in Ladang Dabong totalled 216 hectares of which 84 hectares were mature. FFB harvested during the year was 342 MT with a yield per hectare of 4.06 MT.

Meanwhile, mature areas at Ladang Aring reached 225 hectares from 23 hectares last year. In tandem, FFB harvested during the year improved to 1,643 MT from 326 MT in the prior year. Yield per mature hectare, however declined significantly to 7.30 MT from 14.35 MT recorded last year. Thus, the estate management's immediate focus for the current financial year will be on improving the agronomic standards of the fields in order to achieve better yields and output. In addition, Ladang Aring continues to encounter incidences of elephants raiding its crops resulting in damage to approximately 7,095 palms (equivalent to an area measuring 66 hectares). This problem has and will continue to receive management's close attention. In FYE2021, trenches to deter elephants from entering the fields were constructed and the estate also established solar alarm lamps to detect any intrusion at frequented areas. All damaged palms have to be replaced, thus causing delays before they can be harvested.

Ladang Sg. Siput, Perak

Development at our greenfield estate Ladang Sg. Siput, Perak has been progressing as planned despite the challenges brought about by the Covid-19 pandemic, namely logistics and labour supply. As at 31 March 2021, approximately 144 hectares of the first phase area have been cleared and developed. We commenced our planting programme in the first quarter of the current financial year and approximately 40 hectares have been planted. We expect to complete the first phase of planting on approximately 500 hectares by the end of the current financial year.

How We Operate



Note: The diagram above refers to our plantation business In Kalimantan.

Capital Expenditure ("CAPEX")

In FYE2021, the division spent RM9.60 million on CAPEX largely towards development works and purchase of fixed assets. The infrastructure of new development was designed to facilitate infield mechanisation. Improving workers' retention is a critical priority for the division and as such, the division will continue building and upgrading workers' living quarters and estate infrastructure which are complete with basic amenities, sundry shops, recreational spaces and places of worship.

New Estate Acquisition

During the year under review, FimaCorp acquired the business assets of PMBK Sawit Sdn Bhd which includes, inter alia, the lease of the plantation lands known as Ladang Aring (measuring 935 hectares) and Ladang Kuala Betis (measuring 2,302 hectares), both located in Gua Musang, Kelantan for an aggregate sum of RM51.5 million. The estates are partially developed oil palm estates, with 2,150 hectares already planted (between the years 2000 and 2006) while the remaining 1,087 hectares are unplanted.

Plantation Division : Positive Play

This acquisition is a strategic investment in line with the Group's objective to acquire plantation landbank at strategic locations to complement its existing growth strategy, thereby improving the Group's earnings profile in the long term and improve shareholder's value. The plantation lands are located in close proximity with 3 of the Group's existing oil palm estates situated in Gua Musang and Kuala Krai, resulting in a significant increase of the Group's plantation landbank in Kelantan from 1,986 hectares to 5,223 hectares which in turn will enable the Group to achieve economies of scale and operational efficiencies.

Although the estates have been partially planted, our strategic plan is to immediately rehabilitate 683 hectares. Meanwhile the estimated cost for new development will be approximately RM50.10 million, of which RM30.81 million is for the replanting of 1,467 hectares and RM19.29 million is for the development of the plantable area of 918 hectares. There is completed and ready infrastructure on the estates; among them, manager, staff and workers' quarters, equipment and fertiliser stores, office, workshop and electricity supply.

Sustainability Standards Certifications & ESG

All our Malaysian estates (except Ladang Sg. Siput which is still in the development stage) have successfully completed MSPO surveillance audits. Selected employees have been sent for training to ensure that we have the necessary competencies to maintain and support our MSPO certification. However, the Indonesian Sustainable Palm Oil ("ISPO") audit on PTNJL remains status quo from last year as authorities await a definitive outcome of the ongoing legal suit pertaining to PTNJL's HGU before the ISPO certification process can be resumed.

During the year, there had been a number of media reports alleging poor labour practices in several companies within the plantation and glove industries in Malaysia. While no concerns had been identified in our own plantation operations, as a precautionary measure we have initiated a review of our operating procedures relating to, inter alia, working hours, wages, forced and child labour to ensure that all relevant labour standards are adhered to. The division remains committed to engagement with regulators, NGOs and relevant stakeholders to identify and address potential adverse impacts in which we may be involved, whether directly or indirectly, and will reinforce consideration of ESG elements into all our development activities, business relationships and decision-making processes.

Outlook

The Group projects that crop production from its Malaysian estates will continue to rise as more areas attain maturity. With an average age of 15 years, the palms on the Group's estates will significantly increase their yield as they mature. However, the division is faced with labour supply uncertainties due to the prolonged freeze on hiring of foreign workers by the government due to Covid-19. The shortage of labour could potentially lead to delays in harvesting activities which in turn could impact the quality of the crops. On this note, we are aware that we have to step up our already ongoing mechanisation and automation initiatives to further reduce our dependency on manual/ foreign labour, drive productivity and cost-efficiency. We are also putting in more efforts to lower the carbon footprint of our operations.

While in the short term uncertainties surrounding the Covid-19 pandemic may affect CPO prices and production, we nevertheless remains of the view that palm oil, because of its high yield and low cost of production, is well placed to continue to benefit from growing demand for vegetable oil from a growing world population and the outlook, therefore, remains positive.

"*The plantation lands are located in close proximity with 3 of the Group's existing oil palm estates situated in Gua Musang and Kuala Krai, resulting in a significant increase of the Group's plantation landbank in Kelantan from 1,986 hectares to 5,223 hectares which in turn will enable the Group to achieve economies of scale and operational efficiencies.*

PLANTATION STATISTICS AS AT 31 MARCH 2021

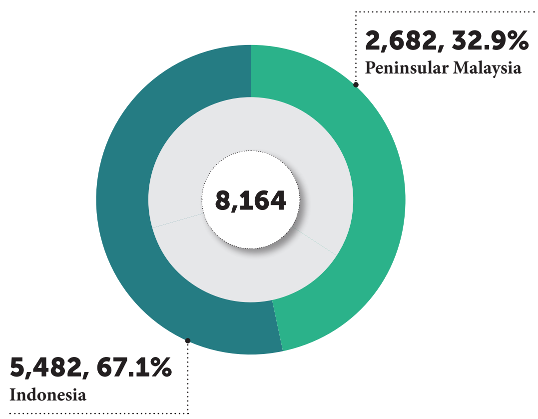
Palm Age Profile (HA)

	FYE2017	FYE2018	FYE2019	FYE2020	FYE2021
> 19 years	nil	nil	nil	nil	nil
10 – 18 years	6,043	6,058	6,560	6,702	5,942
4 – 9 years	336	365	390	546	901
	6,379	**6,423**	**6,950**	**7,248**	**6,843**
Rehabilitation	nil	566	nil	nil	nil
Immature	1,101	1,241	1,560	1,595	1,321
Total Planted Area	**7,480**	**8,230**	**8,510**	**8,843**	**8,164**

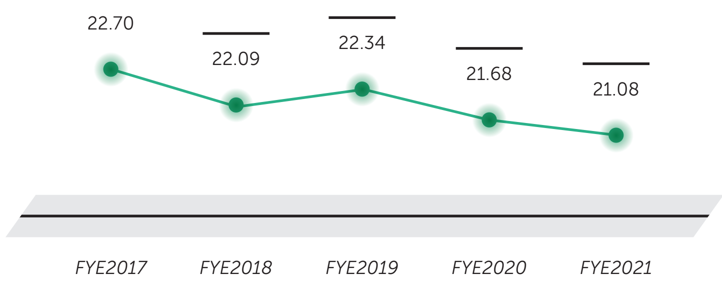
Total FFB (MT)

	FYE2017	FYE2018	FYE2019	FYE2020	FYE2021
FFB Production	131,484	175,774	166,080	156,450	148,759
FFB Purchased	51,853	60,460	49,902	40,257	34,339
	183,337	**236,234**	**215,982**	**196,707**	**183,098**

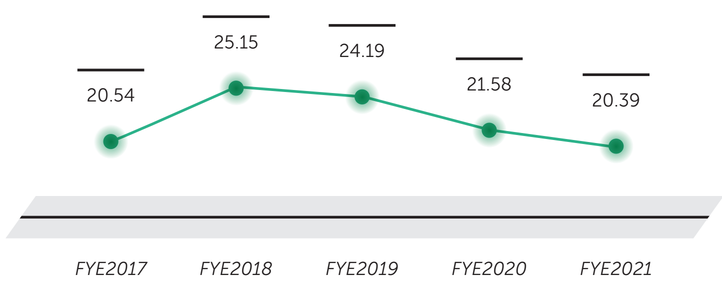
Oil Palm Planted Area (HA)



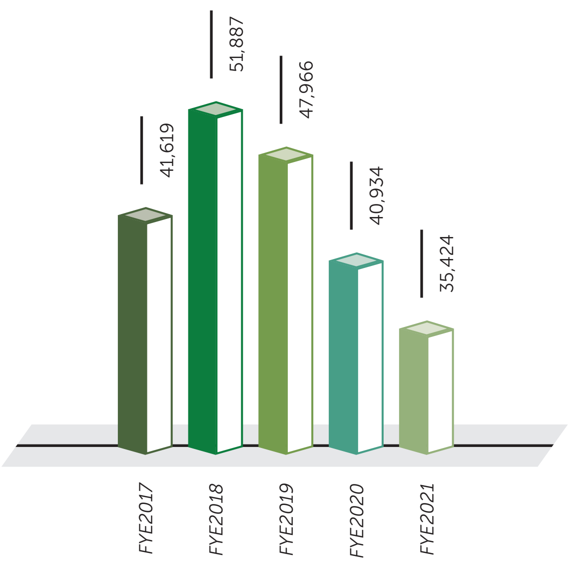
Oil Extraction Rate (%)



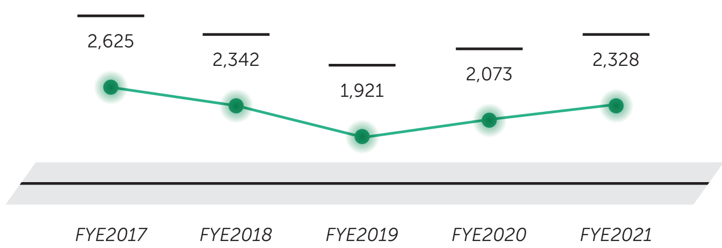
Yield Per Hectare (MT)



CPO Production (MT)



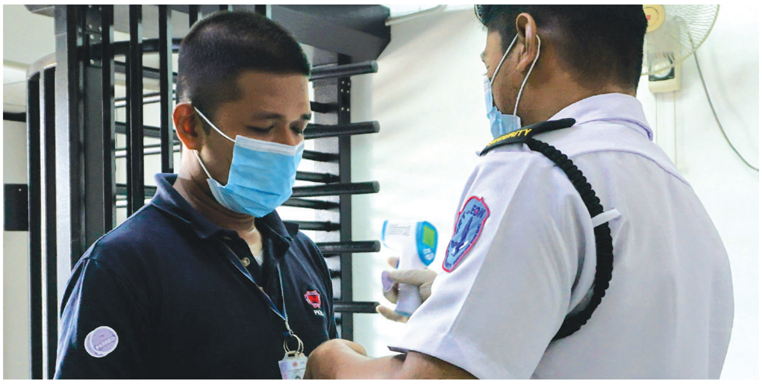
Average CPO Price Realised (RM/MT)



SUSTAINABILITY REPORT

Our Approach to Sustainability

Sustainability is at the core of our business management and operations as we seek to create tangible and intangible value for our stakeholders. While our business strategies have a clear financial focus, we are mindful that our stakeholders have an increasingly keen interest in our environmental, social and governance performance.



We remain guided by the three key sustainability pillars – Environmental, Social and Governance ("ESG") – in our sustainability journey to ensure long-term business growth. Sustainability management is paramount for us to maintain our licence to operate, foster an engaged, healthy and productive workforce and uphold our relationship with our partners and the local communities.

We define sustainability as incorporating responsibility and accountability in every business activity and process. This includes balancing our business goals with good corporate responsibility. To maintain our competitive edge, we remain dedicated to our customers, employees, the environment and the local communities, and to delivering quality services.

Our aim is to embed sustainable practices in our business decision-making, activities and processes as we strive to mitigate the negative impacts of our business operations and seek opportunities to continue to create value for our stakeholders. To achieve this, we are committed to minimising our environmental impact, upholding the highest level of ethical business practices, prioritising the health and well-being of our employees and enriching the communities. We will also endeavour to ensure efficient resource management and adapt to changing consumer expectations to continue to stay relevant and generate long-lasting positive impacts.

Our commitment to continuously seeking improvement across our business operations and management amid challenges from the new norm sets us apart from our competition as we strive to make impactful efforts towards our ESG and economic performance.

For instance, consolidating data for this Report was a challenging process due to factors such as the different geographical aspects of the estates. Hence, we leveraged best sustainability reporting guidelines such as the Global Reporting Initiative "GRI" Standards as tools to develop a robust Report. We will continue to benchmark our operations and performance against international and industry best practices to ensure we deliver excellence and achieve business sustainability.

Navigating the Covid-19 pandemic

Since the beginning of the pandemic, our highest priority has been the health and safety of our employees. We had ensured our facilities are protected and well-managed to meet the needs of our customers and local communities, ultimately maintaining the continuity of our businesses.

To navigate the adverse effects of the pandemic, we deployed a range of measures including pre-emptive travel restrictions and enforcement of safety procedures that included mandatory personal protective equipment (PPE) across our facilities and offices. In addition, Covid-19 screening tests are provided to all plantation workers employed at our estates nationwide.

For our office-based staff, we immediately transitioned to working from home during the movement control order (MCO) and equipped our employees with the necessary tools to adapt to new ways of working such as digitalising internal and external meetings. We also worked towards ensuring the agility and security of our supply chains to minimise disruptions to our operations.

Our efforts in reducing the negative impacts of the crisis were not limited to only our employees but also benefited their families through provision of food supplies and contribution of digital tablets for their children to attend online classes.

While many countries are starting to ease out of lockdowns and are showing signs of recovery, the pandemic continues to impact businesses, health and livelihoods. Thus, we will remain vigilant in:

- Our approach and practices in relation to the health and safety of our employees and the communities in which we operate.
- Strengthening the resiliency of our supply chains to handle unexpected events in order to respond to and recover quickly from any disruptions.

Generated **258 MWh** of solar energy, avoided **227 tCO_2eq** = **27** homes' energy used for one year

Installed **12** rainwater harvesting tanks

Diesel consumption intensity for transportation in Malaysian estates increased by **12.5%** due to the estates' sustainable practices in transporting FFB

The establishment of an **Elephant Conflict Task Force** successfully helped to preserve the elephants while reducing human-elephant conflict in Terengganu. Positive results were also reflected in Ladang Aring in Kelantan, which had adopted some of the initiatives developed by the task force

To read more about our performance in the aspects of:
Environmental: Please turn to page 50.
Social: Please turn to page 60.
Governance: Please turn to page 69.

100% of FimaCorp employees received performance reviews

Achieved **3,097** total training hours and **1,971** of our employees completed e-learning which included anti-bribery awareness

ZERO fatalities in FYE2021

PKN contributed **263** units of tablet devices to their employees' children to attend online classes during school closures

91.8% of PTNJL's suppliers were local

Engaging Stakeholders

GRI 102-21, 102-40, 102-42, 102-43, 102-44

As a multi-regional conglomerate with diverse business operations, it is vital for us to engage with our various stakeholder groups to understand their concerns and meet their needs. Stakeholders are groups that will impact or be impacted by our business decisions and activities. Engaging with stakeholders will help us define and execute our strategy to mitigate risks and identify opportunities along our value chain as we seek beneficial solutions for our stakeholders and business growth.

Most of our stakeholders' key expectations involve good returns, sustainable profit, business growth, regulatory compliance, transparency and accountability. We respond to our stakeholders in various formal and informal ways. In FYE2021, it was more important than ever to meet the needs of our stakeholders due to the pandemic. To navigate the challenges of Covid-19, we leveraged digital tools and online platforms such as email, online surveys and videoconferencing to listen to our employees and customers and meet the expectations of shareholders, regulators and business partners. This included hosting our Annual General Meeting virtually from our Head Office as we had done in the previous year.

Stakeholder	Engagement Platform	Key Concerns	Our Response
Employees	• Town hall • Employee Engagement Survey • Performance and career development reviews • Labour unions • Virtual meetings • Intranet/internal communications	• Job security and wages • Conducive workplace • Career development • Corporate activity • Occupational health, safety and well-being • Human & workers' rights protection • Group's growth development	• Investing in the attraction, retention and development of a diverse and talented workforce. • Offering diverse employment prospects, opportunities for development and competitive rewards and benefits. • Providing a Whistle-blowing Policy and grievance procedures to address employees' cares and concerns. • Ensuring Occupational Health and Safety Management Systems. • Enforcing strict Standard Operating Procedure (SOP) such as temperature screening and hand sanitising to ensure the safety of employees, contractors and vendors at the workplace during the pandemic. Held town halls to brief employees on the SOPs implemented. • Observing the Human Rights Policy. • Ensuring integrity and anti-bribery training for staff.

Sustainability Report

Stakeholder	Engagement Platform	Key Concerns	Our Response
Shareholders and investors	• Virtual AGM • Bursa announcements • Corporate website • Surveys • Enquiries (through email) • One-on-one meetings with fund managers	• Disclosure of timely, material and relevant information • Financial performance & resilience	• Ensuring timely communication about our business performance and policies to gain the trust of our shareholders.
Customers	• Virtual meetings/ emails • Audits • Survey • Training & support	• Changing needs of customers and consumers • Business ethics • Innovation • Supply chain/ traceability issues • Health & safety • Certification	• Striving to be honest and fair in our relationships with our customers and to deliver the standards of products and services that have been agreed. • Ensuring the safety and quality of the goods we produce and the services we provide. • Striving for industry and international standard certifications to gain market credibility. • Continuously analysing feedback, audits and surveys to identify key areas for improvement.
Communities	• Town hall with local residents • Philanthropic activities/ Community volunteering	• Economic empowerment/ livelihood • Community safety and health • Environmental protection	• Providing job opportunities for the local communities and business opportunities for local suppliers. • Continuously improving the standards of living of the local communities through upgrading of infrastructure and welfare contributions including aid during times of difficulty and/or disaster.
Memberships & associations	• Virtual meetings • Association meetings/ Dialogues	• Advancing industry-specific matters with policymakers and other key stakeholders	• Actively engaging with members of the associations to continue to contribute to the industry by keeping each other informed and updated with the latest developments in the industry.
Suppliers	• Virtual meetings/ emails • Audits • Training & support	• Quality control • Business ethics • Supply chain transparency • Sustainability requirements	• Upholding ethics and integrity to ensure fair procurement practices and establish long-term relationships with suppliers. • Continuously equipping suppliers with updated regulatory requirements to ensure smooth business operations. • Collaborating with suppliers to secure long-term availability of materials and to pursue future opportunities. • Identifying areas for improvement based on auditors' reports and assessments.
National and local governments	• Virtual meetings • Dialogues/ Consultations	• Licence to operate • Compliance & regulations • Land issues • Level 'playing fields' for all sectors • Local economic development programmes • Corporate responsibility initiatives • Industry-specific matters	• Actively engaging with federal and local governments as well as regulators on policy matters to advance industry-specific matters with policymakers. • Continuously supporting national agendas to contribute to national development and economic growth.

Materiality Assessment

GRI 102-47

Materiality assessments are integral to our sustainability journey as they allow us to identify the ESG issues that matter most to our organisation and stakeholders. By conducting a materiality assessment, we are able to measure our Group's performance in the ESG areas and the importance of each material issue to every stakeholder group.

Our first materiality assessment was conducted in FYE2019. Our most recent assessment was carried out by the Group Corporate Services Department in FYE2021, where we reached out to 3,732 stakeholders through an online survey and received 437 responses within a month. The results of the survey helped to form a materiality matrix in which the sustainability topics were weighted from the point of view of the stakeholders as well as feedback received from the Group Sustainability Committee and members of management. Due to the diverse contributions of each business division, the results of the materiality assessment were measured according to each division's influence on the Group's financial performance, their employee headcount and their prospective expansion potential. We also included a desktop review against current sustainability trends and peer reports as well as regulations and guidelines.

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

Distribution of surveys

Internal Survey

Evaluate internal issues

Evaluate external issues

External Survey

Reviewed by and presented to Group Sustainability Committee

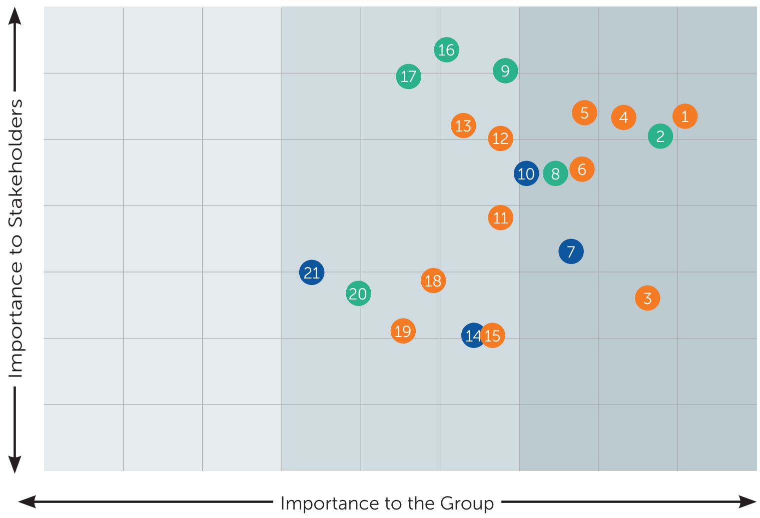
Final scoring and issue prioritisation (based on their significance)

Determined matters to be disclosed in the report

We identified 21 material issues and prioritised 10 issues that fall within the first quadrant of the materiality matrix. Prioritisation of issues allows us to focus on material matters that are extremely important to both the Group and stakeholders. Although Fire and Haze and Pesticide and Chemical Usage are not part of our prioritised issues, we have addressed these two topics in our Environmental Policy and Sustainable Agricultural Practices. To read more about our:

- Environmental Policy, please visit http://www.fima.com.my/service-provider.html

- Sustainable Agricultural Practices, please turn to page 51.



Environmental

2 Climate Risk	16 Fire and Haze
9 Water Impact and Waste Management*	17 Pesticide and Chemical Usage
8 Greenhouse Gas ("GHG") Emissions*	20 Biodiversity & Deforestation in Plantations

Social

1 Human & Workers' Rights Protections	11 Product/ Service Safety, Quality & Certifications
3 Innovation & Technology Excellence	12 Social Care & Workers' Welfare
4 Sustainable and Traceable Supply Chains*	13 Benefits/Remuneration
5 Occupational Safety, Health and Well-being	15 Employment Support & Economic Activity for Local Communities
6 Equality and Diversity*	18 Evaluation of Suppliers/ Contractors/ Vendors
	19 Community Investment

Governance

7 Anti-Fraud, Bribery & Corruption	14 Grievance Resolutions
10 Code of Ethics & Governance	21 Grievance Mechanism

■ Prioritised matter

**Note: The names of these material matters have been updated after the survey was concluded. In the survey, the material matters were referred to as:*

(i) Water impact.
(ii) GHG emission, discharge & waste management.
(iii) Sustainability & Traceability Supply Chains.
(iv) Equal treatment/ Gender Equality.

Contributing to the United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals ("SDGs") are a set of 17 global goals agreed by world leaders from the UN member states in 2015. The goals aim to create a better world by 2030 by ending poverty, fighting inequality and addressing climate change through contributions from the member states.

We have aligned our material matters with our prioritised SDGs, enterprise risks and our contributions to further strengthen our sustainability agenda.

SDG	Material Matters
No Poverty End poverty in all its forms everywhere	• Human & Workers' Rights • Equality & Diversity • Benefits & Remuneration
Zero Hunger End hunger, achieve food security and improved nutrition and promote sustainable agriculture	• Pesticides & Chemical Usage • Product/Service Safety, Quality & Certifications
Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Human & Workers' Rights • Grievance Mechanism • Grievance Resolutions • Community Investment
Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Occupational Safety, Health & Well-being • Code of Ethics & Governance • Anti-Fraud, Bribery & Corruption • Innovation & Technology Execellence
Responsible Consumption and Production Ensure sustainable consumption and production patterns	• GHG Emissions • Water Impact & Waste Management • Sustainable & Traceable Supply Chains • Pesticides & Chemical Usage • Evaluation of Suppliers/Contractors/ Vendors
Climate Action Take urgent action to combat climate change and its impacts	• Biodiversity & Conservation • GHG Emissions • Water Impact & Waste Management • Pesticides & Chemical Usage
Life below Water Conserve and sustainably use the oceans, seas and marine resources for sustainable development	• Biodiversity & Conservation • Water Impact & Waste Management • Code of Ethics & Governance • Sustainable & Traceable Supply Chains
Life on Land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss	• Biodiversity & Conservation • GHG Emissions • Water Impact & Waste Management • Fire & Haze • Pesticides & Chemical Usage • Code of Ethics & Governance

To read more about our key enterprise risks, please refer to the Statement on Risk Management and Internal Control on page 98.

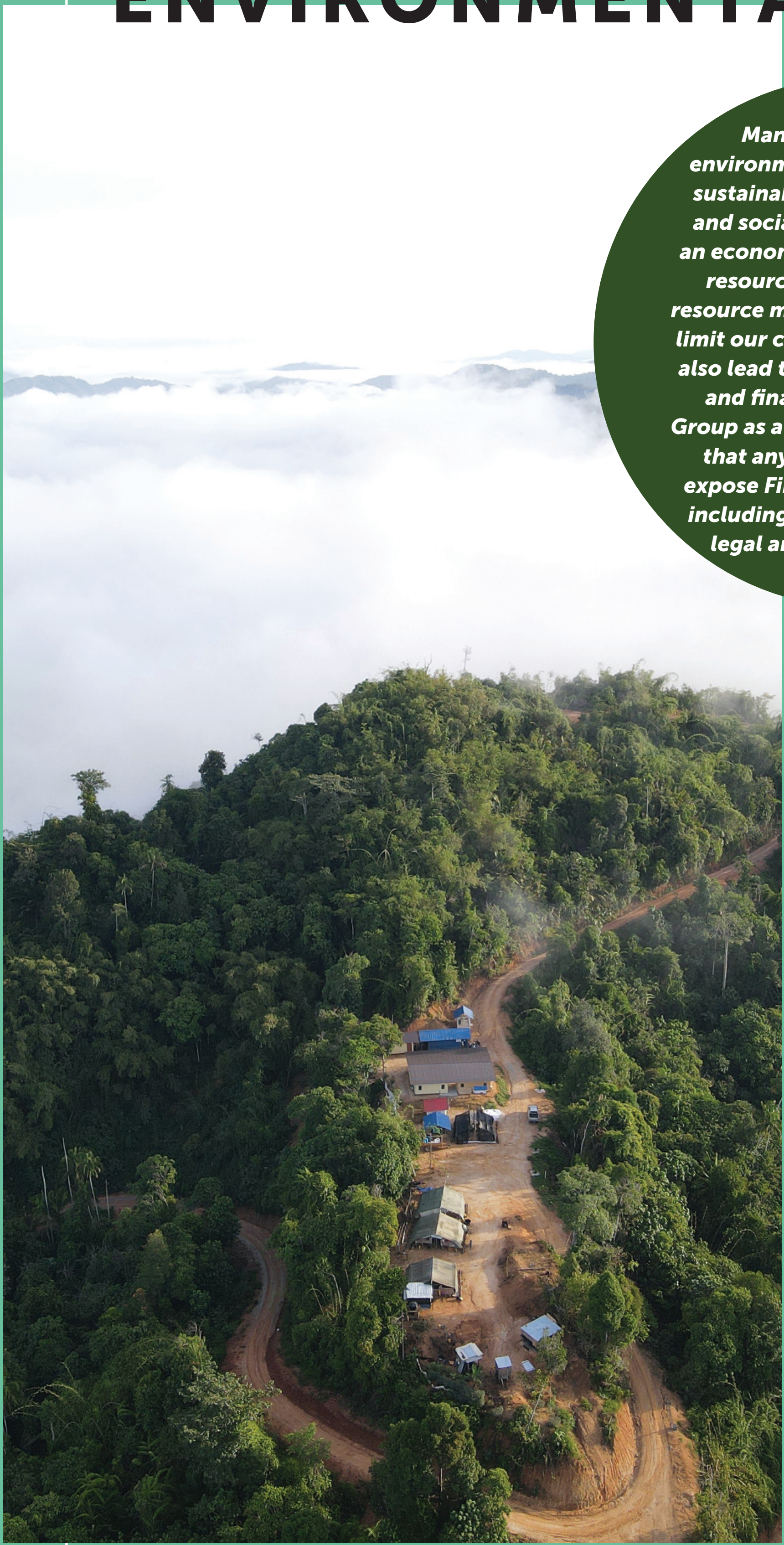
Many of our goals and values are aligned with the SDGs. However, FimaCorp endeavours to contribute to the goals by prioritising eight SDGs that are most relevant in our present-day business activities and in line with our corporate strategy and goals. The eight SDGs are:

We contribute towards the goals through:

1. Our direct business activities – the products we produce and the way we produce them
2. The use by host governments of the taxes we pay
3. The creation of economic and social value in the communities where we operate by creating local jobs, supporting local supplier development and providing opportunities through training and other investments
4. The efforts undertaken to reduce our environmental footprint

Key Risks	Our Contribution
• Sustainability	• Human resources policies on minimum wages and fair pay • Economic empowerment/livelihood via creation of employment and business opportunities for local communities
• Sustainability • Regulatory • Health & Safety	• Potential higher yield and extraction through adoption of good agricultural practices • Responding to the increased demand for affordable protein • Maintaining high food safety standards • Welfare contributions as well as aid during times of adversity and/or disaster
• Sustainability	• Supporting employees' personal and professional development through training programmes • Philanthropic initiatives, especially in the areas of education and youth development • Well-being of local communities
• Investment: Acquisitions, Divestment, Joint Ventures and Projects • Geopolitical Risk • Health & Safety • Regulatory • Integrity	• Positive contribution to economic growth in the countries in which we operate, e.g. via taxes, job creation and other contributions • Ensuring good, healthy and safe work environment • Strong stance against forced or compulsory labour and child labour
• Health & Safety • Natural Environment • Investment: Acquisitions, Divestment, Joint Ventures and Projects • Sustainability	• Commitment to implementing and maintaining supply chain transparency and adherence to international standards (MSPO, ISO, etc.) • Water and waste management • Use of renewable energy and efficiency of energy use. We are increasing the use of renewables in our energy mix and reducing our carbon footprint • Adoption of good agricultural practices
• Natural Environment	• Use of renewable energy • Water and waste management such as tackling water scarcity through waste water efficiency and treatment programmes • Adoption of good agricultural practices • Efficient use of energy and other natural resources
• Natural Environment • Regulatory • Sustainability	• Zero tolerance approach to illegal, unreported and unregulated ("IUU") practices • Commitment to implementing and maintaining supply chain transparency and adherence to international standards
• Natural Environment • Regulatory	• Use of renewable energy • Efficient use of energy and other natural resources • Water and waste management • Adoption of good agricultural practices

ENVIRONMENTAL



Managing the Group's environmental impacts through sustainable practices is a moral and social imperative as well as an economic necessity. As natural resources are finite, efficient resource management will not only limit our carbon footprint but may also lead to significant operations and financial benefits for the Group as a whole. We acknowledge that any non-compliance will expose FimaCorp to various risks including operational, financial, legal and reputational risks.

Environmental Policy

We are guided by the Group's robust Environmental Policy, which outlines our approach and commitment to managing our environmental impacts across our business divisions. The policy, which is available on our corporate website, ensures that we comply with all relevant environmental regulations, legal criteria, guidelines and codes of conduct specific to our operations. The policy also aims to:

- increase environmental awareness within the Group through training and knowledge-sharing
- implement effective environmental protection strategies
- encourage efficient use of natural resources and minimise raw material wastage
- enable the Group to collaborate with local communities and stakeholders in resolving environmental issues
- educate suppliers and vendors about the Group's commitment to environmental management and protection
- continuously advocate and actively support zero burning activities within the Group's plantation operations

Our environmental management is focused on Plantation. Manufacturing generally has limited impact on natural habitats.

For more information on our Environmental Policy, please visit our corporate website at http://www.fima.com.my/service-provider.html

Biodiversity Management

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

Biodiversity management is vital for the longevity of our businesses. It will enable us to continue operating over the long term and create value while minimising health risks to our operations' surrounding local communities. Due to the business nature of our Plantation division, we are aware that our operations may directly or indirectly impact the ecological systems and the local communities who are in close proximity and rely on the environment for their livelihoods. Thus, we strive to ensure all our operations coexist in harmony with the surrounding environments in which they operate.

Minimising our negative impacts on biodiversity is the responsibility of all our people. We aim to operate responsibly from the perspective of regulatory compliance and social and environmental protection, as well as biodiversity and natural resources conservation. In this regard, we remain guided by our policies and practices to ensure we protect and conserve the ecological systems that are within or close to our operations.

Our internal standards and practices are not only in line with relevant regulations and permits, but they also comply with the requirements of relevant industry regulators to minimise, mitigate and remediate the negative effects of our business operations on the communities and the environment. Our approaches are also aligned with the Global SDG 15 ('Life on Land').

Sustainable agricultural practices

To protect biodiversity, we implement sustainable agricultural practices which include conservation areas, soil management, biological pest control, human-elephant conflict management and mechanisation.

Conservation areas

In our oil palm estates, we prioritise biodiversity conservation by setting aside protected buffer zones alongside riverbanks to serve as wildlife corridors. These buffer zones are also meant to provide sanctuary and natural habitats for migratory birds, elephants and other forest-dependent species. Our protected areas cover a total of 564.36 hectares, consisting of conservation areas, buffer zones and steep slopes.

> **“*Our protected areas cover a total of 564.36 hectares, consisting of conservation areas, buffer zones and steep slopes.*”**

We employ several measures throughout the value chain including conducting Environmental Impact Assessment ("EIA") prior to any new plantation development, or as may be required by relevant legislation. Our last EIA was in FYE2020 for our greenfield development, Fima Sg. Siput Estate Sdn Bhd, in Perak, whose approval conditions required good practices and guidelines concerning riparian buffer zones, air quality and water management as well as forest conservation areas. In Indonesia, our subsidiary, PT Nunukan Jaya Lestari ("PTNJL"), has also established water catchment zone within our plantations, where chemical applications are strictly prohibited to facilitate the rehabilitation and preservation of natural vegetation.

Soil management

We practise soil management by planting leguminous cover crops, such as *Mucuna bracteata*, *Calopogonium mucunoides* and *Calopogonium coeruleum,* to improve soil properties and lower carbon dioxide emissions. The *Mucuna bracteata*, an Indian leguminous plant, helps to reduce soil erosion, especially on slopes, and improves our soil quality through natural soil fertilisation and aeration processes. This is due to its nitrogen-regulating properties which help to lower soil temperatures during hot seasons. Its rapid growth also helps to prevent weed growth.

Vetiver grass is utilised for improved soil management by mitigating erosion near ponds, bunds and field drains. Its deep roots are noted for their strong resistance to heavy metals, phosphates, nitrates and agricultural chemicals. We also do not plant on steep regions i.e those with a slope of more than 20 degrees. Additionally, we employ double terracing wherever possible or practical to preserve the top soil and reduce erosion.

In addition to grass and cover crop planting, PTNJL practises a zero-waste approach by applying Empty Fruit Bunches ("EFB") and compost to add nutrients to the soil and reduce our dependency on inorganic substances.

Biological pest control

We employ biological pest control methods, such as introducing beneficial plants which attract insects that feed on pest larvae. Among the plants are *Turnera subulata, Antigonan leptopus* and *Cassia cobanensis*.

We use barn owls to suppress the population of rodents, which is a major pest problem in oil palm estates. Owls are natural predators which feed upon rodents, making it one of the best biological methods to control rat population.

> **“*We have set up barn owl boxes across our estates where possible.*”**

Sustainability Report: Environmental

Human-Elephant conflict management

Elephant encroachment is a common problem in oil palm plantations. Asian elephants (*Elephas maximus*), which are listed as 'endangered' on the IUCN Red List, often encroach on our oil palm estates in Peninsular Malaysia.

To prevent this, we adopt land use planning approaches such as planting crops like bananas to increase food availability in their habitats. We continuously look for ways to improve human-elephant conflict management, including monitoring elephant movements, restoring wildlife corridors and constructing trenches to reduce incidences of crop raiding and damage as much as possible while preserving the elephants' natural habitats. We are also working closely with the Department of Wildlife and Natural Parks (Jabatan PERHILITAN) to install GPS collars on the elephants to track and monitor their movements.

The establishment of an Elephant Conflict Task Force in FYE2020 has led to a major reduction in damaged crops in human-elephant conflict management in our estates in Terengganu. Jointly formed by Cendana Laksana Sdn Bhd and eight other estates from three nearby localities, the task force aims to find workable solutions to mitigate the economic impact of crop loss to elephants while maintaining the biodiversity of the ecosystems. Following efforts such as understanding the local ecology and monitoring and recording elephants' movements in affected areas, we are pleased to report that crops damaged by elephants have decreased by 54.2% in Ladang Cendana. Similar efforts adopted by Ladang Aring in Kelantan have also led to a reduction of damaged crops by 48.1%. Inter alia, Ladang Aring has setup solar alarm lamps to detect intrusions at frequented areas. We will continue to monitor the progress and look for sustainable solutions to the conflict.

Mechanisation

To increase efficiency and workers' safety, the Group employs mechanisation in its oil palm plantation operations, particularly for in-field collection and application of fertiliser. As part of our estate planning processes, all our new developments are equipped with infrastructure that will facilitate in-field mechanisation.

Waste Management

GRI 306-2

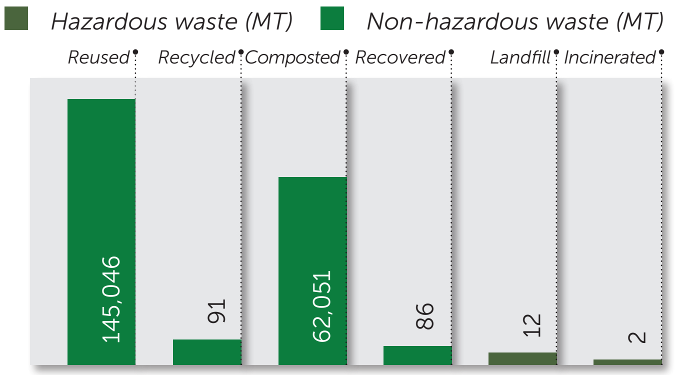
Proper waste management is critical for maintaining our licence to operate. Hence, we actively seek opportunities to prevent or minimise waste through reusing, recycling, energy recovery and safe waste disposal to reduce environmental and health risks. Treating waste as a resource also improves efficiency and reduces costs. For instance, our Manufacturing division subsidiary, Percetakan Keselamatan Nasional Sdn Bhd ("PKN"), no longer purchases or offers water in single-use plastic bottles. Instead, water-filling stations have been installed for the convenience of employees.

As of 31 March 2021, our total waste was 207,288 MT. Hazardous waste and residual products recovered from our operations are transported and disposed of by licensed contractors, in accordance with stringent industry standards and statutory requirements. During the year under review, we had zero reported incidences of non-compliance and fines.

Total Waste in FYE2021:

207,288 MT

Methods of Disposing of Hazardous and Non-Hazardous Waste in FYE2021



Notes:
- *Hazardous waste refers to waste that is considered hazardous as legislated by the relevant laws and regulations in the countries in which we operate.*
- *For three-year waste management data, please refer to Performance Data on page 199.*

Reused waste are materials that are used as the same material again.

Recycled are waste converted into reusable material.

Composted is a decayed organic material used as fertiliser.

Recovered waste are materials that have been recovered or diverted from landfills.

Incinerated is a treatment process involving the combustion of waste, which may also include energy recovery from the heat produced.

Landfill is a system of garbage and trash disposal in which waste is buried between layers of earth.

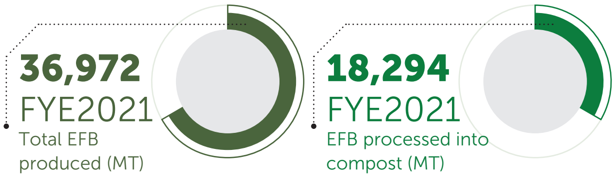
> ***Zero discharge through the recycling of waste and by-products in our palm oil mill operations.***

Plantation

Our Plantation division complies with a 'zero-discharge' policy that mandates recycling waste and by-products as far as possible. Our palm oil mill in Indonesia produces EFB and Palm Oil Mill Effluent ("POME"), which are recovered and reprocessed into fertiliser, compost and energy feedstock. We also ensure that our POME is properly treated before it is mixed with shredded EFB to produce compost.

POME discharged from the mill must not be reintroduced into the environment in its raw form due to its high acid content and rich nutrient content, which leads to high levels of Biochemical Oxygen Demand ("BOD"). Due to our efficient POME treatment, our average BOD reading for POME during land application is typically within the permissible discharge limits of <5,000 parts per million (ppm).

Our POME collected from the mill is first treated in on-site open ponds and far from other water sources to prevent contamination. The organic material in the wastewater is broken down naturally by the anaerobic and aerobic mechanisms of bacteria. This process eliminates the need to add any chemicals before POME is mixed with shredded EFB and other biomass waste by-products to make compost. Apart from constant monitoring by PTNJL's management and the local authorities, we ensure strict compliance with the local regulatory rules to prevent contamination of other water sources and mitigate any risk and repercussion.



Water Impact

GRI 303-1, 303-2, 303-3, 303-5, 306-1, 306-5

Water is a finite natural resource. Extreme weather events such as floods and droughts, as well as water shortages due to steadily rising aggregate water demand by a growing population, may adversely impact our business continuity and the communities and the biodiversities in which we operate. It is thus imperative for us to use water resources efficiently.

Water impact is an important material topic for the Group. The Group remains focused on efficient water management by reusing water throughout our operations where possible and ensuring strict regulatory compliance. Any water-related consequences such as pollution or degradation can potentially result in penalties, regulatory sanctions and/or public liability. In FYE2021, there were zero non-compliances committed in relation to water and discharge management.

We are incrementally improving our water impact disclosures, and we aim to include our water discharge data disclosure in the near future.

Water consumption

We source our water from utility water, harvested rainwater and treated surface water such as lakes and rivers, as well as borewells that are within the proximity of our operations.

Where feasible, efforts have been made to achieve water sustainability by putting in place technology and facilities to harvest rainwater and recycle water. We continuously measure, monitor and identify possibilities to reuse and recycle water at our facilities and premises.

Rainwater harvesting is one of our significant efforts to ensure water sustainability. We have invested in and installed 12 rainwater harvesting tanks with an aggregate

Installed	Capacity
12 rainwater harvesting tanks	**12,000 litres**

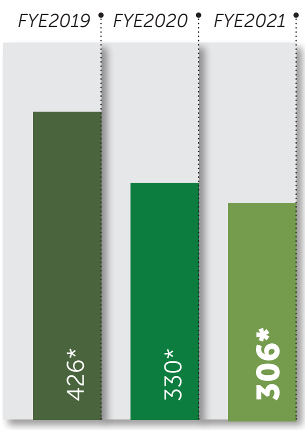
Sustainability Report: Environmental

capacity of 12,000 litres in all our workers' quarters across our plantation operations. Rainwater harvesting is now a standard green feature in all new developments of our workers' quarters wherever possible. During the year under review, we also installed a rainwater harvesting tank on the rooftop of our Head Office. The harvested rainwater is used for washing cars, in the surau and landscape irrigation. In FYE2021, our rainwater collection increased by 46.2% to 9,500m^3 from 6,500m^3 collected in FYE2020. The Group's water withdrawal and consumption are guided by its environmental impact, financial impact and operational purposes (estates).

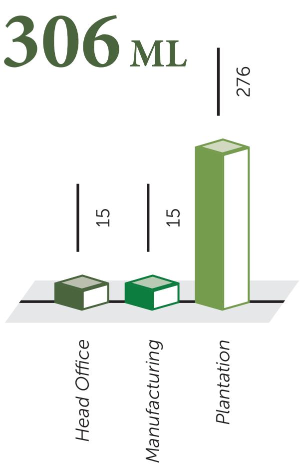
Overall, FimaCorp's water consumption decreased by 7.3% in FYE2021 due to lower water consumption in the Plantation division, and PTNJL's water consumption decreased by 3.6% compared to the previous year due to 11.0% less FFB processed. Thus, it increase the water intensity per tonne of FFB processed by 8.3%. We will continue to monitor and measure our water usage, especially in our mill operations in Indonesia.

Water Consumption (ML)

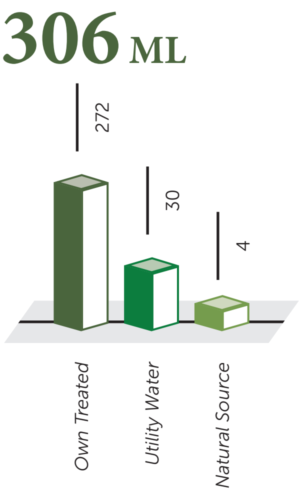
**Restated*



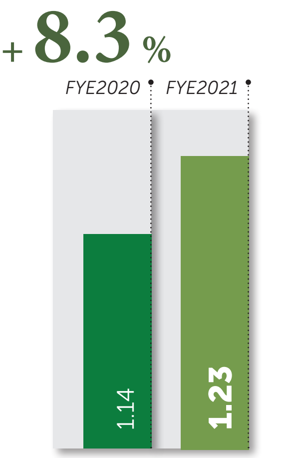
Water Consumption by Division (ML)



Water Consumption by Source (ML)



PTNJL - Water (m3) Intensity per Tonne FFB Processed



Note: Own treated water refers to surface water. Natural source refers to borewell water.

Effluents

At FimaCorp, our aim is to always keep the regulators informed on the progress and impacts of our projects by submitting water quality monitoring reports. In the Plantation division, we strive to keep track of the pollution levels caused by plantation site clearing and constantly monitor the impacts of our operations on the surrounding rivers. All our operations ensure the quality of effluents discharged comply with the necessary local regulatory requirements. Going forward, we will further strengthen our effluents management by disclosing our water and effluents discharge in the future.

In Perak, Fima Sg. Siput Estate Sdn Bhd manages its effluents within the parameters established by the Department of Environment ("DOE") in the EIA approval conditions. Inter alia, the EIA approval stipulates that our water quality must be below or under Class IIA. The estate also engages an external accredited laboratory to take samples of its surrounding water qualities and sediment basin discharges at specific points along local rivers on a monthly basis, as required by the DOE. We are pleased to report that the Total Suspended Solids ("TSS") from the estate's water and effluent samples taken from six locations were within the DOE's requirement of 50 mg/litre throughout the year under review.

Note: According to Malaysia's Department of Environment, Class IIA means conventional treatment is required. For more information, please refer to https://www.doe.gov.my/portalv1/wp-content/uploads/2019/05/Standard-Kualiti-Air-Kebangsaan.pdf

Spotlight Story

Model Estate

Ladang Sg. Siput, a 2,000 hectare greenfield development in Perak, was selected by the Perak State DOE as a model estate due to its adoption of good environmental practices. The estate also abides by the Land Development, Pollution Prevention and Mitigation Measures (LDP2M2) or pollution control mitigation strategies. These obligations are integrated into the EIA approval conditions and are subject to periodic audits by the DOE, which ensures that the estate is meeting its commitments.

Ladang Sg. Siput will be developed in three phases with a net development area of 1,116 hectares (after buffer, steep and conservation areas). The planting programme commenced in the first quarter of the current financial year, and about 40 hectares have been planted. The first phase of planting on approximately 500 hectares is expected to be completed by the end of the current financial year. According to the DOE approval conditions, the estate is required to submit environment monitoring reports including external audits to the DOE on a monthly, quarterly and triannual basis.

During the year under review, the DOE found that the estate had a zero non-conformance, zero observations for improvements and endorsed the good practices employed at Ladang Sg. Siput. The good practices are:

Good Practices

- Access road stabilisation
- Best Management Practices
- Installed rain gauge on-site for accurate management of rainfall
- Biomass stacked along the terrace to reduce soil erosion
- Proper scheduled waste management
- Proper domestic waste management
- Proper chemical storage
- Proper and sufficient signage on-site
- EIA approval conditions displayed at site office

5 Best Management Practices

Best Management Practices (BMPs) are a set of voluntary agricultural practices that can maximise the productivity and sustainability of agricultural operations while protecting and enhancing natural resources. Ladang Sg. Siput embraced the following BMPs to ensure reduced sediment and prevent erosion:

- Constructed earth drain along buffer zone area to allow surface runoff flow towards a sedimentation basin before going into the river.
- Built a sedimentation basin with geotextile to reduce sediment from entering nearby rivers and prevent erosion on slopes.
- Installed silt fence to prevent soil erosion on slopes and enable rehabilitation works.
- Built a silt trap to prevent soil erosion and reduce TSS entering the earth drain.
- Planted legume cover crops to prevent broken terrace paths, reduce soil erosion, produce biomass and enhance the soil, and fix atmostpheric nitrogen for subsequent crops.

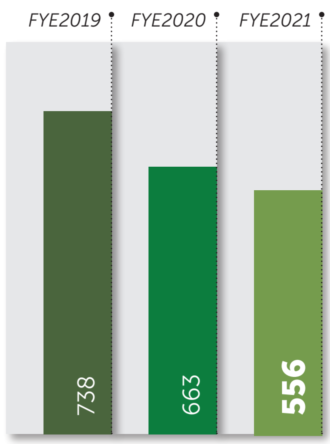
Energy and Emissions Management

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

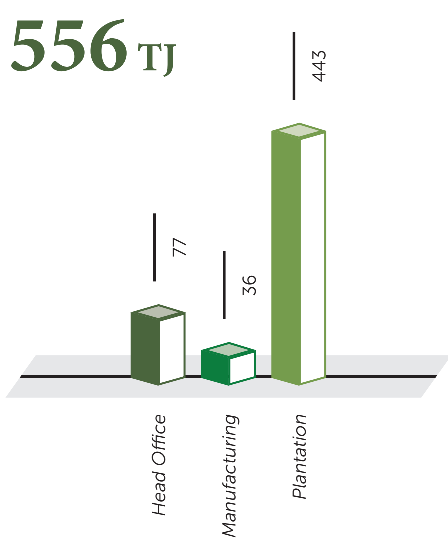
Energy management or energy efficiency not only reduces the use of natural resources and carbon emissions, but also reduces operational cost. Efficient energy consumption is a key business concern in all our operations, where each business division has its own energy consumption intensity.

As fuel is a significant operating cost in the Plantation division, our operations are continually focusing on reducing this cost by investing in fuel-efficient equipment, preventive maintenance programmes, technology and improved vehicle utilisation. We have also implemented various energy optimisation projects and initiated new studies, which upon implementation are expected to reduce the Group's energy consumption moving forward.

Total Energy Consumption (TJ)



Energy Consumption by Division in FYE2021 (TJ)



Sustainability Report: Environmental

Energy management initiatives

1. Installation of solar panels at Head Office, PKN Bangi and Ladang Cendana

2. Heating, Ventilation and Air Conditioning (HVAC) maintenance to ensure that the rated capacity of the equipment is maintained

3. Replacement of lighting with LED lighting

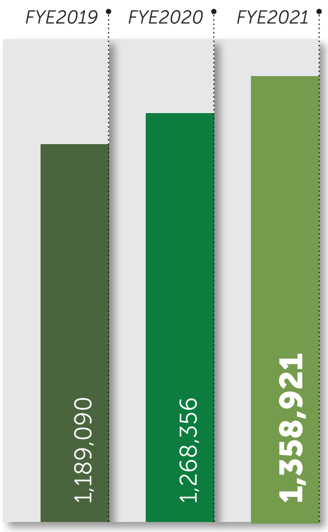
4. Utilised mesocarp fibre, palm shell and shredded EFB as feedstock for steam boilers at PTNJL's palm oil mill. Excess energy is used to power workers' quarters, government facilities, schools and mosques

5. Reduced utilisation of genset diesel consumption during non-production time at PTNJL's palm oil mill

Fuel consumption

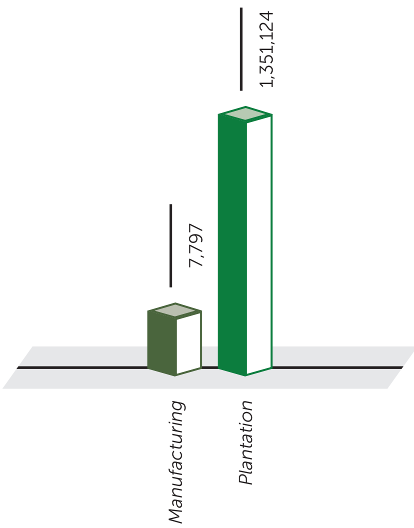
Our fuel consumption largely comes from boilers, generator sets and transportation. We measure our energy intensity based on the differences between our fuel consumption and levels of activities. During the year under review, our total fuel consumption increased by about 7.1% from 1,268,356 litres in FYE2020 to 1,358,921 litres.

Total Fuel Consumption (litre)



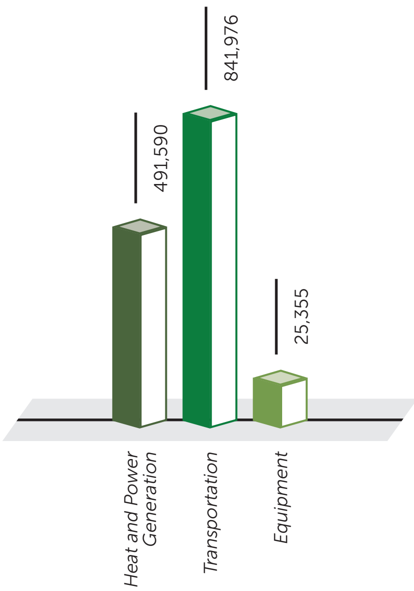
Fuel Consumption by Division (litre)

1,358,921



Fuel Consumption by Type (litre)

1,358,921



Note: Fuel consumption consists of petrol and diesel.

In Plantation, we aim to achieve optimised fuel consumption by adopting several sustainable practices. These include ensuring that lorries are fully loaded when transporting FFB, making sure estates harvest in accordance with their plans and closely monitoring estate vehicle fuel usage.

Our estates in Malaysia, which use external transporters, recorded a 12.5% increase in diesel consumption per tonne of FFB compared to the previous year. However, the diesel consumption intensity in our Indonesian estates, which use their own transport to the mill, increased by 3.5% due to a reduction in the FFB produced. This decrease in production was primarily due to declining yields from older areas and a reduction in the size of mature areas. Due to the different topographies of the estates, FFB transportation was chosen as the most suitable metric to measure diesel consumption.

Malaysia Plantation - Transportation Diesel (litre) Intensity per Tonne FFB Produced

+12.5%

1.82 litres per tonne FFB in FYE2021

1.62 litres per tonne FFB in FYE2020

Indonesia Plantation - Transportation Diesel (litre) Intensity per Tonne FFB Produced

+3.5%

2.49 litres per tonne FFB in FYE2021

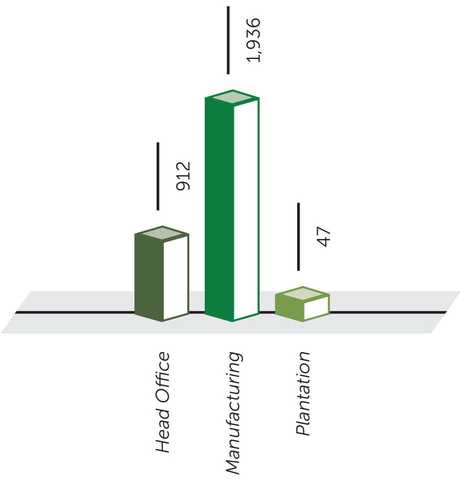
2.40 litres per tonne FFB in FYE2020

Electricity consumption

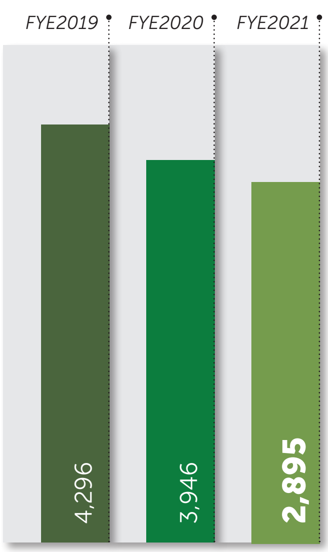
Our electricity consumption has been on a downward trend over the past 3 years, and this is attributable to a combination of increased utilisation of solar-generated electricity and factors related to the nature of business operations. In FYE2021, our electricity consumption reduced by 26.6% from 3,946MWh in FYE2020 to 2,895MWh. The low productivity in Manufacturing and the shift towards renewable energy in Head Office also contributed to the Group's lower electricity consumption and Scope 2 carbon emissions. Electricity consumption in Manufacturing dropped by almost 29.0% while our Head Office recorded a 30.1% reduction due to a lower occupancy rate in the building and less usage of air-conditioning during lockdown periods. Electricity consumption refers to purchased electricity from the national grid and does not include electricity generated from our own operations.

Electricity Consumption by Division in FYE2021 (MWh)

2,895 MWh



Electricity Consumption (MWh)



Climate Risk and GHG Emissions

GRI 305-1, 305-2, 305-5

Climate change is one of the major challenges facing our generation. Regulations and legal requirements are also evolving in a bid to encourage climate-friendly behaviour. The Group is no exception when it comes to generating GHG, and given its potential implications on our business, we acknowledge the need for us to transition to a low-carbon economy by, among others, investing in renewable energy and reducing process-related emissions, wherever viable. We believe that these actions will pay off in the long run, benefiting both the environment and our operations.

Across our businesses, we focus on actively reducing our GHG emissions by driving operational efficiencies, lowering fuel consumption, phasing in renewables and installing new energy-efficient technology or equipment. We have also been managing our emissions from an energy intensity perspective, whereby the Group's main source of scope 1 emissions is diesel and Scope 2 is purchased electricity.

Sustainability Report: Environmental

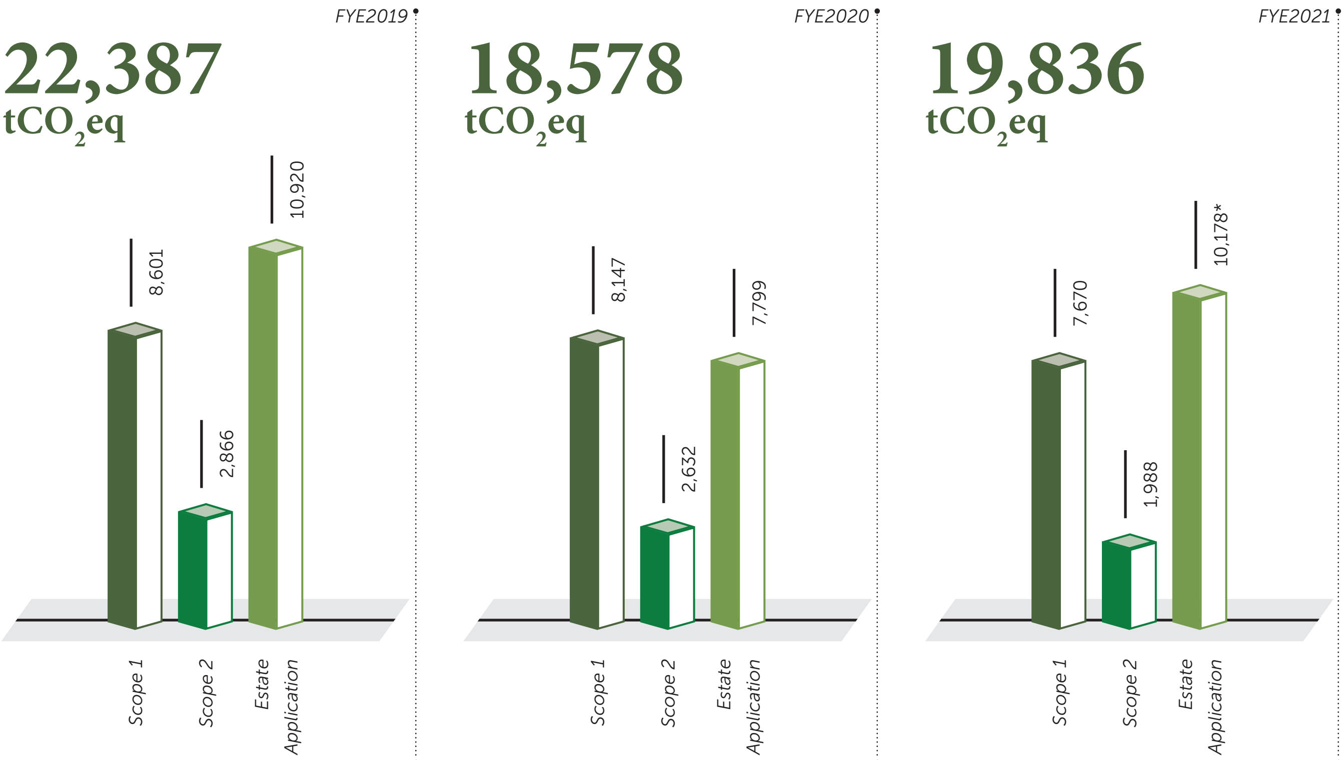
Our GHG emissions disclosures are in respect of:

Scope 1
Direct emissions from our business operations, e.g. transportation, heat & power generation and equipment.

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

Estate Application
Plantation activities that generate carbon gains and losses such as planting oil palms, frond piles, fertilisers and POME.

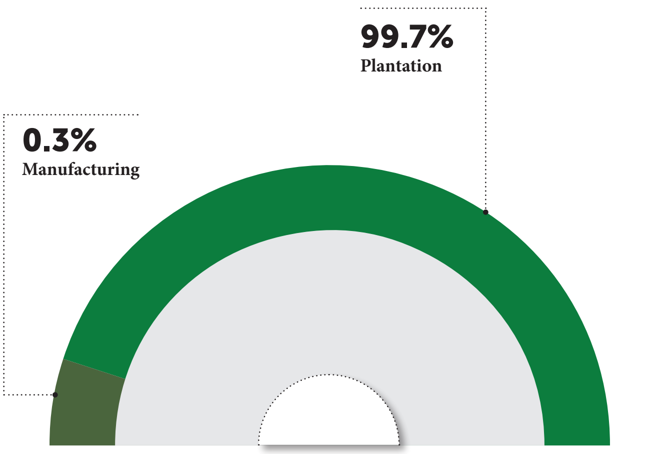
Carbon Emissions (tCO_2eq)



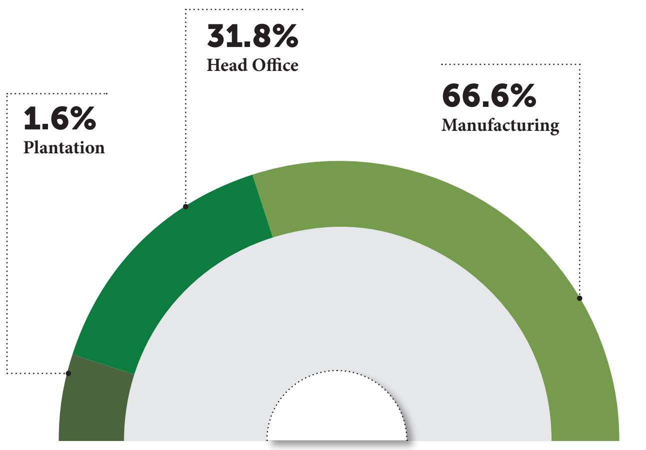
* This data does not include Fima Sg. Siput Estate Sdn Bhd.

Total Group tCO_2eq

Carbon Emissions Scope 1 FYE2021



Carbon Emissions Scope 2 FYE2021



Solar power

Ongoing initiatives are in place to lower our GHG emissions, including expanding the rollout of solar PV installation across the Group's operations. To date, the Group has invested RM1.00 million in solar PV systems to improve our energy efficiency and operational cost.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

Generated
257 MWh

Avoided
227 tCO_2eq
equivalent to 27 homes' energy used for one year

Source: United States Environmental Protection Agency (EPA)

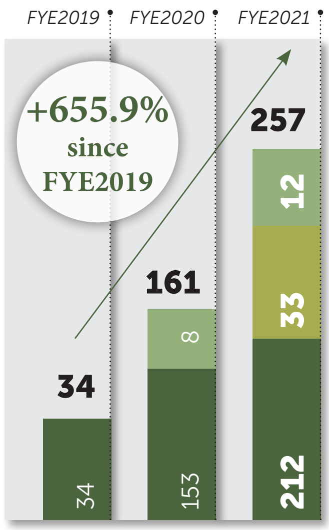
Saved
RM131,239.88 per annum

In FYE2021, solar PV systems were also installed at PKN's warehouse. In FYE2018, we installed a 25kW solar PV system in our Head Office building in Kuala Lumpur. The capacity was subsequently expanded to a 185kW in the following year. In FYE2021, the building generated 212MWh, equivalent to savings of RM108,099 per annum.

In Plantation, solar PV systems were installed at the workers' quarters and the office complex in Ladang Cendana in Kemaman, Terengganu, saving 605kWh on average per month, equivalent to tCO_2eq avoidance of 0.052 homes' energy use for one year.

Solar Power Generated according to Division (MWh)

Head Office
Manufacturing
Plantation



SOCIAL

We recognise our obligations as a responsible member of the communities in which we operate, and we seek to build positive long-term relationships and mutual respect by engaging with our employees and the broader community, which in turn will help us understand and manage the impact of our activities. Our engagement and contributions take a number of forms, in an effort to support their – and our – long-term sustainability.

We strive to attract and retain a diverse and talented workforce, build a healthy and supportive working environment and invest in developing our employees' skillsets to help them succeed in their roles and support their career goals. We also play an active role in creating value for communities. Our operations contribute to the prosperity of local communities by providing employment and supporting local enterprises, as well as through our investments in community development projects, philanthropic activities and employee-driven initiatives.

Good Social Practices Policy

FimaCorp remains guided by its Good Social Practices Policy in creating positive impacts for its employees and the communities in which it operates. Our partners, suppliers, contractors and vendors are also encouraged to support the policy, which outlines our commitment to upholding the human rights of our employees, contractors, their families and the communities. We ensure our daily business activities are in tandem with the principles set out in the Universal Declaration of Human Rights, the core conventions of the International Labour Organisation and national laws applicable to our operations.

Our commitment to human rights includes:

- Rejecting all forms of slavery, forced or child labour
- Providing a fair, safe and healthy working environment to ensure our employees are free from unlawful discrimination, harassment or victimisation
- Respecting the rights of employees to associate freely
- Recognising and respecting the cultural values and heritage of the communities in which we operate, securing a social licence to operate
- Being responsible stewards of the natural resources in our operations and reducing harmful effects through innovation, waste elimination and reuse, as stated in our Environmental Policy

For more information on our Good Social Practices Policy, please visit our corporate website at http://www.fima.com.my/service-provider.html

Human and Workers' Rights

GRI 412-2

Human rights training and awareness are part of the Malaysian Sustainable Palm Oil ("MSPO") standards' requirements. Training and capacity building, which are integral to our Plantation business, are key areas that require ongoing focus.

During the year, there were a number of media reports alleging poor labour practices in several companies within the plantation and glove industries in Malaysia. While no concerns were identified in our own plantation operations, as a precautionary measure we reviewed our operating procedures relating to, inter alia, working hours, wages, forced and child labour to ensure that all relevant labour standards were adhered to.

Our guest workers are mostly from Indonesia, India and Bangladesh, and they constitute 3.8% of the Plantation division's total workforce. As such, we continuously strive to ensure that we do not engage in any form of unlawful discrimination in our recruitment and employment of guest workers and that their legal rights are duly respected. We ensure that prior to hiring, the basic terms of employment are provided or briefed to them in their native language. We fully bear the costs of recruitment, i.e. fees for working permit, levy, medical report/ FOMEMA, etc. Passports and other forms of personal identification remain in the guest worker's possession at all times and are never to be withheld by us or any third party. In addition, there is no difference in wages between guest and local workers. Salary deductions are only made for salary advances and statutory contributions to EPF and SOCSO. Furthermore, they are provided with comfortable housing complete with basic amenities including recreational spaces and internet connection.

Our position in the respective industries in which we operate provides us with the opportunity to address human rights risks through sharing of best practices and participating in industry networks on the matter. We illustrate below 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 local and international labour standards are complied with to ensure no human trafficking or breaches of human rights

With suppliers and customers: we ensure traceability and social compliance through surveys and audit procedures

Broader issues facing our segments of industry: human rights issues require collective and concerted efforts from all stakeholders. The Group remains committed to engagement with regulators, NGOs and relevant stakeholders to identify and address potential adverse impacts that may arise as a result of our own activities or our business relationships, whether directly or indirectly

The Group strongly rejects all forms of slavery and forced, bonded and child labour across our operations. We strictly comply with the minimum legal working age requirements in the countries we operate in, and we closely monitor the development of the relevant local labour laws. We expect our vendors and service providers to adhere to ethical business conduct consistent with our own, and are committed to working with them to fulfil this common goal.

"

Zero reported cases of breach of human and workers' rights.

Freedom of Association

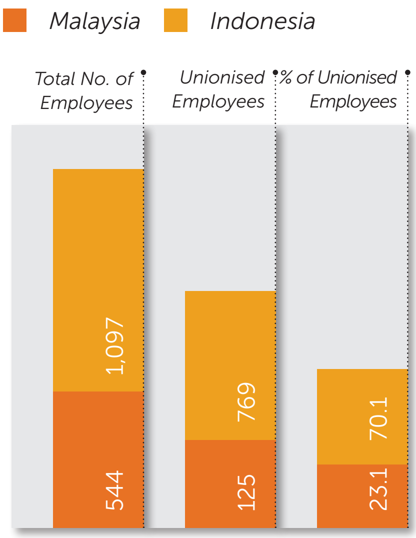
GRI 402-1, 407-1

We respect the right of our workers to have freedom of association, and to participate in labour unions and collective bargaining, in compliance with local laws. To this end, we are dedicated to working closely with the labour unions and we ensure all negotiations are undertaken in good faith. Our collective agreements in PKN, which are revised every three years, were last revised in May 2020. We typically inform the union one month before effecting any significant operational changes that could affect them, as stated in the collective agreements.

Sustainability Report: Social

Among the provisions covered in our collective bargaining agreements are grievance and disciplinary procedures, paid time-off, paid maternity leave, severance and separation benefits, wages and performance management.

As of 31 March 2021, 54.5% of our employees were in labour unions and the Group did not experience any situations with the unions that disrupted our business operations.



Whistle-blowing Policy

GRI 102-17

The Group's Whistle-blowing Policy serves as a guideline for employees and all other stakeholders to report any fraudulent or illegal act or misconduct without fear of reprisal. 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 warnings, suspension and dismissal of guilty individual(s), following proper investigations. The Group Internal Audit and Group Human Resource Departments have the authority to conduct investigations of reported incidents.

Anyone who wants to file a complaint may send an email whistleblowing@fima.com.my and the Whistle-blowing Policy is accessible via http://www.fima.com.my/service-provider.html.

Covid-19 Response: Prioritising Workplace Safety and Employee Well-being

Key actions during the year included:

- Implementing a number of processes and protocols such as social distancing measures, more frequent cleaning and disinfecting, thermal scanning, distribution of face masks and hand sanitizer to all employees;
- Adopting remote working for corporate and other office-based employees with suitable technologies;
- Tracking and reporting suspected and confirmed cases of Covid-19 in the workplace, with associated cleaning regimes;
- RTK Antigen tests for 193 plantation workers across all estates in Peninsular Malaysia;
- Support for our workers in the form of distribution of essential care packs and food parcels;
- MySejahtera scanning at all Malaysia operations.

Diversity

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

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 or disability. All our employees are expected to respect each other's cultures and differences to inculcate a non-discriminatory and harmonised work culture. We are pleased to report that there were zero reported cases of discrimination in FYE2021.

79.5% of our plantation workers in Malaysia are locals.

Employing people from diverse backgrounds gives us access to diversity of thought, capabilities and experience when making decisions on how to drive our business forward. It is a big challenge for the Group to hire female employees due to the nature of the job functions such as manual work in our plantations. Hence, the female take-up rate for these jobs appears to be significantly lower. While our Group workforce is balanced with 23.5% of our team members female, there is room to strengthen the gender balance in management roles.

The Board of FimaCorp comprises one woman and five men. There is an opportunity to improve at the senior management and middle-management levels where women hold 20.0% and 9.1% of positions, respectively. Moving forward, we intend to improve the number of women in our organisation, at all levels, taking into account the specific circumstances of that division, including the nature of our operations and cultures in the countries in which we operate.

Diversity of workforce

We support local employment in the countries in which we operate. In FYE2021, our local employment rate was 96.5%, and 100% of the Group's senior management were locals.

The majority of our workforce is in Plantation, which makes up 82.0% of the Group's total workforce. Employees aged between 30 and 50 represent 61.2% of the Group's total workforce. Our Indonesian operations employ 66.8% of the Group's total workforce. Most of our employees are permanent employees, who represent 61.9% of the Group's total headcount. The remaining workforce are temporary employees hired on a contract basis, mostly in the Plantation division. We normally offer to renew their employment contract based on legal and performance review.

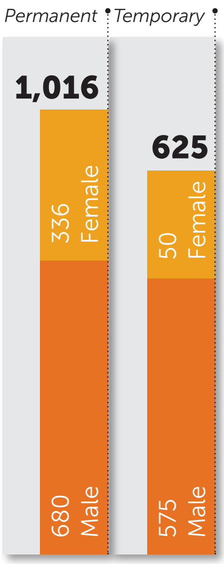
> *In FYE2021, our local employment rate was 96.5%.*

Total No. of Employees: 1,641

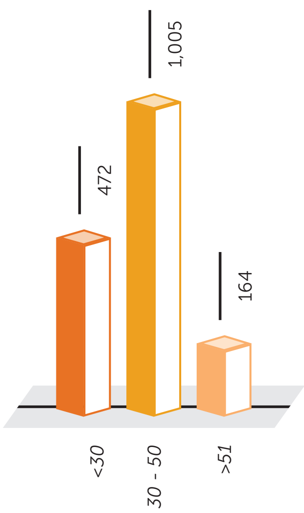
Female	Male
386	1,255

Headcount

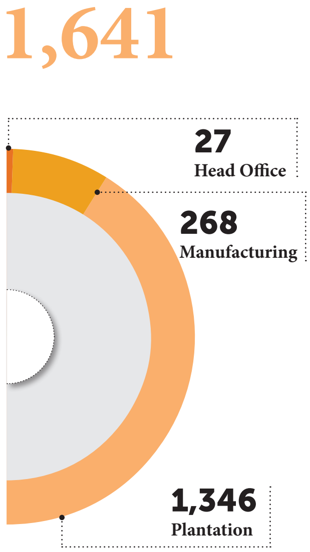
Employees by Employment Contract and by Gender



Age Group



Division



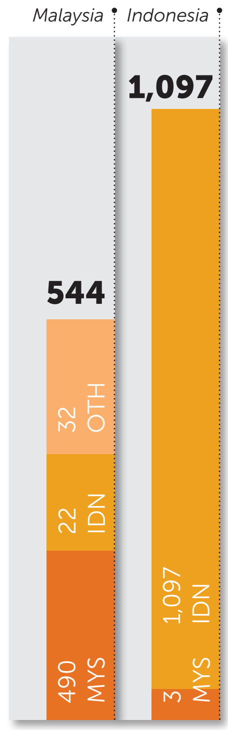
Nationality

Malaysia MYS

Locals: 90.1%
Foreigners: 9.9%

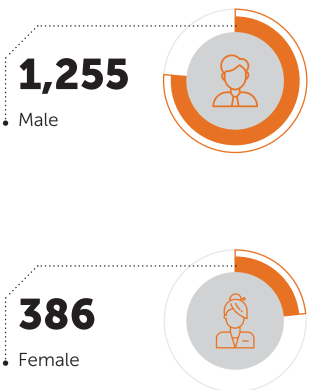
Indonesia IDN

Locals: 99.7%
Foreigners: 0.3%



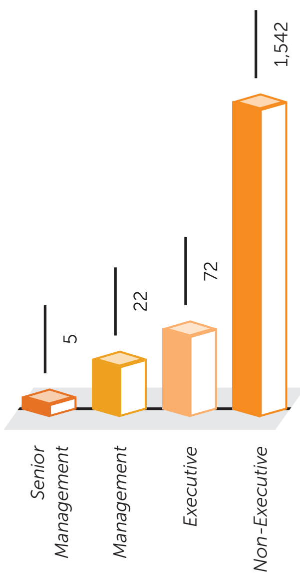
Note: Others (OTH) include guest workers from Bangladesh and India.

Gender



Employees by Employment Contract and by Country

Position



Note: For more information on our Diversity of Workforce, please refer to Employee Performance Data on pages 202 to 206. For the Group's Board diversity, please refer to the Corporate Governance Overview Statement on page 74.

(i) Employment contract refers to a contract with an employee and is recognised under national law.
(ii) Permanent contract is an employment contract for an indeterminate period.
(iii) Temporary contract is an employment contract that ends when a specific time period or task ends.

Sustainability Report: Social

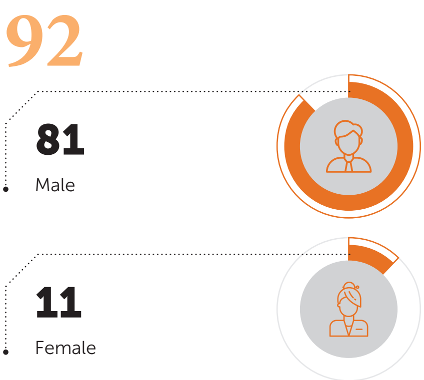
New hires

The Group's total new hires in FYE2021 was 92 compared to 550 in FYE2020. Due to the disruptions from the pandemic, the employment process of new guest workers as well as the renewal of guest workers' contracts in the Plantation division were interrupted.

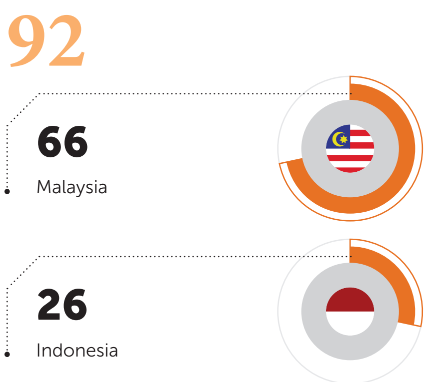
As highlighted earlier, we do not permit nor tolerate any form of forced, bonded or child labour in our operations and we comply with the legal minimum age of working and prioritise local workers during recruitment. We acknowledge that there have been instances at our estate in Indonesia where children accompanied their parents to the fields and assisted in loose fruit collection and other light tasks. To address this issue, spot checks are conducted regularly at the fields and facilities such as creches are provided where parents can leave their children while they go to work. Each employee's profile and identity documents are maintained in our HR data system, and we continuously monitor compliance with the minimum legal working age requirements enforced by the local authorities in the countries where we operate our businesses. All employees work on their own free will and without coercion.

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

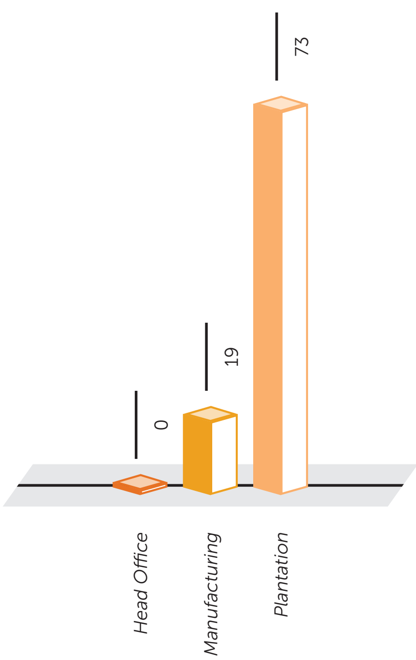
New Hires by Gender



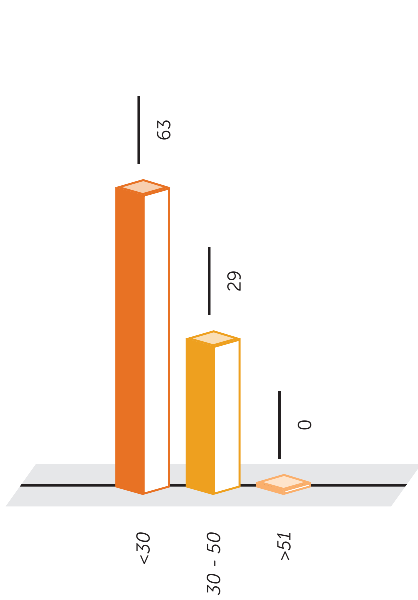
New Hires by Country



New Hires by Division



New Hires by Age Group

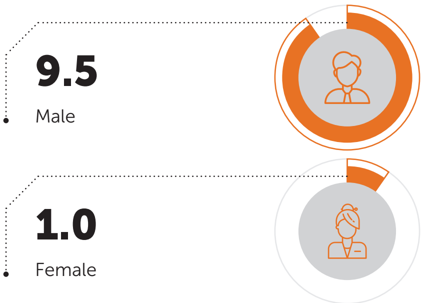


Turnover

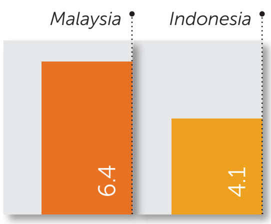
During the year under review, the Group recorded a turnover rate of 10.5%, lower than the previous year's 28.8%. Despite the economic challenges brought about by the pandemic, the Group was able to retain the headcount of our permanent workforce and maintain their benefits, such as medical coverage, this year. We also provided additional support to non-executive staff to ease the pressures on their families.

Total Turnover Rate: 10.5%

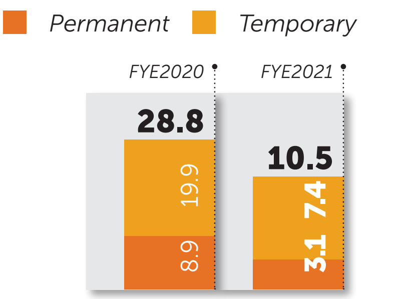
Turnover Rate by Gender (%)



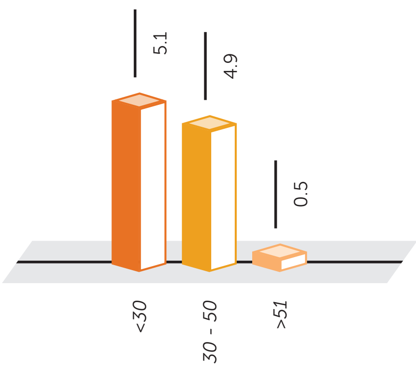
Turnover Rate by Country (%)



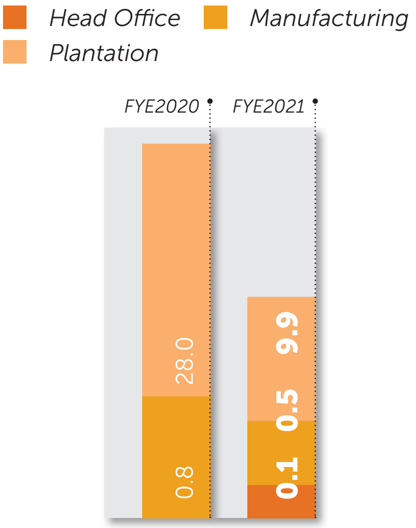
Turnover by Employment Contract (%)



Turnover Rate by Age Group (%)



Turnover Rate by Division (%)



Employee turnover in Plantation division for FYE2021 related primarily to the inability of our guest workers to return to Malaysia after their short break due to border closures. Improving retention is a critical priority for the Plantation division and as such, the division has ramped up efforts in building and upgrading workers' living quarters and estate infrastructure which are complete with basic amenities, sundry shops, recreational spaces, places of worship and internet connection, as well as providing rewards for high-performers.

Employee Engagement and Development

GRI 401-2, 404-1, 404-3

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 Group Human Resources, as well as directly by their line managers. Our engagement programmes normally include social events such as family days, sports activities and festive gatherings, but could not be organised due to the mandated social restrictions brought about by the pandemic.

We also recognise the importance of training and supporting our people. We strive to develop our employees to reach their maximum potential through training, job rotation and internal promotion opportunities. Training allocation is available annually for our employees to participate in internal or external workshops and seminars. We believe that a mixture of on-the-job learning, external training and upskilling programmes will develop targeted skills and knowledge for a specific role.

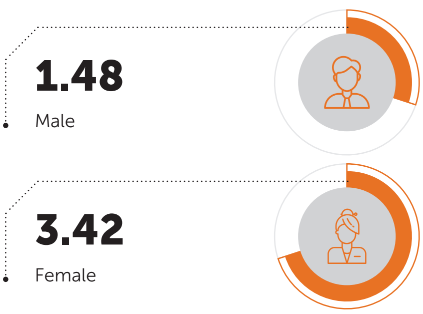
In FYE2021, we adapted to the pandemic situation by encouraging virtual training and workshops for our employees. We recorded a total of 3,183 hours of training, which was 49.9% or 3,170 training hours less than the previous year's due to disruptions from the pandemic. These included restrictions on job training and skill enhancement for non-executives, which impacted the Group's total training hours.

Headcount
1,641

Total Hours
3,183

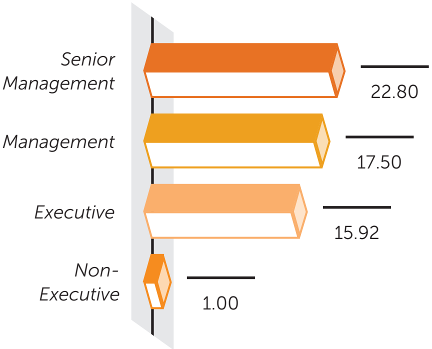
Average Training Hours per Employee
1.94

Average Training Hours by Gender



Sustainability Report: Social

Average Training Hours per Employee Category



Note: Data for Senior Management included training hours for the Managing Director, who also sits on the Board. For more information on training for the Board of Directors, please turn to page 78 in the Corporate Governance Overview Statement.

Benefits

The Group practises minimum wage payment in compliance with the local labour laws of the countries in which we operate. There is no gender discrimination in our minimum wage payment across the Group. In addition, employees are compensated for overtime in accordance with local laws.

We offer competitive benefits, which involve fixed and variable components according to employee job grade, taking into account of performance, qualifications and/or experience. Each location within the Group has its own locally defined employee benefit scheme. Overall, we offer a set of benefits to our eligible employees. We also offer a competitive remuneration package to our temporary workers. For eligible employees, the benefits include:

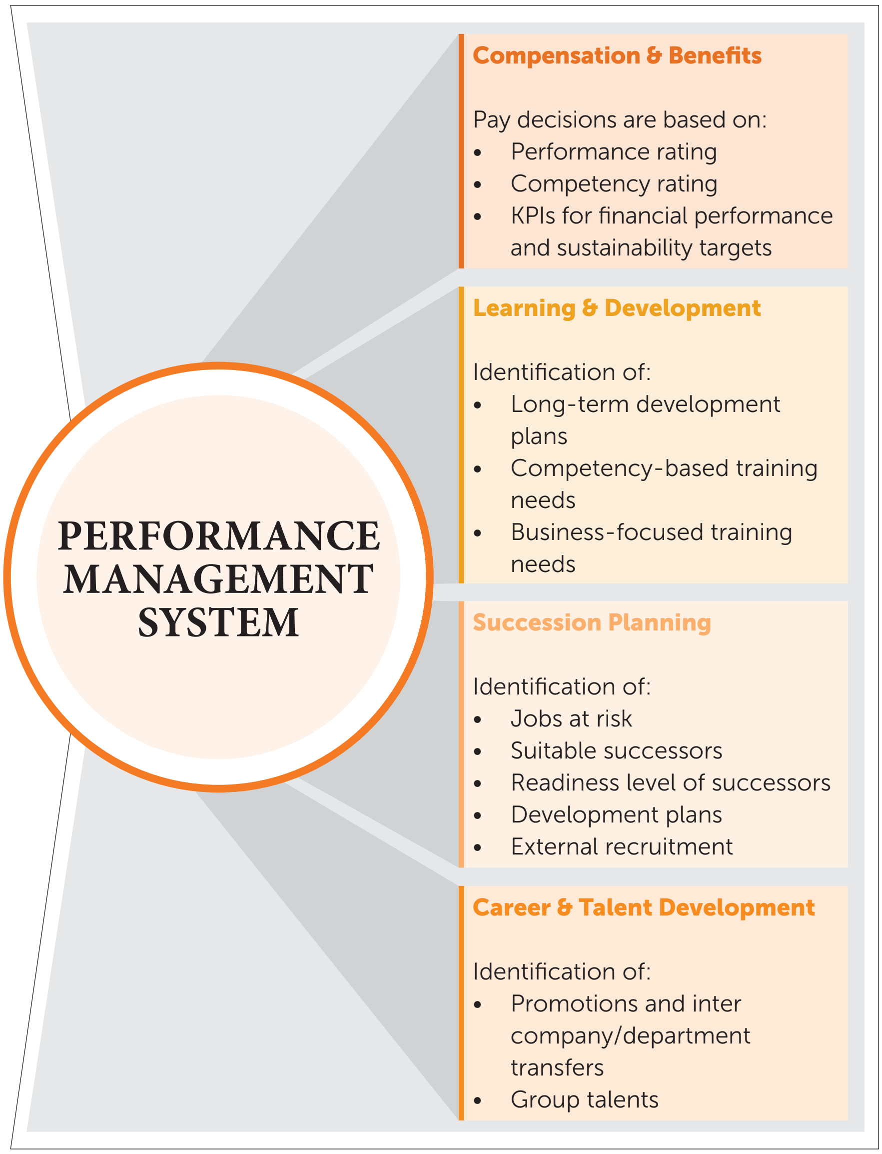
- Contributions to retirement fund
- Medical benefits for outpatient, specialist and hospitalisation treatment for employees, spouses and eligible children
- Group term life and personal accident insurance
- Maternity and paternity leave
- Mobile phone expenses
- Professional association membership fees
- Uniforms
- Alternative working hours
- Provision of comfortable housing with basic amenities such as recreational spaces and internet connection to our plantation workers

In addition, 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 these facilities has enabled women to join PTNJL's workforce and, to some extent, has reduced the number of children accompanying their parents to the fields due to a lack of supervision at home.

Performance management

Our employees receive an annual performance review, which serves as an effective communication platform to gather feedback, share ideas, identify areas for improvement and recognise individual training and development needs. Every employee is given a set of annual key performance indicators, which, along with their annual performance and contribution, determines their annual increment, bonus and/or promotion.

During the year under review, 100% of our employees received their performance reviews.



Occupational Safety and Health (OSH)

GRI 403-1, 403-2, 403-7, 403-9, 403-10

Due to the nature of our business operations, operating safely, sustainably and responsibly is crucial for our sustainable growth. We continuously seek to inculcate a culture that protects people from harm and improves their health and well-being.

The Group remains guided by its Occupational Safety and Health Policy besides ensuring strict compliance with all the relevant local laws, regulations and requirements that uphold best practices in occupational safety and health. Safety and health training are continuously implemented for all our employees, visitors and contractors to prevent workplace injuries and fatalities. Further to that, regular preventive and scheduled maintenance is conducted in all our facilities and plants. We also ensure necessary repairs and replacements are carried out when required.

The health and safety of our employees is managed by each business division's health and safety committee, which consists of management and employee representatives, in compliance with local regulatory requirements. These committees are responsible for the health and safety management of their staff, including managing, investigating and resolving reported incidences.

Emergency preparedness

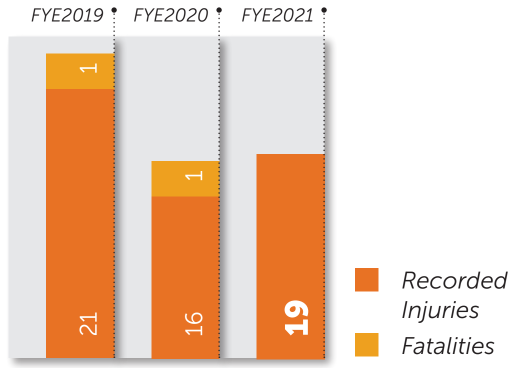
As a responsible employer, we are committed to providing a safe and healthy workplace for our workers. In addition to providing first aid training to relevant personnel, our facilities are equipped with the necessary tools such as first aid kits, firefighting systems, adequate response plans and other safety programmes. We also conduct safety briefings at worksites prior to the start of daily activities to remind workers of the potential hazards and the importance of personal protective equipment.

"Zero fatalities in FYE2021.

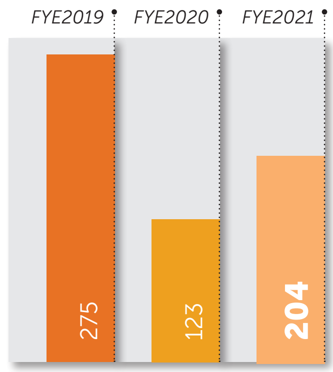
OSH performance

In FYE2021, while we recorded zero fatalities, the total number of injuries increased to 19 and as such, our Lost Time Injury Frequency Rate ("LTIFR") increased from 4.40 to 5.34. LTIFR is a methodology recommended by the Malaysian Department of Occupational Safety and Health (DOSH) to consider 'lost time injury' as incidents resulting in an absence of more than five working days. Our recorded injuries in FYE2021 were mostly due to falling objects, logistical and physical factors and tools. Meanwhile, our accident rate was 11.23, up from 9.26 per 1,000 workers, with the majority of the accidents occurring in the Plantation division. The Group is committed to providing continuous training and education to the workers as part of our initiatives to reduce the number of accidents in the future.

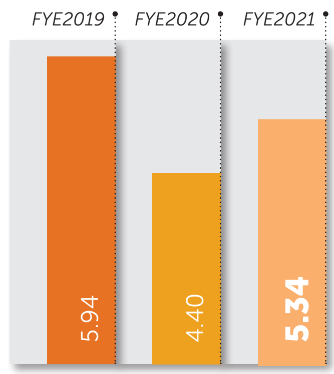
Total Injuries



Injuries by Absent Days



Lost Time Injury Frequency Rate (LTIFR)



Note: Per 1 Million Hours Worked.

Sustainability Report: Social

Community Investment

GRI 203-2, 413-1

With businesses across Malaysia and Indonesia, the Group has a local footprint in many communities. Our approach to community engagement is driven and managed by our businesses to ensure value is created in ways that best fit with their operations and geographic spread.

During the year, the Group continued its community care and involvement with various contributions in the form of donations, sponsorships and support in kind to charitable bodies and local community endeavours. Our Indonesian subsidiary PTNJL has made considerable investments in its local communities through support for education, healthcare, housing and general infrastructure. PTNJL also funds the monthly allowance of teachers and imams and supports local programmes such as Puskesmas nutrition programmes. In Malaysia, PKN contributed 263 units of tablet devices to their employees' children to enable them to attend online classes during school closures due to the pandemic.

We continued to support the PROTÉGÉ programme by the government, which assists undergraduate interns to acquire relevant job-specific skills and embrace organisational and work culture through on-the-job placements and skills development. During the year under review, we invested more than RM200,000 in the programme and offered internships to 99 undergraduates, spread across the Group. The interns were exposed to various work experiences and skills such as practical job exposure and soft skills to build interpersonal skills. Allowances and benefits were given during the programme.

PKN invested more than RM200,000 in the PROTÉGÉ programme.

Covid-19 Response: Initiatives in Support of Communities

FimaCorp's Head Office and PKN donated 1,360 boxes of face masks to the Malaysian Relief Agency.

Malaysia

- FimaCorp and PKN donated **1,360** boxes of face masks worth **RM102,000** to the Malaysian Relief Agency for all hospitals nationwide.
- Fima Technology Sdn Bhd provided free disinfection cleaning services to Masjid Saidina Umar Al-Khattab in Kuala Lumpur.
- FimaCorp donated **400** bags of food and essential items to the poor and needy in Kampung Bharu, Kuala Lumpur.
- PKN contributed **263** units of tablet devices to their employees' children to attend online classes during school closures.

Indonesia

- Contributed a cash donation of more than **RM4,000** to Dinas Pemberdayaan Perempuan and Perlindungan Anak for social service activities in Northern Kalimantan.
- Disinfected several public areas, e.g. halls, mosques and clinics as a community service.
- Distributed food to workers and the local community in the Sei Menggaris area which included:

567 bags of 10kg rice

4,153 bags of 5kg rice

11,600 packs of instant noodles

2,310 packs of 1 litre cooking oil

GOVERNANCE

Upholding good governance is fundamental for the sustainability of any business organisation. At FimaCorp, we are guided by our corporate values in ensuring responsible business practices. We uphold accountability, ethics and integrity while integrating sustainability with responsibility. Underpinning our responsible business practices are robust policies and frameworks as well as operational efficiency that ensure continuous value creation for our stakeholders.

Our commitment is demonstrated through good corporate citizenship, zero tolerance for fraud, bribery and corruption, a sustainable and traceable supply chain and ensuring the safety, quality and standards of our products by meeting local and international standards.

Governance

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

Due to the nature of our businesses, most of our activities are highly regulated by laws that are related to health, safety, environment and community impacts. As such, we remain committed to complying with the laws and regulations of the countries in which we operate. To further deepen our commitment to the health and safety of our stakeholders and environmental conservation, we strive to go beyond regulatory rules and compliance, where feasible, to ensure we deliver excellence.

Given that our operations span two countries, it is vital for us to uphold the highest possible standards of governance to ensure we maintain our social licence to operate. To this end, we have in place a comprehensive system of stewardship and accountability that is compliant with all applicable rules, regulations and standards, as well as internal and external policies.

Sustainability Report: Governance

The Group's governance framework provides a solid structure for effective and responsible decision-making within the organisation. The Board has oversight of the risks and opportunities arising from our activities and is responsible for setting the direction, strategies and financial objectives of the Group, having regard to the interests of shareholders, stakeholders and the wider community. The Board is supported by dedicated Board Committees, each with its own charter setting out its roles and responsibilities. The Audit & Risk Committee ("ARC"), the majority of whom are independent directors, assists the Board in fulfilling its oversight responsibilities for the Group's sustainability practices. The ARC reviews risks that could materially affect our ability to achieve our strategic objectives, and is responsible for ensuring that management addresses those risks by implementing appropriate mitigation measures. Our legal, tax and finance teams also work closely with our businesses to help them identify, understand and comply with local laws and fiscal regulations. The effectiveness of the Group's internal controls and processes are reviewed by internal audit.

The Group Sustainability Committee, which reports to the ARC, steers the Group's sustainability activities. It is presently chaired by a Senior Independent Non-Executive Director of Fima Corporation Berhad, thus ensuring that we have Board-level oversight of the critical sustainability issues affecting the business and how they should be managed.

The Committee comprises staff from Group Corporate Services ("GCS") based in Head Office. Team members from GCS are responsible for developing the sustainability reporting formats and data collection. They are also responsible for supporting and advising (including training) all business units on the development and implementation of any improvement/efficiency projects and reviewing the progress thereof.

The day-to-day management of sustainability commitments and implementation of programmes is guided by divisional leadership. The divisions are also responsible for adopting sustainability strategies tailored to their operating needs, as well as providing the resources needed for their implementation.

They align their brands, technologies and sites involved to sustainability in line with the specific challenges and priorities of their business portfolio. Each division prepares its sustainability report to the Head Office on a monthly basis, which is then collated and presented to the ARC on a quarterly basis. The report includes topics such as safety, environment, attrition and compliance issues.

We have an established enterprise risk management process that allows us to identify and evaluate risks and opportunities by both severity of impact and probability of occurrence. This evaluation also includes non-financial risks and opportunities such as regulatory, integrity and reputational risks. Each business unit has developed policies and procedures to comply with the minimum control standards established for specified processes, including methods to mitigate risk, monitor compliance and take corrective actions.

For more information on:

i. *The Group's Board of Directors and the Group Sustainability Committee, please refer to the Corporate Governance Overview Statement on pages 74 to 87.*

ii. *The Group's risk management, please refer to the Statement on Risk Management and Internal Control section on pages 91 to 101.*

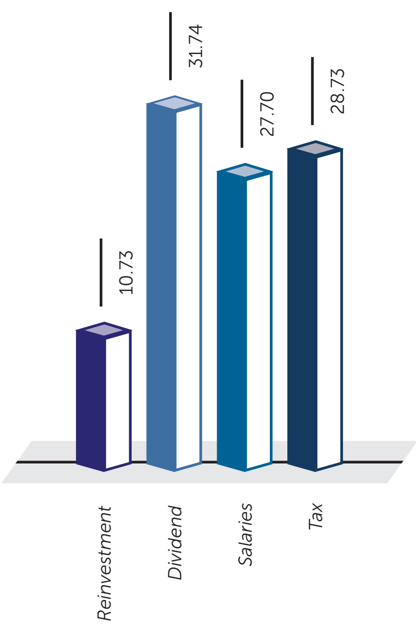
Responsible Business Practices

GRI 201-1

Apart from providing employment to more than 1,600 people in two countries, we also contribute by paying direct and indirect taxes that help to support the funding for public services by government institutions. These include local and government taxes, social security contributions on the wages of our employees, SST and customs duties and property taxes. The taxes we pay are therefore an important part of the socioeconomic impact that we have on the development of the communities where we operate. Our contributions reflect our commitment to responsible growth and creating sustainable value for all our stakeholders.

We are aware of investors' rising interest in ESG matters and as such, we have formally integrated ESG into our ERM framework which will further reinforced consideration of ESG elements into all our decision making processes.

Value Distribution to Stakeholders (RM million)



"

PKN has attained ISO 37001:2016 Anti-Bribery Management Systems certification.

Anti-Fraud, Bribery and Corruption

GRI 205-2, 205-3

FimaCorp has zero tolerance for any form of fraud, bribery and corruption and constantly communicates its Anti-Bribery Policy to its employees across all levels through training and awareness initiatives. Our Anti-Bribery Policy prohibits the Group and its officers, employees, agents and service providers from giving or offering, soliciting, receiving or agreeing to receive any gratification in exchange for a favour or to secure any improper advantage. All third parties are required to acknowledge and comply with the Anti-Bribery Policy before entering into a business relationship with FimaCorp. Anti-corruption clauses are also included in all contracts and procurement policies. We treat any violation of the policy seriously and will undertake necessary actions, including disciplinary action, cessation of business/contractual relationship and reporting to the authorities.

In FYE2021, several employees of a Group subsidiary were investigated for their alleged involvement in theft and corrupt practices. Although the investigation of the employees related to corruption did not result in any confirmed incidents of corruption, certain internal controls needing improvement were identified and have been addressed by management. Since 2020, all relevant employees have been required to complete the Group's anti-bribery course (either by e-learning or workshops) and at regular intervals thereafter. Our training materials are updated to ensure they remain engaging and relevant to the risks encountered by the employees. Senior management also conducts periodic reviews of mandated authority limits to strengthen transparency and integrity. Furthermore, all employees are required to attest on an annual basis that they have and will continue to comply with the Group's Anti-Bribery Policy and to report any concerns that they may have. Likewise, we expect our suppliers and contractors to uphold the same high ethical standards as our people.

To read more about our Anti-Bribery Policy, please visit our corporate website at http://www.fima.com.my/service-provider.html

Cybersecurity

GRI 418-1

Safeguarding data protection and cybersecurity is paramount for the sustainability of the Group. Any breaches of data privacy will severely impact our reputation and daily operations, exposing the Group to legal and financial risks. We do not tolerate any leakage of confidential information or illegal manipulation of information, and we continuously seek to minimise the risk of technological disruption by leveraging synergetic opportunities with technological partners to innovate and strengthen our digital-proofing strategies.

We take threats of malicious software, phishing attacks and spam seriously, and we constantly review our cybersecurity systems to ensure our IT network and information and communication assets are protected. Apart from installing and updating antivirus or firewall software periodically, our security systems include system access control, change management, security incident management, system development and periodic maintenance review and update. The product life cycles of software and hardware and warranty policies are reviewed annually.

"

There were zero breaches of data privacy and information during the year under review.

We also have in place plans and procedures which are audited to ensure they remain updated and relevant. These include IT disaster recovery plans for IT systems and infrastructure, as well as procedures for power outage, maintenance and site safety. Additionally, we ensure there are adequate service level agreements with external service providers. There were zero breaches of data privacy and information during the year under review.

Sustainable and Traceable Supply Chain

GRI 102-9, 204-1

Ensuring a sustainable and traceable supply chain is integral to our diverse business operations across two industries. Any disruptions to our supply chains will affect the production of our business divisions, exposing the Group to legal, financial and reputational risks. This requires responsible procurement and sourcing to enable us to deliver sustainable solutions for our customers, suppliers and the community at large. Hence, we actively engage with our suppliers throughout the procurement process, from tendering and bidding to surveying and inspecting sites. Our constant communication with suppliers covers a comprehensive range of topics including cost efficiencies and environmental and social compliance, enabling us to enhance transparency and traceability.

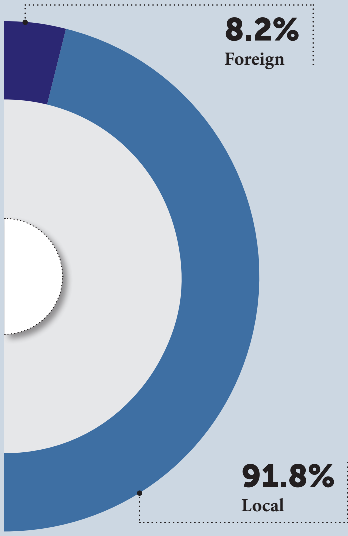
Sustainability Report: Governance

Supporting local procurement

We aim to make a positive and sustainable contribution to the well-being and prosperity of the communities in which we operate by providing employment and business opportunities. We also train local employees at our job sites, providing technical training and skills to improve workers' wage-earning potential. In addition, we support local suppliers and entrepreneurs through purchasing local goods and services. In Indonesia, 91.8% of procurement contracts for goods and services have been awarded to local companies. In addition, 20.4% of the FFB processed by the palm oil mill is purchased from smallholder farmers and third-party growers.

> ***In FYE2021, 91.8% of PTNJL's suppliers were local.***

Local Procurement (%)



Licences and Permits

In FYE2021, the Group's businesses maintained 97 licences and permits required in order for them to operate in compliance with the requirement of the governing authorities. Plantation division holds the most licences and permits due to stricter regulations and higher standards.

Upholding Quality, Standards and Certifications

GRI 102-12, 102-13

To maintain safety and quality standards throughout our supply chains, our businesses stay current with new regulations, industry best practices and marketplace conditions. Each business has its own documented policies and procedures that the business should exercise for specified processes. To ensure compliance with these requirements, we are subject to several audits and inspections.

Plantation

Since FYE2020, 100% of our fully develop Malaysian estates are MSPO-certified. However, PTNJL's application for the Indonesian Sustainability Palm Oil (ISPO) certification is currently pending due to an ongoing legal suit. Other significant certifications and standards achieved by this division are ISO50001:2011 and ISO 14001:2015.

Malaysia Sustainable Palm Oil (MSPO)	All 11 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. To maintain the MSPO certification, selected employees were sent for training to ensure we meet the necessary standards set by the Malaysian Palm Oil Certification Council, which cover responsible practices including human and workers' rights.
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

In April 2021, PKN was accredited with ISO 37001:2016 Anti-Bribery Management Systems. At the time of writing this Report, PKN was going though the final stage of the accreditation process to attain ISO 14298:2013 Graphic Technology Security Management of Security Printing Process certification.

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 the company's commitment to delivering excellence.
ISO 37001:2016 Anti-Bribery Management Systems	This certification strengthens PKN's commitment against bribery and corruption while validating the division's professionalism and capability in printing documents of high-level security and confidentiality.

Membership of associations

GRI 102-13

1. Gabungan Pengusaha Kelapa Sawit Indonesia, GAPKI
2. Association of Plantation Investors of Malaysia in Indonesia, APIMI
3. Incorporated Society of Planters (ISP)
4. Malaysian Employers Federation

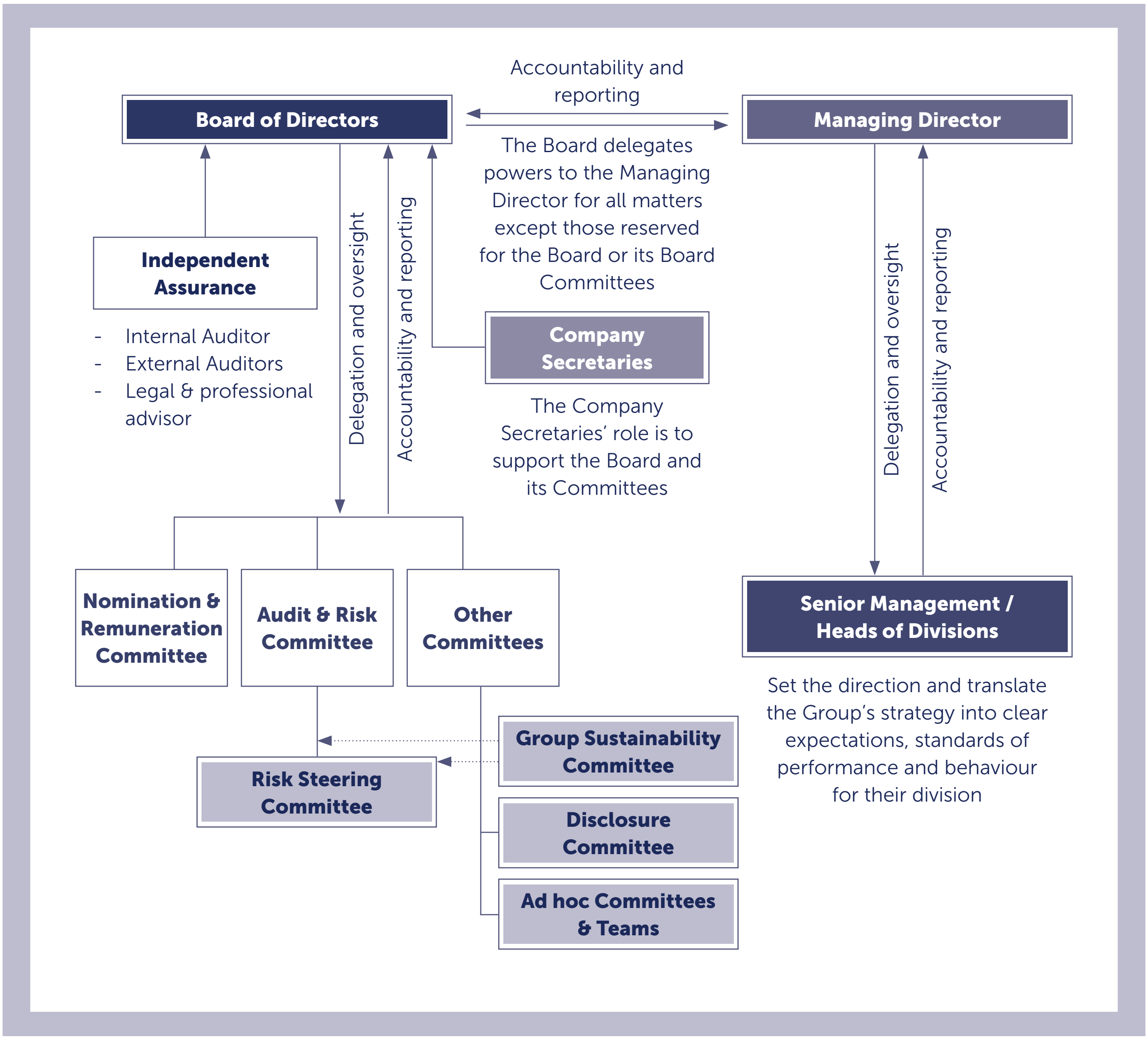
CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board recognises the importance of good corporate governance and is committed to establishing and maintaining high standards of corporate governance throughout Fima Corporation Berhad ("the Company" or "FimaCorp") and its subsidiaries ("the Group").

This Corporate Governance Overview Statement ("Statement") illustrates the extent of which the Board has embodied the spirit and principles of the Malaysian Code on Corporate Governance ("MCCG") with regards to the recommendations stated under each principle for the year under review and should be read in conjunction with the Corporate Governance Report, which is accessible online at www.fimacorp.com/corporate-governance.

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

Role and Responsibilities of the Board

The Board is responsible for the overall strategy, governance and performance of the Company. The general powers of the Board and the Directors are conferred in the Company's Constitution.

The Board has adopted a Board Charter which sets out the role and responsibilities of the Board, describes those matters expressly reserved for the Board and those matters delegated to management. In so doing, it also sets the tone for the Board Committees.

Among the specific matters reserved for the Board are:

- review and approve annual financial statements and quarterly financial results.
- contribute to management's development of the Company's strategy and plans, and ultimately approving operating budgets and monitoring performance.
- approve director's appointment to the Board and Board Committees.
- approve major capital expenditure, acquisitions and disposals, significant events and investment proposals.
- oversee and monitor overall system of internal control and risk management.
- oversee related party transactions.
- review and approve any matters in excess of any discretions which the Board may have delegated from time to time to the Managing Director or senior management.

In FYE2021, the Board reviewed, deliberated and approved (where specifically required), amongst others the following:

Financial Reporting/ Performance

- the quarterly financial results and annual Audited Financial Statements and the Directors' Report.
- the financial performance of the business operations against approved strategies, plans and budgets.
- major capital expenditure/acquisitions.
- the amount, nature and timing of dividends to be paid.
- bank mandate updates and other treasury-related matters.
- the Group's solvency and financial position.
- the recurrent related party transactions/related party transactions at every quarterly meeting.
- revision of authority limits for the Group's operating and capital expenditures.
- the proposal on 'zakat perniagaan' based on dividend payout.

Strategy and Planning

- budget and business plan for FY2022 and key performance targets/indicators.
- the progress in implementing strategic activities arising from the March 2019 Board Retreat.
- updates on business and operational activities.
- divisional strategic updates on a quarterly basis.
- adoption of Board annual outline agenda.

Governance and Reporting

- review and formulation of the new Enterprise Risk Management ("ERM") framework, Risk Appetite Statement, revised Risk Profile and ERM standard operating procedures following the review of the Group's ERM framework undertaken by BDO Governance Advisory Sdn Bhd.
- the updated Board Charter, Whistle-Blowing Policy and Terms of Reference of the Audit and Risk Committee.
- results of the Board, Board Committees and individual Directors' effectiveness evaluation.
- the statements incorporated in the 2020 Annual Report.
- half yearly review of the Group's sustainability performance.
- Audit Plan which outlined the audit strategy and approach for FYE2021 by the external auditors, Messrs. Ernst & Young PLT.
- updates on material litigation.
- summary of industrial relation/accidents cases and whistle-blowing complaints received through the whistleblowing channels.
- the disclosure on dealings by Directors/Principal Officers in the Company's securities.

People

- the performance, rewards, composition and succession of the Board.
- the Nomination and Remuneration Committee's recommendations on the annual performance of the Managing Director and senior management.
- new appointments to the Boards of Group subsidiaries.
- the succession planning of the Group's senior management and Group support functions.

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.

Corporate Governance Overview Statement

Board Committees

The Board is supported by the Audit and Risk Committee as well as the Nomination and Remuneration Committee in discharging its duties. The ultimate responsibility, however, resides in the Board and it does not abdicate its responsibilities to these Committees. Each Committee is governed by their own Terms of Reference setting out the roles and responsibilities of that Committee, as well as the membership and any other requirements for the running of the Committee which have been approved by the Board. 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

Chairman
Rezal Zain bin Abdul Rashid
Senior Independent Non-Executive Director

Members
Dato' Adnan bin Shamsuddin
Independent Non-Executive Director

Datuk Bazlan bin Osman
Independent Non-Executive Director

Rosely bin Kusip
Independent Non-Executive Director

Key Objectives
Assisting the Board in:
- 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.

The Terms of Reference of the Committee which has been updated in FYE2021 is available on the Company's website under 'Investors' page.

In FYE2021, the Committee conducted 5 meetings with all members present. The Committee's activities during the financial year are outlined in the Audit and Risk Committee Report of this Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

Chairman
Rezal Zain bin Abdul Rashid
Senior Independent Non-Executive Director

Members
Dato' Adnan bin Shamsuddin
Independent Non-Executive Director

Dr. Roshayati binti Basir
Non-Independent Non-Executive Director

Rosely bin Kusip
Independent Non-Executive Director

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

The Terms of Reference of the Committee is available on the Company's website under 'Investors' page.

The key activities of the Nomination and Remuneration Committee in FYE2021 included:

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

The Nomination and Remuneration Committee met twice during FYE2021 and all Committee members attended the meeting.

Other Committees

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

Risk Steering Committee ("RSC")

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

Group Sustainability Committee ("GSC")

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

Heads of Divisions ("HOD")

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

Disclosure Committee

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

Ad Hoc Committees and Teams

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

Meetings and Time Commitment

The Directors are aware of the time commitment expected from them to attend to matters of the Group in general, including attendance at meetings of the Board and Board Committees. Board and Board Committees meetings for each financial year are scheduled in advance for Directors to plan their schedules. An annual outline agenda which provides an overview of the Board's focus areas at each of its meetings is circulated to the Board in advance of meetings.

The Board meets on a quarterly basis and holds additional meetings as and when the Board thinks appropriate. 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 is also invited to attend certain Board or Board Committee meetings. This provides a direct line of communication between the Directors and management present.

Directors also participated in the consideration and approval of matters of the Company by way of written resolutions circulated to them. Supporting written materials were provided in the circulation and verbal briefings were given by the Managing Director or the Company Secretaries when required. In FYE2021, the Board approved 7 transactions via written resolutions.

Corporate Governance Overview Statement

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

The meetings of the Board and Board Committees held in FYE2021 and attendance records are set out below:

	Board	Audit & Risk Committee	Nomination & Remuneration Committee
Number held	6	5	2
Directors			
Dato' Adnan bin Shamsuddin	6	5	2
Dato' Roslan bin Hamir	6	N/A	N/A
Rezal Zain bin Abdul Rashid	6	5	2
Dr. Roshayati binti Basir	6	N/A	2
Rosely bin Kusip	6	5	2
Datuk Bazlan bin Osman	6	5	N/A

** Encik Nik Feizal Haidi bin Hanafi was appointed on 3 August 2021, subsequent to FYE2021.*

Training and Development

To keep pace with the evolving laws, regulations and relevant business developments and outlooks, the Directors attended and participated in various programmes as to enable them to discharge their duties effectively as Directors. As part of their induction, the newly appointed Directors visit several operation sites with the Managing Director where they have the opportunity to meet with local management and get an overview of the Group's business.

During FYE2021, the Directors attended the following training programmes:

Director	Training Attended	Date Held
DATO' ADNAN BIN SHAMSUDDIN	• Create Value with Sustainability organised by Bursa Malaysia Berhad	7 Oct 2020
DATO' ROSLAN BIN HAMIR	• How to be an effective NED in a disruptive world organised by Institute of Corporate Directors Malaysia	21 Sept 2020
	• Enterprise Risk Management Awareness organised by BDO Governance Advisory (in-house)	19 Oct 2020
	• Malaysia Democracy Forum - Charting the Future of Parliamentary Democracy in Malaysia organised by International Strategy Institute	30 Mar 2021
REZAL ZAIN BIN ABDUL RASHID	• Virtual Board Meetings: In an era of social distancing boards organised by Institute of Corporate Directors Malaysia	26 June 2020
	• Corporate Liability under Section 17A of the MACC Act 2009: Practical insights from the UK experience organised by Skrine	16 Jul 2020
	• Shift in Anti-Corruption: Section 17A of the MACC Act 2009 organised by Malaysian Institute of Corporate Governance	9 Sept 2020
	• How to be an effective NED in a disruptive world organised by Institute of Corporate Directors Malaysia	21 Sept 2020

Director	Training Attended	Date Held
REZAL ZAIN BIN ABDUL RASHID (Cont'd)	• Enterprise Risk Management Awareness organised by BDO Governance Advisory Sdn Bhd (in-house)	19 Oct 2020
	• Climate Action: The Board's leadership in greening the financial sector organised by Financial Institutions Directors' Education Programme	2 Nov 2020
	• Governance Symposium 2020 - Driving governance in the new normal: The future begins now organised by MIRA	9 - 10 Nov 2020
	• Audit Committee Conference 2021 organised by Malaysian Institute of Accountants	15 - 16 Mar 2021
	• Malaysia Democracy Forum - Charting the future of parliamentary democracy in Malaysia organised by International Strategy Institute	30 Mar 2021
DR. ROSHAYATI BINTI BASIR	• Sustainable and Responsible Investment Virtual Conference 2020 organised by Securities Industries Development Malaysia	25 - 26 Aug 2020
	• Shift in Anti-Corruption: Section 17A of the MACC Act 2009 organised by Malaysian Institute of Corporate Governance	9 Sept 2020
	• Create Value with Sustainability organised by Bursa Malaysia Berhad	7 Oct 2020
	• BFF 2020 Virtual Conference - Evolutionary change to revolutionary impact organised by Securities Industries Development Malaysia	18 - 19 Nov 2020
	• Shariah Audit Conference 2020 - Mainstreaming Shariah Audit in Islamic Finance organised by Malaysian Institute of Accountants	1 - 2 Dec 2020
ROSELY BIN KUSIP	• ADOPT OR ABORT? Top 5 Strategies for Board Directors to Implement AI organised by Institute of Corporate Directors Malaysia	25 June 2020
	• Virtual Board Meetings: In an Era of Social Distancing Boards organised by Institute of Corporate Directors Malaysia	26 June 2020
	• Enterprise Risk Management - The Essential Building Blocks for a Holistic & Robust ERM Framework organised by Malaysian Institute of Corporate Governance	23 Sept 2020
DATUK BAZLAN BIN OSMAN	• FIDE Module B: Recovery & Resolution Planning and Integrated Reporting; Board Effectiveness, Compliance, Emerging Risks and Future Boards and Board Dynamics, Controlled Companies, Strategy organised by FIDE	6 - 10 Apr 2020
	• FIDE Module B: Fintech and Blockchain and Digital Bank and How Fintech Impacts Banking organised by FIDE	13 - 14 Apr 2020
	• FIDE FORUM (Webinar): Outthink the competition - Post Covid-19 organised by FIDE	5 May 2020
	• Financial Oversight & Assurance Post-Covid-19 organised by Institute of Corporate Directors Malaysia	30 June 2020
	• FIDE Module A - Directors duties and liabilities; Challenges in risk management and the language of risk organised by FIDE	7 - 9 July 2020
	• ACCA Asia Pacific Thought Leadership Forum organised by Association of Chartered Certified Accountants	13 Aug 2020
	• ACCA Asia Pacific Sustainability Roundtable - Working Together to Create a Sustainable Economy organised by Association of Chartered Certified Accountants	26 Aug 2020

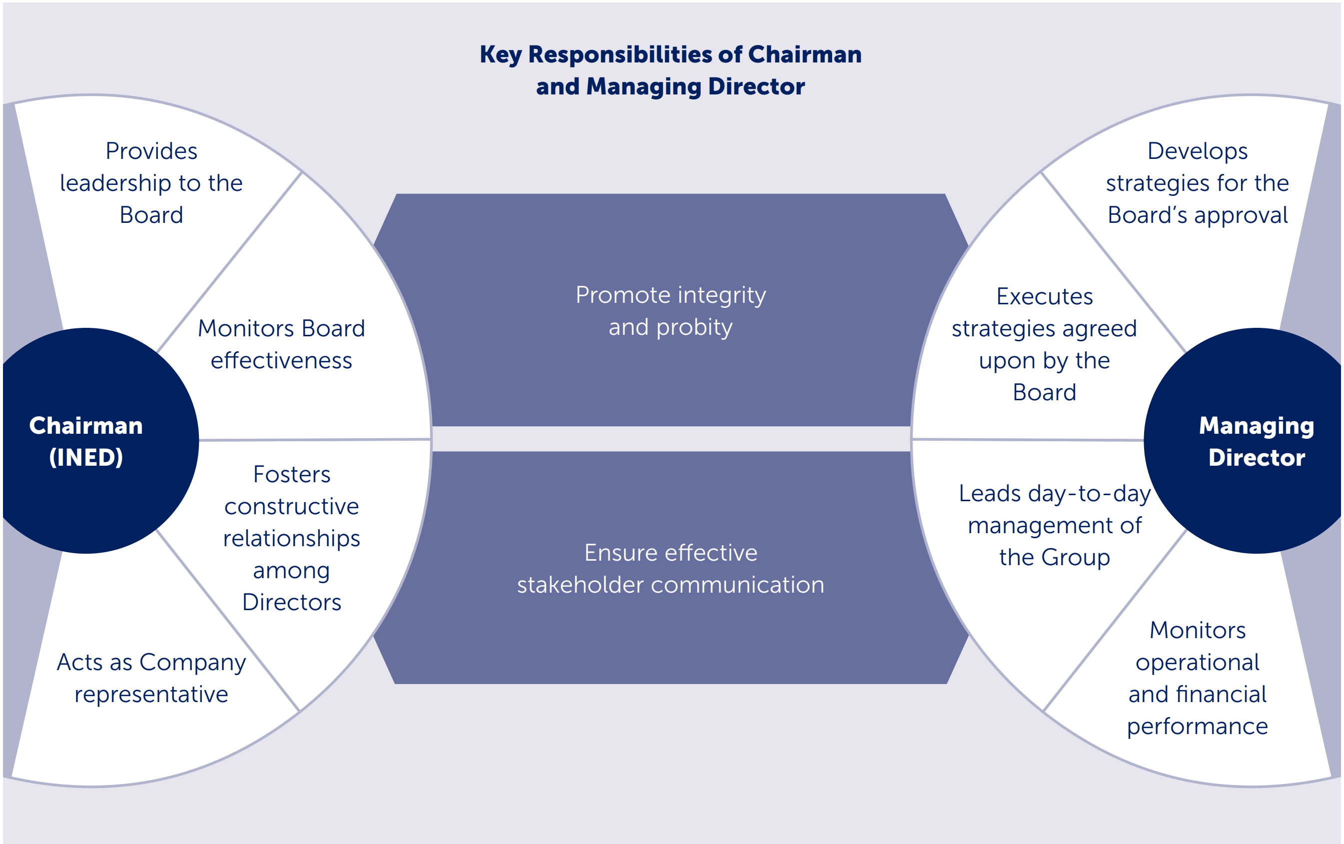
Corporate Governance Overview Statement

Director	Training Attended	Date Held
DATUK BAZLAN BIN OSMAN (Cont'd)	• Risk Management Policies and Framework organised by Malaysian Institute of Corporate Governance	9 Sept 2020
	• UiTM/APMAA Forum - The Role of Management Accountants in Digital Transformation organised by MARA University of Technology Malaysia	8 Oct 2020
	• The Quiet Transformation of Corporate Governance organised by Institute of Corporate Directors Malaysia	3 Dec 2020
	• FIDE Program - Rethinking our approach to Cyber Defense in Financial Institutions organised by FIDE	11 Mar 2021

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

Role of the Chairman and the Managing Director

The positions of Chairman and Managing Director are held by different individuals. The Chairman 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. The Chairman communicates with the Managing Director to review key issues and performance trends. The Managing Director is responsible for the day-to-day management of the Company and its businesses. There is a clear division of responsibilities between the Chairman and the Managing Director, with no one individual has unfettered powers of decision and control.



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

Access to Information, Independent Advice and Indemnification

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

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

Company Secretaries

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

The Company had two (2) Company Secretaries during the financial year. The Company Secretaries report directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. This includes advising the Board and its Committees on governance matters, coordinating Board business and providing a point of reference for dealings between the Board and management. The Company Secretaries inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. All Directors have full access to the advice and services of 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 Senior Management profile section of this Annual Report.

Board Charter

The Board Charter is a statement of the practices and processes the Board has adopted in the discharge of its responsibilities, including matters reserved for the Board and the delegation of authority to the Board Committees. It sets out the roles and responsibilities of the Board Committees, individual Directors, the Chairman and the Managing Director as well as the Senior Independent Director. The Board Charter also defines the relationship and interaction between the Board and management. The Board Charter was reviewed and updated in FYE2021 and is available on the Company's website under 'Investors' page.

The Board Charter will be reviewed annually to ensure that it is in line with the relevant regulatory updates.

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 is available on the Company's website.

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 Whistle-Blowing Policy has been in place since 2011. The policy 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 whistle-blowing reports are addressed to the Managing Director or Chairman of the Audit and Risk Committee. The Audit and Risk Committee has oversight of incidents reported under the Whistle-Blowing Policy.

Other Policies

The Company has a number of other policies which define the Company's commitment to good corporate governance and responsible business practices. Among these are the 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.

Corporate Governance Overview Statement

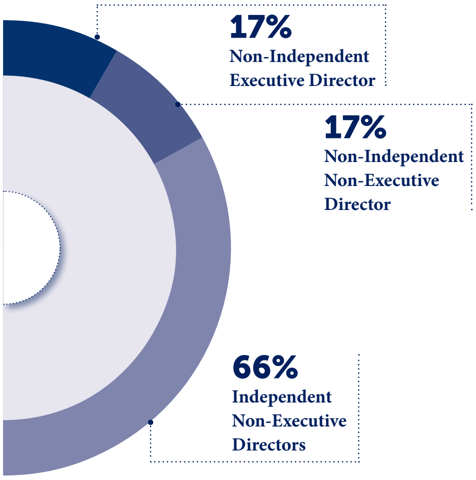
II. COMPOSITION OF THE BOARD

The Board has responsibility for ensuring that it has the necessary skills, experience and independence to meet its objectives and regulatory requirements. As at the date of this Statement, the Board comprises six (6) Directors, including four (4) Independent Non-Executive Directors and one (1) female Director.

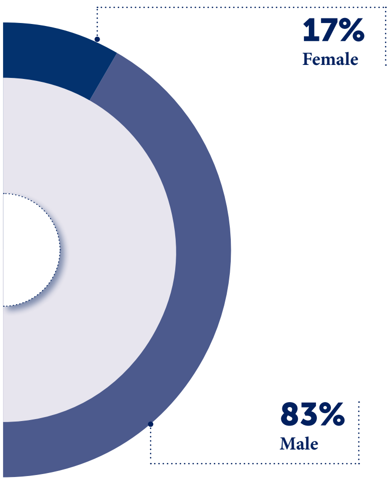
The current Directors possess an appropriate mix of skills, commitment, experience, expertis, including knowledge of the Group and the relevant industries in which the Group operates, and diversity to enable the Board to discharge its responsibilities effectively and deliver the Group's strategic priorities as a diversified Company. In addition, the composition of the Board meets the requirement for independent directors provided for in the Bursa Listing Requirements.

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

Board Composition



Board Diversity



Appointment Process for Nomination and Selection of New Directors

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

Independence of Directors

Name	Date of Appointment
Rezal Zain bin Abdul Rashid	25 June 2002
Dato' Adnan bin Shamsuddin	20 May 2003
Rosely bin Kusip	14 March 2019
Datuk Bazlan bin Osman	5 April 2019

** Encik Nik Feizal Haidi bin Hanafi was appointed on 3 August 2021, subsequent to FYE2021 and date of this Statement.*

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

The independence of Independent Non-Executive Director is assessed prior to appointment and reviewed annually by the Nomination and Remuneration Committee as part of its annual evaluation of Board effectiveness, having regard to:

- any disclosures made by Directors regarding their independence.

- the definition of independence set out in the Bursa Listing Requirements.
- the relationships affecting the independent status of a Director as described in the Bursa Listing Requirements.
- any other matters the Board considers relevant.

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 accepting the Letter of Appointment, he/she is required to disclose to the Company all relevant information about entities in which he/she has a direct/indirect material interest, 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

- An 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 a 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.

Re-election of Directors

The Constitution of the Company states that one-third of the Directors must retire by rotation at each Annual General Meeting ("AGM") together with any new Directors appointed by the Board during the period since the last AGM. Retiring Directors are eligible to stand for re-election.

The Nomination and Remuneration Committee reviews the Directors who are due to retire in accordance with the Company's Constitution and makes relevant recommendations on their re-election to the Board. Directors who are due for re-election at the forthcoming AGM are as set out in the Notice of AGM in this Annual Report.

Performance Evaluation

The Board undertakes annual evaluation of the Board's work, its Committees and individual Directors, with the aim of further developing and enhancing Board procedures and efficiency and identifying future focus areas of the Board. Every three (3) years, the Board engages an external consultant to undertake a review of the effectiveness and structure of the Board and the Board Committees.

For FYE2021, the evaluation was conducted internally, facilitated by the Company Secretaries. The results of these evaluations were reviewed by the Nomination and Remuneration Committee and the outcomes and recommended actions were thereafter tabled and discussed by the Board and improvement actions were agreed based on such discussions.

2017 Independent, externally facilitated review

2018 Internal performance review

2019 Internal performance review

2020 Independent, externally facilitated review

2021 Internal performance review

Corporate Governance Overview Statement

Key Areas Covered in the Evaluation Questionnaire

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

Individual Board Evaluation Assessment
- Fit and proper
- Contribution and performance
- Calibre and personality

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

Nomination and Remuneration Committee Evaluation Assessment
- Composition and quality of the Committee
- Oversight of appointment/election and performance evaluation of Directors and senior management
- Oversight of remuneration roles and responsibilities
- Committee meeting process and procedures

Evaluation Process

Stage 1	Completion of questionnaires on the effectiveness of the Board, Committees and individual Directors
Stage 2	Collation of results and preparation of a detailed report on the findings and actions
Stage 3	Board evaluation report discussed in the Nomination and Remuneration Committee and Board meetings
Stage 4	Areas for continuous improvement are recommended to the Board

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 the responsibilities of the Directors.

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

The aggregate amount of remuneration paid to the Directors in FYE2021 is set out below:

	Executive Director	**Non-Executive Directors**				
	Dato' Roslan bin Hamir	Dato' Adnan bin Shamsuddin	Rezal Zain bin Abdul Rashid	Dr. Roshayati binti Basir	Rosely bin Kusip	Datuk Bazlan bin Osman
		RM				
Company						
Directors' fees	-	85,000	65,000	50,000	60,000	60,000
Meeting allowance	-	36,000	44,000	18,000	28,000	24,000
Salaries	314,037	-	-	-	-	-
Bonus	205,200	-	-	-	-	-
Benefits-in-kind	4,000	12,947	41,525	-	15,071	13,362
Others	99,993	-	-	-	-	-
TOTAL	**623,230**	**133,947**	**150,525**	**68,000**	**103,071**	**97,362**
		RM				
Subsidiaries						
Directors' fees	-	36,000	30,000	-	-	-
Meeting allowance	-	2,000	4,000	-	-	-
Salaries	477,312	-	-	-	-	-
Bonus	307,800	-	-	-	-	-
Benefits-in-kind	35,200	-	-	-	-	-
Others	149,608	-	-	-	-	-
TOTAL	**969,920**	**38,000**	**34,000**	**0**	**0**	**0**

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 2022, respectively.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK COMMITTEE

The Audit and Risk Committee currently consists of four (4) Non-Executive Directors, all of whom are independent, and is chaired by a Senior Independent Director, Encik Rezal Zain bin Abdul Rashid. The other members are Dato' Adnan bin Shamsuddin, Datuk Bazlan bin Osman and Encik Rosely bin Kusip. The experience and qualifications of members of the Committee are disclosed in Our Board of Directors section of this Annual Report. The Audit and Risk Committee has 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 FYE2021 are as follows:

	Audit Fees (RM'000)		Non-Audit Fees (RM'000)	
	2021	2020	2021	2020
Company	87	93	11	10
Subsidiaries	272	272	227	187
TOTAL	**359**	**365**	**238**	**197**

Information about the Audit and Risk Committee, including its work in FYE2021, is 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 process and procedures. The Audit and Risk Committee provides advice and assistance to the Board in meeting that responsibility and the role of the former in relation thereto is described in the Statement on Risk Management and Internal Control of this Annual Report.

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 the Company's obligations under the Bursa Listing Requirements, including the obligation concerning related party transactions and recurrent related party transactions. The Board, through its Audit and Risk Committee, reviews and monitors all related party transactions and conflicts of interest situations, 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 the AGM.

Details of the proposed renewal of shareholders' mandate for recurrent related party transaction are set out in the Circular/Statement to Shareholders dated 27 August 2021.

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 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 communications 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 Calender

FINANCIAL YEAR

1 April 2020 to 31 March 2021

First Quarter Announced	**18 August 2020**
Second Quarter Announced	**12 November 2020**
Third Quarter Announced	**22 February 2021**
Fourth Quarter Announced	**29 June 2021**

Annual Report

Issued 27 August 2021

Annual General Meeting

To be held 21 September 2021

Dividends

Interim Dividend

Announced	Entitlement date	Payment date
12 November 2020	14 December 2020	30 December 2020

Second Interim Dividend

Announced	Entitlement date	Payment date
29 June 2021	17 August 2021	3 September 2021

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. In 2020, in view of the Covid-19 pandemic, the 45th AGM of the Company was held virtually via live streaming and online remote voting ("45th Virtual AGM") at the Broadcast Venue at the Training Room, Kumpulan Fima Berhad on 29 September 2020. All members of the Board were present at the Broadcast Venue to respond to questions posted by the shareholders or proxies through remote participation and electronic voting ("RPEV") facilities. The voting process for the 45th Virtual AGM was conducted via RPEV facilities, and the results of the votes were scrutinised by an independent scrutineer. The proceedings of the 45th Virtual 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 45th Virtual AGM of the Company was delivered to the shareholders on 28 August 2020 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 21 July 2021.

AUDIT AND RISK COMMITTEE REPORT

COMPOSITION

The members of the Audit and Risk Committee ("ARC") as at the date of this Report are:

Rezal Zain bin Abdul Rashid
Chairman
Senior Independent Non-Executive Director
- Member, Malaysian Institute of Accountants
- Member, Certified Practicing Accountant (CPA Australia)

Datuk Bazlan bin Osman
Member
Independent Non-Executive Director
- Fellow of Association of Chartered Certified Accountants
- Member, Malaysian Institute of Accountants

Dato' Adnan bin Shamsuddin
Member
Independent Non-Executive Director

Rosely bin Kusip
Member
Independent Non-Executive Director

The ARC comprises four (4) members who are Independent Non-Executive Directors. The ARC meets the requirements of paragraph 15.09(1)(c) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa") which stipulates that at least one (1) member of the ARC must be a qualified accountant.

ROLES OF THE COMMITTEE

The role of the ARC is to assist the Board in fulfilling the following key responsibilities:

- 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.

The roles and responsibilities of the ARC are set out in its written Terms of Reference which is available on the Company's website. The ARC's scope in areas such as financial reporting, risk management and the internal and external audit functions in its Terms of Reference has been updated in June 2021 to reflect current practices as well as to align with the outcomes of the Enterprise Risk Management review exercise.

MEETINGS

The ARC's meetings are generally scheduled in line with the Group's financial reporting calendar. The Committee met 5 times during the financial year ended 31 March 2021 ("FYE2021") and attendance at these meetings is disclosed as follows:

Members	Meeting Attendance
Rezal Zain bin Abdul Rashid	5/5
Dato' Adnan bin Shamsuddin	5/5
Rosely bin Kusip	5/5
Datuk Bazlan bin Osman	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 in advance of meetings.

The ARC meetings are attended by the Managing Director, Financial Controller and Head of Group Internal Audit ("GIA") to facilitate deliberations as well as to provide clarification on audit issues. The ARC may also invite senior management to participate in the meetings, when necessary.

The external auditors are invited to the meetings to discuss their key audit findings/matters, management letters, audit planning memorandum and other matters deemed relevant. As at the date of this Report, the ARC had 2 private sessions without management presence with the external auditors on 22 July 2020 and 18 March 2021, to discuss key issues within their audit of interest and responsibility.

The Company Secretaries act as the secretaries to the ARC. The Company Secretaries shall cause minutes to be entered in the books provided for the purpose of recording all resolutions and proceedings of minutes and shall be kept at the registered office of the Company for inspection by any member of the ARC or the Board. Such minutes shall be signed by the Chairman of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts. Minutes of each meeting 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 recommendation to the Board, the ARC will provide such background and supporting information as may be necessary for the Board to make an informed decision.

SUMMARY OF ACTIVITIES

The following summarises the key activities of the ARC during the financial year ended 31 March 2021:

Area of focus	Matters considered/reviewed/deliberated/approved
Financial Reporting	• Quarterly financial results, prior to submission to the Board for approval. • Annual Audited Financial Statements and the Directors' Report, for recommendation to the Board for approval. • Proposal of dividend payments and solvency of the Company before recommending for the Board's approval. • Changes to the accounting policies and practices as well as accounting treatments used in the financial statements. • Recurrent related party transactions ("RRPT")/related party transactions at every quarterly meeting.
Risk Management and Internal Control	• Review and formulation of the new Enterprise Risk Management ("ERM") framework, Risk Appetite Statement, revised Risk Profile and ERM standard operating procedures following the review of the Group's ERM framework undertaken by BDO Governance Advisory Sdn Bhd. • Results of the cybersecurity audit by Universal Minds Sdn Bhd covering, among others, cyber risk governance, data security, policies and technical and physical security controls. • Establishment of a bribery risk register. • Updates on material litigation. • Summary of industrial relations/accident cases and whistleblowing complaints received through the whistleblowing channels. • Audit Plan which outlined the audit strategy and approach for FYE2021, by the external auditors, Messrs. Ernst & Young PLT ("EY PLT"). • External auditors' fees and non-audit services before recommending to the Board for approval. • Major issues that arose during the course of the audit and their resolution. • Key accounting policies and audit judgements. • Recommendations made by EY PLT in their management letters and the adequacy of management's response. • Request for Proposal for audit services. • Recommendations to the Board on the reappointment of EY PLT as the Company's auditors and for the same to be put for shareholders' approval at the Annual General Meeting. • Annual assessment of EY PLT's performance including independence, objectivity and professionalism.
Internal Audit	• Internal Audit Plan for FYE2021 and progress of the implementation thereof. • Internal audit reports (including investigations and special assignments), main observations made by GIA and the responses from the management. • Structure of GIA, its independence and adequacy of its resources and budget. • Nature and extent of the non-audit activities performed by GIA. • Meetings with GIA without management presence to discuss key issues within their audit of interest. • Outcome of the annual assessment of the effectiveness of the internal auditors which was conducted via a detailed questionnaire.

AUDIT AND RISK COMMITTEE REPORT

Area of focus	Matters considered/reviewed/deliberated/approved
Compliance, Governance and Other Matters	• Company's compliance with the Bursa Listing Requirements, Malaysian Accounting Standards Board and other relevant legal and regulatory requirements with regards to the quarterly and year-end financial statements. • Audit and Risk Committee Report together with the Statement on Risk Management and Internal Control, prior to submission to the Board for approval. • Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for RRPT and shares buy-back. • Quarterly review of the Group's sustainability performance. • Results of the Malaysian Sustainability Palm Oil surveillance audit and the key observations therefrom. • Thematic Review by Bursa, which focused on the internal audit function, compliance with the relevant requirements and disclosure in the Annual Report, and the gap analysis measuring the Company's status against the 7 criteria applied by Bursa in the said review.

During FYE2021, 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.

EVALUATION OF THE AUDIT AND RISK COMMITTEE

For the FYE2021, the annual assessment and evaluation of the performance of the ARC was conducted in-house by the Company Secretaries. The key areas covered in the evaluation questionnaires were:

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

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

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 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 FYE2021, 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 Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa"), and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITIES OF THE BOARD

The Board affirms its overall responsibility for the Group in maintaining a sound system of risk management and internal control. The Board, through its Audit and Risk Committee ("ARC"), regularly reviews, identifies, evaluates and manages the relevant and key risks identified by the Group. 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.

The ARC assists the Board to oversee the management of all key risks including review of the adequacy and effectiveness of the Group's risk management and internal control system to ensure that appropriate measures are carried out by the management to obtain the level of assurance required by the Board. The ARC, with the assistance of the Risk Steering Committee ("RSC"), has oversight of the Group's risk management framework and obtains assurance through the Group Internal Audit Department ("GIA") on the adequacy and effectiveness of the risk management and internal control systems.

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:

1. 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 and add value to and improve the Group's business operations.

2. Heads of Divisions' meetings, which are held by the holding company, Kumpulan Fima Berhad ("KFima") and chaired by the Group Managing Director ("Group MD"), are convened 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 of any significant matters that require the Board's immediate attention.

3. 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.

4. There is a budgeting and forecasting system. Each line of business submits a business plan annually for approval by the Board. The results of the lines of businesses are reported monthly and variances are analysed against budget and acted on in a timely manner. The Group's strategic directions are also reviewed annually taking into account changes in market conditions and significant business risks.

5. The periodic and streamlining review of limits of authority and other standard operating procedures within the Group provides a sound framework of authority and accountability within the organisation and facilitates quality, well-informed and timely corporate decision making at the appropriate level in the organisation's hierarchy.

6. The compliance function, which includes the ARC and internal audit function, assists the Board to oversee the management of risks and review the effectiveness of internal controls. The ARC reviews reports from GIA and also conducts annual assessments on the adequacy of GIA's scope of work.

7. The ARC convenes regular meetings to deliberate on findings and recommendations for improvement by both the internal and external auditors on the state of the system of internal control, 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.

8. Review and award of major contracts which exceed the limits delegated to the Managing Director or senior management are undertaken by the Board.

9. Clearly documented standard operating procedure manuals set out the policies and procedures for dayto-day operations to be carried out. Periodic reviews are performed to ensure that documentation remains current, relevant and aligned with evolving business and operational needs.

10. 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION

The Group's internal audit function is undertaken by GIA of KFima, which provides the Board, through the ARC, with independent assurance on the efficiency and effectiveness of the Group's governance, risk management and internal controls and its processes are adequate and are operating effectively and efficiently. To ensure independence and objectivity, GIA reports directly to the ARC and administratively to the Managing Director. GIA is guided by its Internal Audit Charter that provides independence and reflects the roles, responsibilities, accountability and scope of work of GIA.

GIA reports to the ARC and communicates to management on audit observations noted in the course of their review, as well as monitors the status of actions taken by the operating units. It conducts independent reviews of the key activities within the Group's operating units based on a detailed annual audit plan developed using a risk-based methodology including input from senior management and the ARC, and approved by the ARC. Any concerns raised by the ARC are addressed by GIA. The ARC follows through on any unresolved matters as part of the agenda in the next ARC meeting. GIA's evaluations include the following:

(a) 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.

(b) The extent of compliance with established policies, procedures and statutory requirements.

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

The following is a summary of the activities of GIA during the financial year ended 31 March 2021 ("FYE2021"):

(a) Prepared the annual audit plan for approval by the ARC.

(b) Performed risk-based audits based on the approved annual audit plan, including follow-up of matters from previous internal audit reports as well as any unplanned/special assignments undertaken by GIA. Among the special assignments undertaken by GIA included a special focus audit on a Group subsidiary.

(c) Issued internal audit reports to the management on risk management, control and governance issues identified from the risk-based audits, together with recommendations for improvements in these processes.

(d) Reported on a quarterly basis to the ARC on significant risk management, control and governance issues from the internal audit reports issued, the results of investigations and special reviews undertaken and the results of follow-up of matters.

(e) Reported on a quarterly basis to the ARC the achievement of the audit plan and status of resources of the GIA function.

(f) 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.

(g) Conducted regular follow-up and monitoring on the implementation of recommendations made by the GIA function to ensure that appropriate corrective actions were taken on a timely basis or within agreed timelines.

(h) Reviewed the procedures relating to related party transactions entered into by the Group to ensure that the related party transactions were conducted on the Group's normal commercial terms and were not to the detriment of the Group's minority shareholders.

(i) Reviewed the Internal Audit Standard Operating Procedures.

(j) 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 of all estates operated by the Group.

(k) Coordinated and facilitated the review of the Group's Risk Management framework by an external consultant, BDO Governance Advisory Sdn Bhd ("BDO").

(l) Met with the external auditors via conference call without management presence on 9 February 2021 to discuss key issues within their audit of interest and responsibility.

(m) Prepared the ARC Report and Statement on Risk Management and Internal Control for the Company's 2020 Annual Report.

In FYE2021, GIA completed eleven (11) internal audit reports covering the activities of the Group. These were reports from assignments undertaken based on the approved internal audit plan as well as any unplanned investigations and special assignments undertaken by GIA.

The total costs incurred by GIA in discharging its functions and responsibilities in FYE2021 amounted to RM176,433.22, compared to RM136,511 in FYE2020. This amount mainly comprised staff cost, general and travelling expenses. Further information on GIA is provided in the Corporate Governance Report.

ENTERPRISE RISK MANAGEMENT ("ERM")

The Group has in place a risk management framework which is generally aligned with the principles of MS ISO 31000:2018 Risk Management Principles and Guidelines, which set out the standards and processes for identifying, monitoring and escalation of risks impacting the success of the Group's strategic objectives.

Cognisant of the dynamic corporate and regulatory landscape, the Board in FYE2021 commissioned BDO to undertake a comprehensive review of the Group's existing ERM framework.

The following illustrates the key processes involved in the ERM review exercise which began in October 2020:

Process	Activities Involved
Phase 1 Risk Awareness & Setting of Parameters for Risk Assessment	• The ERM exercise kicked off on 19 October 2020 with a Risk Awareness Workshop for key management personnel from various business units and Group-level functional departments as identified by GIA. • The draft Risk Appetite Statement and proposed parameters to be used as a guide for assessment of likelihood and impact of risk events for the Group were presented to the RSC on 9 November 2020. The RSC endorsed the changes to the parameters proposed by BDO.
Phase 2 Risk Identification	• The identification of risks for each division/department was performed via facilitated risk identification sessions encompassing discussions with key management personnel of each division/ department within the Group. These sessions were conducted virtually via conference call (except for the Manufacturing division which was conducted physically at the office) due to the Movement Control Order. The Group's existing risk registers were used as a basis. • The sessions involved identifying the sources of risks (both internal and external) faced by each division/ department, the causes and consequences of the risks and the existence of controls currently in place to manage those risks identified. The aim of these sessions was to generate a comprehensive list of risks that may affect the achievement of the Group's objectives.
Phase 3 Risk Evaluation/ Assessment	• Risk evaluation sessions were conducted through virtual discussions via conference call with key management personnel of relevant business divisions/ departments. Risk events were pre-evaluated by BDO prior to these sessions, and any differences in opinion with regards to the risk ratings were deliberated, discussed and agreed upon during these sessions. • Based on the list of risks, assessments on the Risk Identification sessions, gross risk was rated using the parameters as a guide to assess the impact and likelihood of the risks identified, respectively. Gross risks arise from risk events that are rated before taking into account the controls in place to mitigate those risks. • Upon rating gross risks, assessment on the effectiveness of existing controls were undertaken to analyse how the impact and likelihood of the gross risks events would change upon applying existing internal controls, which resulted in the residual risk ratings. The effectiveness of existing controls was assessed based on the ratings, i.e. satisfactory, some weaknesses and weak. • The results of the risk evaluation sessions were presented in draft Risk Cards detailing each risk event identified, causes and controls in place to manage the risk, assessment of the risk (both gross and residual) in terms of likelihood and impact and management action plans (if any).
Phase 4 Risk Profiling & Treatment of Risk	• The draft Risk Register/Risk Cards were reviewed by the relevant division/ department personnel involved to confirm the details and risk ratings of each risk event identified. • A risk rationalisation session was conducted with the RSC on 11 February 2021 to discuss and agree on key risks, i.e. those rated as "Very High" and "High", and to develop risk treatment actions, where appropriate/necessary. • The finalised Risk Register/Risk Cards and Risk Matrix were compiled upon confirmation and agreement by the RSC, and these shall be used for future risk monitoring and reporting.
Phase 5 Risk Management Monitoring & Reporting	• Moving forward, the Risk Profile may change given the volatility of the business environment and continuous growth and expansion of the Group. As such, regular and continuous identification, review and management of risks are essential. These tasks remain the responsibility of the management and the Board of Directors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Detailed risk registers are used to capture the identified key risks and controls information. The identified key risks and controls are assessed and categorised to highlight the sources of risk, their impacts and the likelihood of occurrence and then recorded in the risk profile for continuous monitoring. The Group's risk profile is generated by plotting each risk event onto a risk matrix which outlines the residual risk rating of each risk identified. The residual risks are rated as "very high", "medium" and "low" having taken into account the combination of the ratings in terms of "likelihood" and "impact" of a risk event as well as the effectiveness of the existing controls.

Risk profiles of the business divisions/departments were reviewed and considered by the ARC on 22 February 2021 and thereafter presented to the Board for endorsement and approval.

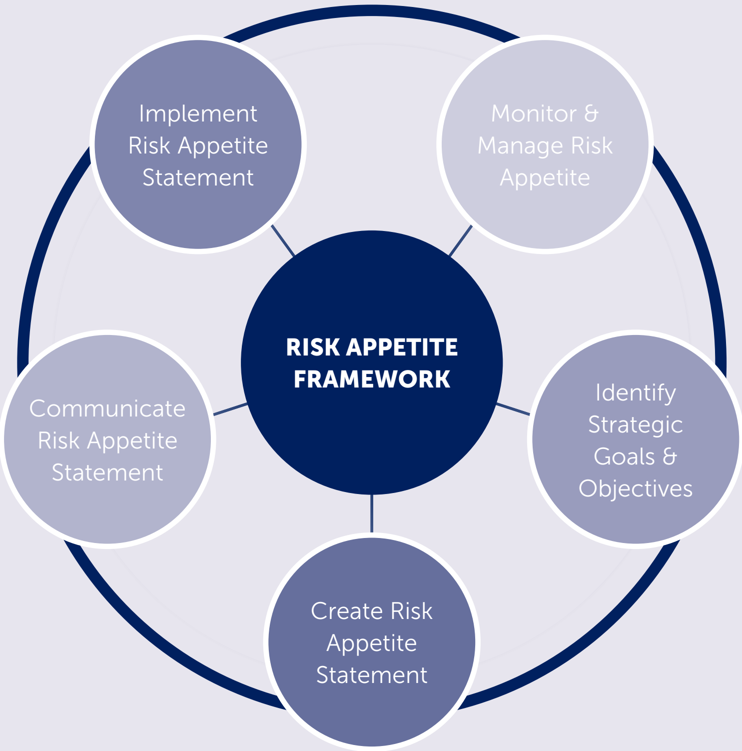
Subsequently, the Board, on the recommendation of the ARC, approved the adoption of the enhanced Risk Management Framework together with the Risk Appetite Statement and Risk Profile on 22 February 2021. The revised ERM standard operating procedures were also approved by the ARC on 22 February 2021.

Risk Appetite Statement

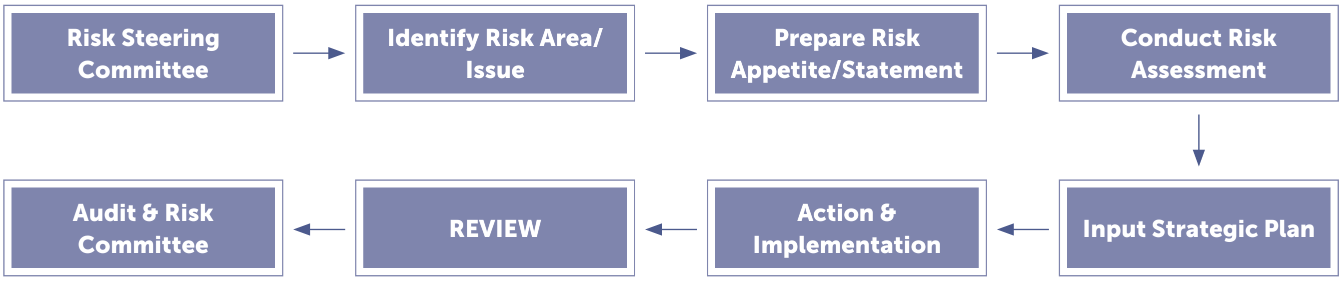
The Risk Appetite Statement is crafted at Group level and cascaded down to divisions, departments and operating unit levels through policies, procedures, practices and decision making. Monitoring of the risk appetite occurs within the risk management framework and through periodic risk assessment by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

The Risk Appetite Statement includes measurable guidelines demonstrating the Group's risk tolerance levels. Risk tolerance levels are risk-taking boundaries that the Group will not accept if they are exceeded. Any critical breach of risk tolerance limits will be reported (as soon as practical) to the Board directly by the Chairman of the RSC.

The Risk Appetite Statement was approved by the Board on 22 February 2021, and articulates the significant risks to which the Group is exposed in the pursuit of its businesses and the approach to managing these risks.



Risk Management Process and Output



The RSC was established to assist the ARC and the Board in the continuous process of identifying, measuring, controlling, monitoring and reporting significant and material risks affecting the achievement of the Group's business objectives. It provides the Board and the Group's divisional heads with a tool to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in the business and regulatory environment, the Group's strategies and functional activities throughout the year.

The RSC's duties and responsibilities are set out in its Terms of Reference, which have been enhanced to reflect the expanded purview of the RSC, which includes and incorporates sustainability as part of the risk management framework and includes review and oversight functions of the Group's policies and procedures for detecting, reporting and preventing breaches of conduct, whistle-blowing and bribery.

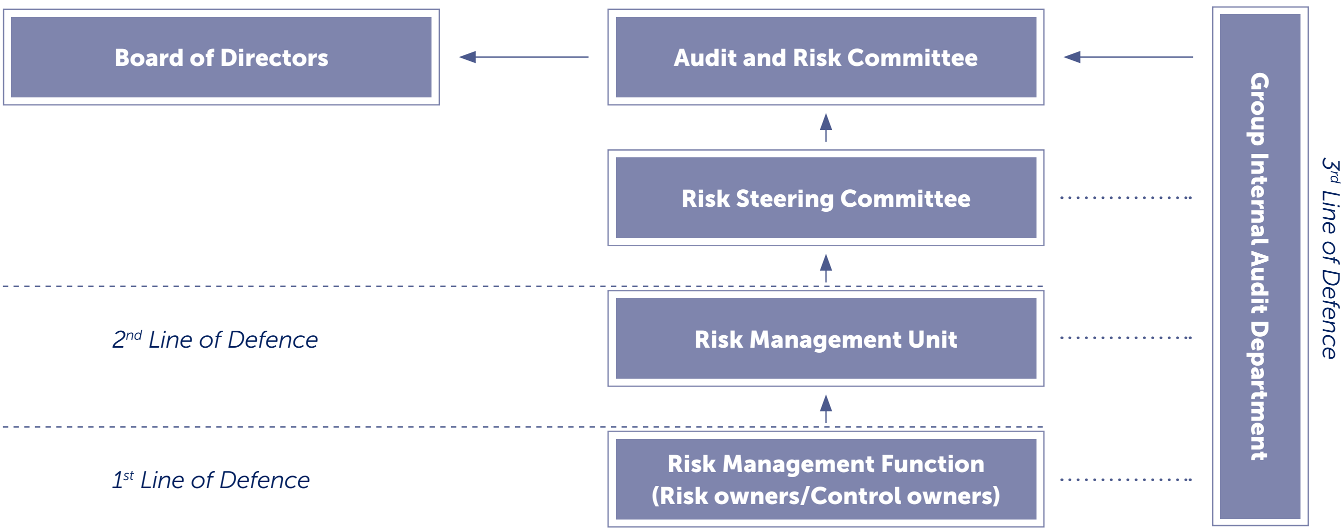
The responsibility for day-to-day risk management resides with the management of each business unit where they are the risk owners and are accountable for managing the risks identified and assessed. In managing the risks of the Group, GIA collaborates with management to review and ensure that there is ongoing monitoring of risks, the adequacy and effectiveness of related controls and that action plans are developed and implemented to manage the risks within the acceptable levels set 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;
- facilitating and supervising the development and implementation of policy, procedures and strategies relating to ERM; and
- ERM training and communication.

Two (2) RSC meetings were conducted in FYE2021 on 9 November 2020 and 11 February 2021.

The diagram below illustrates the roles and responsibilities of risk management practices across the Group:

ENTERPRISE RISK MANAGEMENT REPORTING STRUCTURE



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The risk management philosophy adopted by the Group is based on the 3 lines of defence approach. Risk management activities are undertaken at business units/departments and risk reports are reviewed by the RSC prior to deliberation at the ARC. Each appointed and dedicated risk focal person has the responsibility for risk management activities in their respective business unit/department to ensure consistent implementation of risk management processes across the Group.

1st line of defence

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 incur in conducting their activities and are responsible for identifying and managing the inherent operational risks in activities, processes and systems for which it is 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. the 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

The RMU is the second line of defence and oversees risk and monitors the first line of defence controls. The RMU is made up of executives/management of the respective business units and is responsible for monitoring and measuring operational risks, especially the critical and highly rated residual risks areas, to determine if the processes and systems implemented by the first line 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.

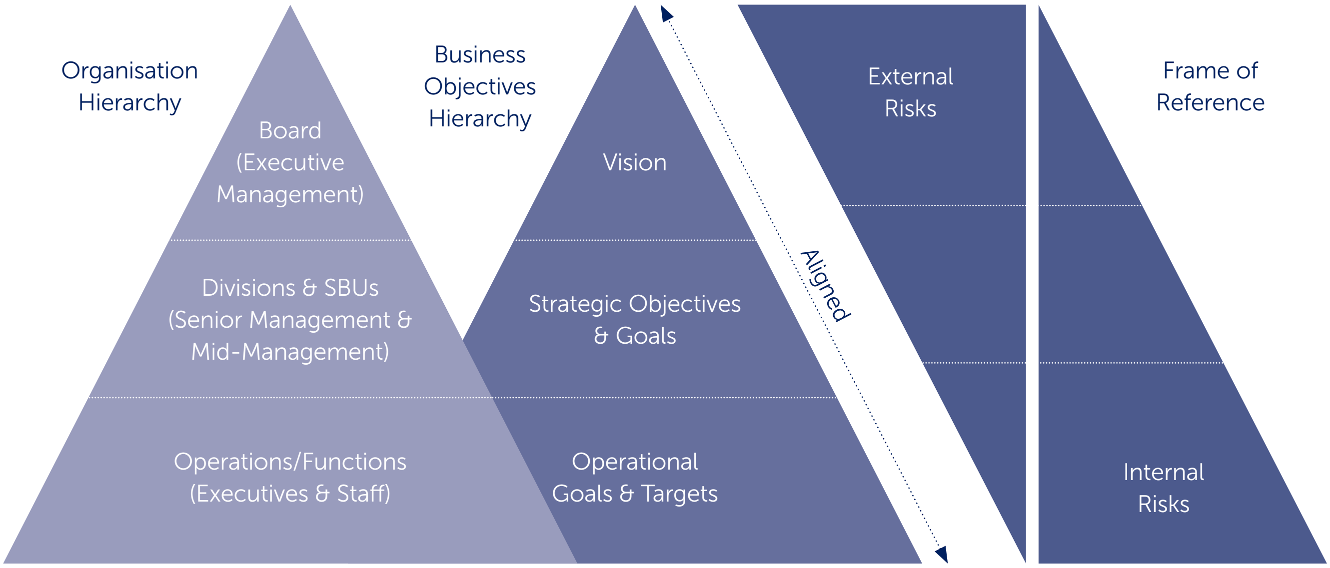
3rd line of defence

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.

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

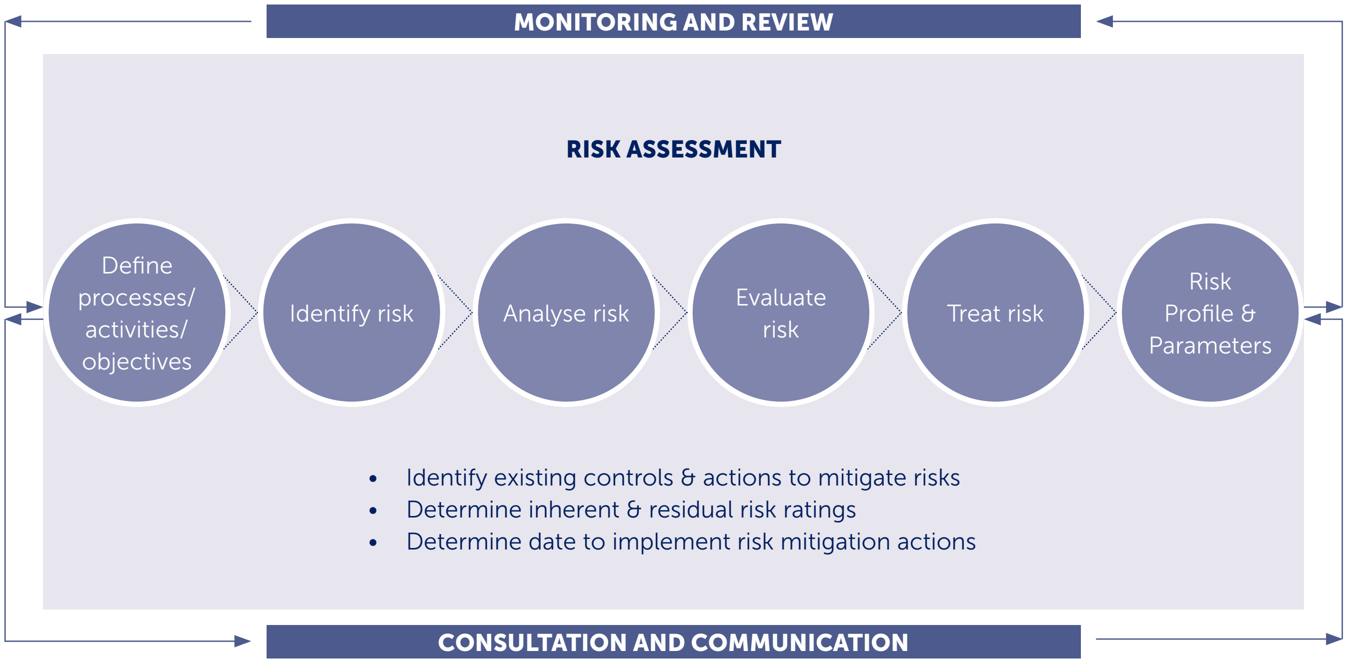
1 Prepare	2 Compile	3 Review	4 Update	5 Monitor
RMU prepares the Risk Register indicating the current condition of each risk and plan	Risk Management Coordinator compiles all Risk Registers	RSC reviews Risk Registers together with RMU annually	Risk Registers are updated based on the latest risk information	RMU monitors and reports risk information

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.
- Reviews of specific transactions, projects or opportunities are also discussed between the management and the Board as and when required. This allows the Board and management to manage potential risks.
- The ARC deliberates and discusses reports issued by 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

The table below presents the key enterprise risks in FYE2021:

Key Enterprise Risk	Risk Appetite Statement	How FimaCorp Manages the Risk in FYE2021	Connection	
Health & Safety	FIMA regards health and safety as core indicator of its business success FIMA does not tolerate any activities where adequate measures in preventing foreseeable death/ debilitating injuries wasn't deployed effectively	Assurance over our HSE processes and controls provided by our in-house HSE teams/internal audit supported by external subject matter experts, where needed Implementation of health and safety-related training to employees/visitors/ contractors Covid-19 screening and testing (for all plantation workers), workplace sanitisation, PPE use and social distancing Regular maintenance of the machines and equipment to meet the applicable local standards and requirements First aid training to relevant personnel and routinely preparing and practising our emergency response to potential incidents such as a spill or a fire	Material Matters ***Occupational Safety, Health & Well-being***	Stakeholders ***a. Employees*** ***b. Suppliers***
Integrity	FIMA will not tolerate any breach of its Code of Ethics and Conduct and its zero tolerance towards bribery and corruption stance	Accessible, confidential and trusted whistleblowing channel to raise concerns on misconduct Anti-corruption declaration for anyone acting for and on behalf of FimaCorp (employees, vendors, etc.) Anti-corruption clauses in contracts Due diligence on third parties before entering into any relationship Procurement Policy and Tender Committee for major contract/awards Periodic review of mandated authority limits by senior management Investigation of suspected and reported incidents of misconduct or illegal acts	Material Matters ***a. Anti-Fraud, Bribery & Corruption*** ***b. Code of Ethics & Governance***	Stakeholders ***a. Employees*** ***b. Shareholders & Investors*** ***c. Customers*** ***d. Communities*** ***e. Memberships & Associations*** ***f. Suppliers*** ***g. National & local Governments***

Key Enterprise Risk	Risk Appetite Statement	How FimaCorp Manages the Risk in FYE2021	Connection	
Regulatory	FIMA has no tolerance towards any significant regulatory non-compliances FIMA will comply with all relevant legislation, and does not tolerate any significant non-compliances, i.e. non-compliances that lead to loss of trust/ reputation and/or imprisonment of officials in relation to their duties in/for FIMA	Established policies and procedures for key matters (e.g. procurement, environmental, HR, HSE, anti-bribery, etc) Legal/tax/finance teams work closely with our businesses and help them to identify, understand and comply with local laws and fiscal regulations Effectiveness of Group's internal controls and processes reviewed by internal audit Whistleblowing channels exist to provide a consistent Group-wide approach to reporting unethical behaviour We reviewed our operating procedures relating to, inter alia, working hours, wages, forced and child labour to ensure that all relevant labour standards are adhered to	Material Matters ***a. Anti-Fraud, Bribery & Corruption*** ***b. Code of Ethics & Governance***	Stakeholders ***a. Shareholders & Investors*** ***b. Customers*** ***c. Memberships & Associations*** ***d. Suppliers*** ***e. National & local Governments***
Natural Environment	FIMA is committed in minimising environmental impact of its operations through sustainable and responsible business practices FIMA does not tolerate significant non-compliances, i.e. behaviour and practices that pollute the environment or endanger any wildlife contrary to environmental and conservation standards prescribed by local laws and/ or which may cause public outrage	Monitor, manage and mitigate the Group's impact on the environment, including (but not limited to): Flood mitigation system at flood-prone areas to minimise the impact of river water overflowing Water catchment infrastructure/ water management plan Wildlife management measures when planning estates' land usage Establishing elephant trenches and joint task force with nearby estates to manage elephant conflicts Collaboration and continuous engagement with local wildlife and forestry authorities Solar panels as an alternative energy source for energy Zero-discharge palm oil mill No open burning policy	Material Matters ***a. Water Impact & Waste Management*** ***b. Greenhouse Gas ("GHG") Emissions, Discharge & Waste Management*** ***c. Climate Risk***	Stakeholders ***a. Communities*** ***b. Memberships & Associations*** ***c. National & local Governments***
Technology Disruption	FIMA will seek to minimise risk of technological disruption by continuously exploring synergistic opportunities with technological partners or through other means in order to innovate its product offerings as part of its digital-proofing strategies	Power outage, maintenance and site safety procedures in place and audited Annual review of product life cycle of software and hardware and warranty policies Adequate service level agreements with external service providers IT disaster recovery plan for IT systems and infrastructure in place and audited	Material Matters ***a. Innovation & Technology Excellence***	Stakeholders ***a. Employees*** ***b. Shareholders & Investors*** ***c. National & local Governments***

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Key Enterprise Risk	Risk Appetite Statement	How FimaCorp Manages the Risk in FYE2021	Connection	
Data Protection	FIMA does not tolerate any leakage of confidential information and/or illegal manipulation of legal information (e.g. tax, accounting records)	IT SOPs covering areas such as system access control, change management, security incident management, system development and maintenance reviewed, updated and audited periodically Antivirus/firewall software installed and updated periodically	Material Matters ***a. Innovation & Technology Excellence*** ***b. Code of Ethics & Governance***	Stakeholders ***a. Employees*** ***b. Shareholders & Investors*** ***c. National & local Governments***
Investment: Acquisitions, Divestments, Joint Ventures and Projects	FIMA has low tolerance for investments that adversely affect its reputation	Business strategy focused on growth and broadening of portfolio across relevant business lines Business expansion into plantation	Material Matters ***a. Innovation & Technology Excellence*** ***b. Sustainable & Traceable Supply Chains*** ***c. Anti-Fraud, Bribery & Corruption***	Stakeholders ***a. Employees*** ***b. Shareholders & Investors*** ***c. Suppliers***
Socio-Political Risk	FIMA seeks to minimise its exposure in regions where there is a high risk of sudden and significant changes in government policies or significant and prolonged social unrest that could disrupt operations	Ongoing monitoring of the socio-political environments where we operate as well as our key markets and proactive engagement with government authorities and customers in those areas	Material Matters ***a. Anti-Fraud, Bribery & Corruption*** ***b. Code of Ethics & Governance***	Stakeholders ***a. Employees*** ***b. Shareholders & Investors*** ***c. National & local Governments***
Sustainability	FIMA is committed towards consistently practising good corporate citizenship and stewardship in all its practices and decisions FIMA seeks to forward its sustainability values in all aspects of its business, which is guided at a minimum by local industry standards (MSPO, etc.)	Communication of FimaCorp's sustainability values through various policies and actions Certifications obtained to support market credibility	Material Matters ***a. Sustainable & Traceable Supply Chains*** ***b. Equality & Diversity*** ***c. Human & Workers' Rights Protections***	Stakeholders ***a. Employees*** ***b. Shareholders & Investors*** ***c. Suppliers*** ***d. National & local Governments***

The Group will integrate this new framework with other key elements such as key performance indicators, audit focus and processes, rewards and remuneration, as well as escalation of issues.

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. Since 2020, all Directors and relevant employees have attended anti-bribery training (either through e-learning or workshops).

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 whistle-blowers 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 the Audit and Risk Committee *(to mark as "Strictly Confidential")*

The above mechanism protects employees and stakeholders who contemplate 'blowing the whistle' on any improper conduct or wrongdoing. The confidentiality of all matters raised and the identity of the whistle-blower are protected under the policy. There were no whistle-blowing cases reported in FYE2021.

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 assurances from the Managing Director and the Financial Controller 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 2021 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

This statement has been reviewed and approved by the Board of Directors on 21 July 2021.

REZAL ZAIN BIN ABDUL RASHID
Chairman, Audit and Risk Committee

ADDITIONAL DISCLOSURE

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

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

RRPT of the Company for the FYE2021 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)]	10,000	5,859

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 Commissioners 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

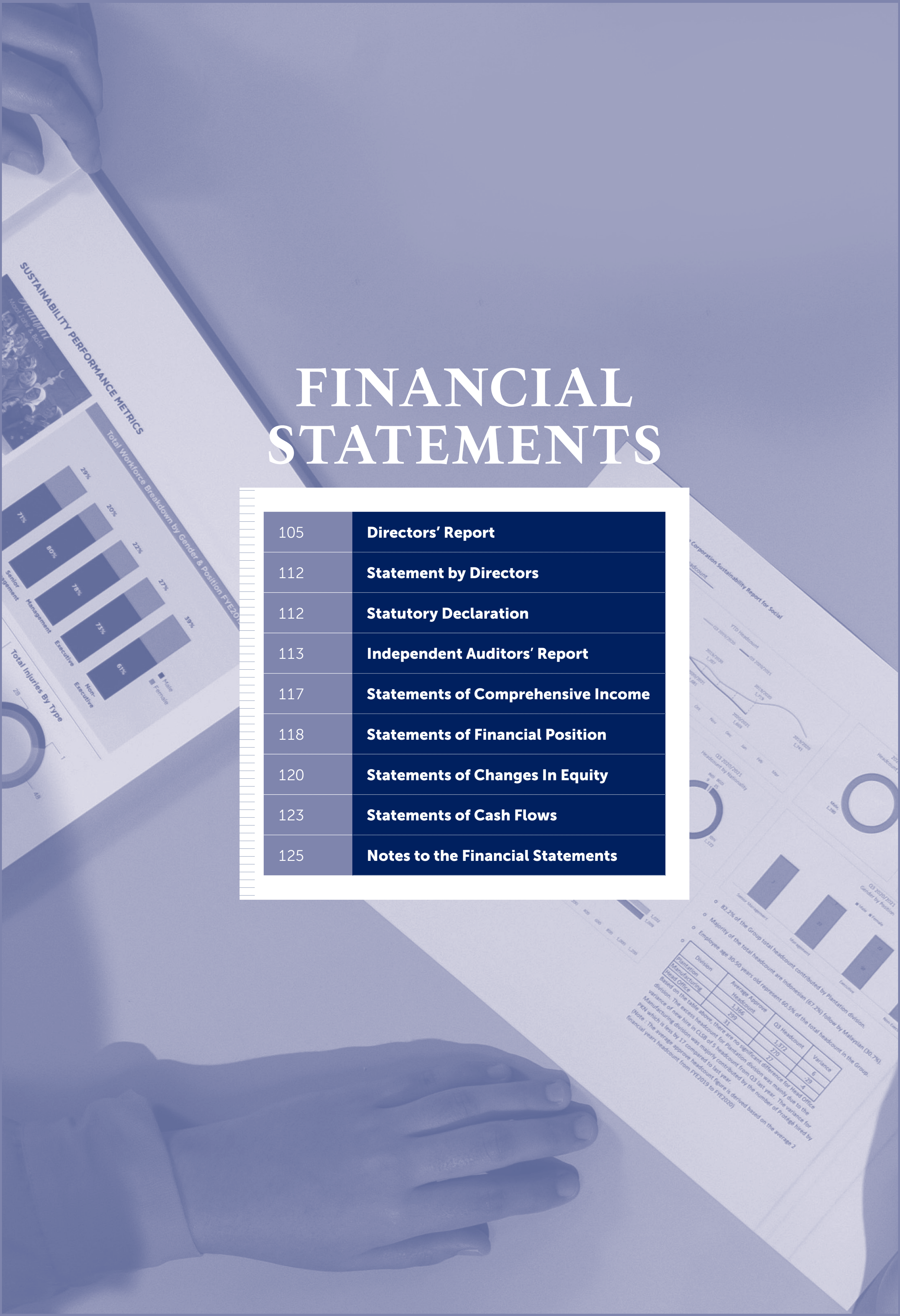
The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the result of the Company and the Group for the year then ended.

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 29 June 2021.



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 2021.

Principal activities

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

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

There have been no significant changes in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Profit net of tax	31,135	82,024
Profit attributable to:		
- Equity holders of the Company	27,133	82,024
- Non-controlling interests	4,002	-
	31,135	82,024

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 2020 were as follows:

	RM'000
In respect of the financial year ended 31 March 2020 as reported in the directors' report for that year:	
Single-tier second interim dividend of 7.5 sen, paid on 7 September 2020	17,899
In respect of the financial year ended 31 March 2021:	
Single-tier first interim dividend of 5.0 sen, paid on 30 December 2020	11,918
	29,817

Subsequent to the financial year end, on 29 June 2021, the directors declared a single-tier second interim dividend in respect of the current financial year ended 31 March 2021 of 7.5 sen per share on 238,092,530 shares, amounting to a total of RM17,857,000 payable on 3 September 2021.

Directors' Report

Dividends (cont'd.)

The financial statements for the current financial year ended 31 March 2021 do not reflect this proposed dividend. Such dividend will be accounted for in shareholders' equity as appropriation of retained earnings in the financial year ending 31 March 2022.

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

Directors

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

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

* Directors of the Company and subsidiaries

In accordance with Article 108 of the Company's Constitution, Dato' Roslan bin Hamir and Rosely bin Kusip shall retire from the Board at the forthcoming Annual General Meeting and being eligible, offers himself 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:

Nazaruddin bin Mohd Hadri	
Dzakwan bin Mansori	
Mohd Yusof bin Pandak Yatim	
Mohd Adizuraimin bin Mohd Affandi	
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	(Appointed on 22 June 2020)
Mohd Rizal bin Mat Nor	(Resigned on 9 June 2020)
Dato' Ahmad Faizel bin Abdul Karim	(Resigned on 6 July 2020)

Directors' benefits

Neither at the end of the financial year, nor at 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 a benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which 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	2,218	1,176

Indemnities to directors or officers

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

The total insured limit of D&O Insurance effected for the directors and officers of the Group and of the Company was RM20 million in any one claim and in the aggregate for all claims (including deference costs). Expenses incurred on indemnity given or insurance effected for any director and officer of the Group and of the Company during the financial year amounted to RM17,000.

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 2020	Bought	Sold	31 March 2021
The Company				
Direct interest				
Rezal Zain bin Abdul Rashid	5,000	5,000	-	10,000
Dr. Roshayati binti Basir	167,600	-	-	167,600
Datuk Bazlan bin Osman	-	10,000	-	10,000
Indirect interest				
Dato' Roslan bin Hamir (1)	601,800	-	-	601,800
Dr. Roshayati binti Basir (2)(3)(4)	150,383,658	-	-	150,383,658

Directors' Report

Directors' interests (cont'd.)

	Number of ordinary shares			
	1 April 2020	Bought	Sold	31 March 2021
Kumpulan Fima Berhad				
Ultimate holding company				
Direct interest				
Dato' Roslan bin Hamir	320,000	-	-	320,000
Dr. Roshayati binti Basir	49,806,800	50,600	-	49,857,400
Dato' Adnan bin Shamsuddi	10,000	-	-	10,000
Rezal Zain bin Abdul Rashid	20,000	16,000	(25,000)	11,000
Indirect interest				
Dato' Roslan bin Hamir[(1)]	1,291,000	-	-	1,291,000
Dr. Roshayati binti Basir[(5)]	119,343,500	-	-	119,343,500
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 2020	Bought	Sold	31 March 2021
BHR Enterprise Sdn. Bhd.				
Corporate shareholder				
Indirect interest				
Dr. Roshayati binti Basir[(7)]	4	-	-	4

	Number of ordinary shares			
	1 April 2020	Bought	Sold	31 March 2021
Nationwide Express Holdings Berhad				
Related company				
Direct interest				
Director of the Company:				
Dr. Roshayati binti Basir	27,278,800	55,900	-	27,334,700
Indirect interest				
Director of the Company:				
Dr. Roshayati binti Basir[(8)]	45,761,870	-	-	45,761,870

Directors' interests (cont'd.)

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

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

(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's and, is a wholly-owned subsidiary of Kumpulan Fima Berhad ("KFIMA").

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

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

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

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

(iv) Her sister, Rozilawati binti Haji Basir's direct and indirect shareholdings in KFIMA. The indirect shares are held under M&A Nominees (Tempatan) Sdn. Bhd. and CGS-CIMB Nominees Tempatan Sdn. Bhd.; and

(v) Her brother, Ahmad Riza bin Basir ("Ahmad Riza")'s and his wife, Zailini binti Zainal Abidin's indirect shareholdings in KFIMA which are held through M&A Nominees (Tempatan) Sdn. Bhd. and Subur Rahmat Sdn. Bhd. ("SRSB"). Ahmad Riza and his wife are deemed interested by virtue of their interest in SRSB pursuant to Section 8 of the Companies Act, 2016.

(6) Deemed interested by virtue of Rozilawati binti Haji Basir's and Rozana Zeti binti Basir's direct shareholdings in BHR. 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 direct shareholding of preference shares in BHR.

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

(i) Her shareholdings in BHR of more than 20%. BHR is major shareholder of Nationwide Holding Berhad ("NEHB");

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

(iii) Her sister, Rozilawati binti Haji Basir's indirect shareholdings of 3,806,512 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 1,161,500 of its issued ordinary shares.

As at 31 March 2021, the Company held as treasury shares a total of 7,231,800 of its 245,324,330 issued ordinary shares. Such treasury shares are held at a carrying amount of approximately RM9,495,000. 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, all 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 allowance for impairment on receivables and satisfied themselves that there were no known bad debts and that adequate allowance 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 necessary to write off any bad debts or the amount of the allowance 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.

Directors' Report

Subsequent event

Details of the subsequent event are disclosed in Note 43 to the financial statements.

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors remuneration of the Group and of the Company are as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT	597	98

No payment has been made to indemnify Ernst & Young PLT during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 June 2021.

Dato' Adnan bin Shamsuddin

Dato' Roslan bin Hamir

STATEMENTS BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, Dato' Adnan bin Shamsuddin 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 117 to 191 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 2021 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 29 June 2021.

Dato' Adnan bin Shamsuddin

Dato' Roslan bin Hamir

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Fadzil bin Azaha, being the officer primarily responsible for the financial management of Fima Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 117 to 191 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Fadzil bin Azaha
at Kuala Lumpur in the Federal
Territory on 29 June 2021.

Fadzil bin Azaha
CA 20995

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 2021 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 117 to 191.

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 2021 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 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 RM212.6 million consisting of mainly revenue from production of security documents and sales of oil palm products which amounted to approximately RM101.9 million and RM103.7 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.

Independent Auditors' Report

to the members of Fima Corporation Berhad (Incorporated in Malaysia)

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, we used data analytics to perform correlation analysis between revenue, trade receivables and cash and bank balances. For sale of oil palm products we inspected documents evidencing the delivery of goods to customers and amount of revenue recognised, 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, 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.

Independent Auditors' Report

to the members of Fima Corporation Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the consolidated financial statements *(cont'd.)*

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 that matter that is of most significance in the audit of the financial statements of the Group and of the Company for current 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

Wan Daneena Liza binti Wan
Abdul Rahman
No. 02978/03/2022 J
Chartered Accountant

Kuala Lumpur, Malaysia
29 June 2021

STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000 Restated
Revenue	3	**212,649**	243,127	**90,481**	31,562
Cost of sales/services	4	**(131,100)**	(165,905)	**(3,288)**	(3,466)
Gross profit		**81,549**	77,222	**87,193**	28,096
Other income	5	**9,813**	9,782	**1,394**	2,037
Other items of expense					
Administrative expenses		**(30,856)**	(35,077)	**(3,783)**	(1,979)
Selling and marketing expenses		**(6,687)**	(7,718)	**-**	-
Other operating expenses		**(19,224)**	(9,172)	**(67)**	(66)
Net writeback/(charge) of impairment losses	6	**394**	(18,500)	**(2,418)**	(392)
		(56,373)	(70,467)	**(6,268)**	(2,437)
Profit from operations		**34,989**	16,537	**82,319**	27,696
Finance costs	7	**(645)**	(371)	**-**	-
Share of results from associate		**4,126**	1,963	**-**	-
Profit before tax	8	**38,470**	18,129	**82,319**	27,696
Income tax expense	11	**(7,335)**	(9,322)	**(295)**	(1,082)
Profit net of tax		**31,135**	8,807	**82,024**	26,614
Other comprehensive income/(loss), net of tax					
Item that will not be subsequently reclassified to profit or loss					
Remeasurement of defined benefit liability		**179**	(151)	**-**	-
Item that will be subsequently reclassified to profit or loss					
Foreign currency translation gain/(loss)		**6,802**	(8,384)	**-**	-
Total comprehensive income for the year		**38,116**	272	**82,024**	26,614
Profit/(loss) attributable to:					
Equity holders of the Company		**27,133**	11,736	**82,024**	26,614
Non-controlling interests		**4,002**	(2,929)	**-**	-
Profit net of tax		**31,135**	8,807	**82,024**	26,614
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		**32,718**	4,908	**82,024**	26,614
Non-controlling interests		**5,398**	(4,636)	**-**	-
Total comprehensive income for the year		**38,116**	272	**82,024**	26,614
Earnings per share attributable to equity holders of the Company (sen per share)					
Basic/diluted earnings per share	13	**11.37**	4.90		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets					
Non-current assets					
Property, plant and equipment	14	**87,083**	81,530	**2,325**	2,359
Right-of-use assets	15	**97,591**	98,065	**-**	-
Investment properties	16	**56,149**	57,656	**45,951**	47,115
Investments in subsidiaries	17	**-**	-	**148,049**	128,599
Investment in associate	18	**37,363**	33,237	**10,000**	10,000
Goodwill on consolidation	19	**510**	510	**-**	-
Deferred tax assets	33	**6,612**	5,856	**-**	-
		285,308	276,854	**206,325**	188,073
Current assets					
Inventories	20	**29,094**	41,745	**-**	-
Biological assets	21	**1,844**	3,347	**-**	-
Tax recoverable		**7,483**	8,024	**-**	-
Trade receivables	22	**56,967**	105,549	**207**	377
Other receivables	23	**56,961**	17,969	**39,735**	1,596
Due from related companies	24	**2,382**	2,606	**3,041**	13,067
Financial investments	25	**144,563**	127,030	**20,208**	10,580
Cash and bank balances	26	**51,009**	47,551	**1,185**	627
		350,303	353,821	**64,376**	26,247
Total assets		**635,611**	630,675	**270,701**	214,320
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	**(9,495)**	(7,631)	**(9,495)**	(7,631)
Other reserves	29	**(4,332)**	(9,774)	**539**	539
Retained earnings	30	**439,445**	441,986	**148,676**	96,469
		548,280	547,243	**262,382**	212,039
Non-controlling interests		**22,221**	18,747	**-**	-
Total equity		**570,501**	565,990	**262,382**	212,039

Statements of Financial Position

For the financial year ended 31 March 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Non-current liabilities					
Lease liabilities	31	**15,049**	14,235	**-**	-
Retirement benefit obligation	32	**1,657**	2,073	**-**	-
Deferred tax liabilities	33	**4,538**	4,570	**102**	198
		21,244	20,878	**102**	198
Current liabilities					
Lease liabilities	31	**3,699**	2,406	**-**	-
Trade and other payables	34	**36,636**	29,852	**1,832**	1,716
Provisions	35	**3,115**	8,078	**-**	-
Due to related companies	24	**361**	1,627	**6,339**	310
Tax payable		**55**	1,844	**46**	57
		43,866	43,807	**8,217**	2,083
Total liabilities		**65,110**	64,685	**8,319**	2,281
Total equity and liabilities		**635,611**	630,675	**270,701**	214,320
Net assets per share (RM)		**2.30**	2.29	**1.10**	0.89

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 2021

Group	Note	Equity total 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 →			
At 1 April 2020		**565,990**	**547,243**	**122,662**	**(7,631)**	**441,986**	**(9,774)**	**(14,024)**	**4,250**	**18,747**
Profit for the year		**31,135**	**27,133**	**-**	**-**	**27,133**	**-**	**-**	**-**	**4,002**
Remeasurement of defined benefit liability		**179**	**143**	**-**	**-**	**143**	**-**	**-**	**-**	**36**
Foreign currency translation gain		**6,802**	**5,442**	**-**	**-**	**-**	**5,442**	**5,442**	**-**	**1,360**
Total comprehensive income for the year		**38,116**	**32,718**	**-**	**-**	**27,276**	**5,442**	**5,442**	**-**	**5,398**
Transactions with equity holders										
Purchase of treasury shares	28	**(1,864)**	**(1,864)**	**-**	**(1,864)**	**-**	**-**	**-**	**-**	**-**
Dividends	12	**(31,741)**	**(29,817)**	**-**	**-**	**(29,817)**	**-**	**-**	**-**	**(1,924)**
Total transactions with equity holders		**(33,605)**	**(31,681)**	**-**	**(1,864)**	**(29,817)**	**-**	**-**	**-**	**(1,924)**
At 31 March 2021		**570,501**	**548,280**	**122,662**	**(9,495)**	**439,445**	**(4,332)**	**(8,582)**	**4,250**	**22,221**

Statements of Changes in Equity
For the financial year ended 31 March 2021

			Attributable to equity holders of the Company							
				Non-distributable		Distributable	Non-distributable			
Group	Note	Equity total 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
At 1 April 2019		597,158	573,775	122,662	(6,156)	460,336	(3,067)	(7,317)	4,250	23,383
Profit/(loss) for the year		8,807	11,736	-	-	11,736	-	-	-	(2,929)
Remeasurement of defined benefit liability		(151)	(121)	-	-	(121)	-	-	-	(30)
Foreign currency translation loss		(8,384)	(6,707)	-	-	-	(6,707)	(6,707)	-	(1,677)
Total comprehensive income/(loss) for the year		272	4,908	-	-	11,615	(6,707)	(6,707)	-	(4,636)
Transactions with equity holders										
Purchase of treasury shares	28	(1,475)	(1,475)	-	(1,475)	-	-	-	-	-
Dividends	12	(29,965)	(29,965)	-	-	(29,965)	-	-	-	-
Total transactions with equity holders		(31,440)	(31,440)	-	(1,475)	(29,965)	-	-	-	-
At 31 March 2020		565,990	547,243	122,662	(7,631)	441,986	(9,774)	(14,024)	4,250	18,747

Statements of Changes in Equity

For the financial year ended 31 March 2021

		← 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
At 1 April 2020		**212,039**	**122,662**	**(7,631)**	**96,469**	**539**
Profit for the year, representing total comprehensive income for the year		**82,024**	**-**	**-**	**82,024**	**-**
Transactions with equity holders						
Purchase of treasury shares	28	**(1,864)**	**-**	**(1,864)**	**-**	**-**
Dividends	12	**(29,817)**	**-**	**-**	**(29,817)**	**-**
Total transactions with equity holders		**(31,681)**	**-**	**(1,864)**	**(29,817)**	**-**
At 31 March 2021		**262,382**	**122,662**	**(9,495)**	**148,676**	**539**
At 1 April 2019		216,865	122,662	(6,156)	99,820	539
Profit for the year, representing total comprehensive income for the year		26,614	-	-	26,614	-
Transactions with equity holders						
Purchase of treasury shares	28	(1,475)	-	(1,475)	-	-
Dividends	12	(29,965)	-	-	(29,965)	-
Total transactions with equity holders		(31,440)	-	(1,475)	(29,965)	-
At 31 March 2020		212,039	122,662	(7,631)	96,469	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 2021

	Group		Company	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000 Restated
Cash flows from operating activities				
Profit before tax	**38,470**	18,129	**82,319**	27,696
Adjustments for:				
Depreciation of:				
- property, plant and equipment	**6,599**	10,819	**152**	161
- right-of-use assets	**5,520**	5,471	**-**	-
- investment properties	**1,507**	1,507	**1,164**	1,164
Impairment loss on:				
- property, plant and equipment	**-**	8,940	**-**	-
- right-of-use assets	**-**	8,851	**-**	-
- trade receivables	**115**	343	**56**	292
- other receivables	**-**	415	**-**	100
- due from related companies	**-**	-	**2,362**	-
Write back of impairment loss on:				
- trade receivables	**(58)**	(49)	**-**	-
- other receivables	**(451)**	-	**-**	-
Changes in fair value of biological assets	**1,781**	(2,672)	**-**	-
(Reversal of provision)/provision for retirement benefit obligation	**(180)**	273	**-**	-
Inventories written (back)/down	**(1,760)**	1,959	**-**	-
Gain on disposal of property, plant and equipment	**(21)**	(58)	**-**	-
Net reversal of provision for warranty	**(4,963)**	(1,114)	**-**	-
Reversal of provision for compensation claim	**-**	(2,120)	**-**	(2,120)
Share of results of associate	**(4,126)**	(1,963)	**-**	-
Dividend income	**-**	-	**(86,325)**	(27,076)
Income from rent concession	**(588)**	-	**-**	-
Interest expense on lease liabilities	**645**	371	**-**	-
Interest income on fixed deposits	**(47)**	(210)	**(42)**	(39)
Profit income on Islamic fixed deposits	**(1,295)**	(961)	**-**	-
Distribution from financial investments	**(2,924)**	(5,040)	**(178)**	(645)
Unrealised foreign exchange gain	**(220)**	(2,722)	**-**	-
Operating profit/(loss) before working capital changes	**38,004**	40,169	**(492)**	(467)

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 2021

	Group		Company	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000 Restated
Operating profit/(loss) before working capital changes (cont'd.)	**38,004**	40,169	**(492)**	(467)
Decrease/(increase) in trade and other receivables	**50,851**	(18,233)	**138**	(390)
Decrease in inventories	**15,309**	17,403	**-**	-
Increase/(decrease) in trade and other payables	**6,449**	(3,601)	**116**	(31)
Increase in related company balances	**(1,042)**	(966)	**(87)**	(253)
Cash generated from/(used in) operations	**109,571**	34,772	**(325)**	(1,141)
Taxes paid	**(9,195)**	(16,091)	**(402)**	(138)
Retirement benefits paid	**(183)**	(77)	**-**	-
Net cash generated from/(used in) operating activities	**100,193**	18,604	**(727)**	(1,279)
Cash flows from investing activities				
Purchase of property, plant and equipment	**(10,729)**	(17,000)	**(118)**	(227)
Proceeds from disposal of property, plant and equipment	**23**	61	**-**	-
Deposit paid for acquisition of land	**(38,163)**	(1,030)	**(38,163)**	(1,030)
Distribution received from financial investments	**2,924**	5,040	**178**	645
Interest income received	**47**	210	**42**	39
Profit income received	**1,295**	961	**-**	-
Net (purchase)/sale of financial investments	**(17,533)**	21,092	**(9,628)**	21,155
Dividends received	**-**	-	**86,325**	25,325
Subscription of unquoted shares from a subsdiary	**-**	-	**(450)**	-
Subscription of redeemable preference shares	**-**	-	**(19,000)**	(16,100)
Repayment of advances by subsidiary	**-**	-	**13,780**	2,685
Net cash (used in)/generated from investing activities	**(62,136)**	9,334	**32,966**	32,492
Cash flows from financing activities				
Dividends paid to equity holders	**(29,817)**	(29,965)	**(29,817)**	(29,965)
Dividends paid by a subsidiary to non-controlling interests	**(1,924)**	-	**-**	-
Acquisition of treasury shares	**(1,864)**	(1,475)	**(1,864)**	(1,475)
Repayment of lease liabilities	**(2,940)**	(3,048)	**-**	-
Net cash used in financing activities	**(36,545)**	(34,488)	**(31,681)**	(31,440)
Net increase/(decrease) in cash and cash equivalents	**1,512**	(6,550)	**558**	(227)
Effect of exchange rate changes in cash and cash equivalents	**1,946**	(3,754)	**-**	-
Cash and cash equivalents at beginning of year	**47,551**	57,855	**627**	854
Cash and cash equivalents at end of year (Note 26)	**51,009**	47,551	**1,185**	627

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

As at 31 March 2021

1. Corporate information

The principal activities of the Company are those of property management 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 2020, the Group and the Company adopted the following new and amended FRSs and IC Interpretation mandatory for annual financial periods beginning on or after 1 January 2020.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to and MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020

The adoption of the above standards did not have any material impact on the financial performance or position of the Group and the Company. Other than the above, the Group and the Company have early adopted the Amendments to MFRS 16: Covid-19-Related Rent Concessions (Amendment to MFRS 16 Leases), which is effective for financial period beginning on or after 1 June 2020.

Notes to the Financial Statements

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 financial periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
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
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 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deffered

The directors expect that the adoption of the above standards and interpretations 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.

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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(a) Basis of consolidation (cont'd.)

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 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).

Notes to the Financial Statements

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(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.

(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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Investment in associate companies (cont'd.)

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.

(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 the cost of the item can be measured reliably.

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants mainly include mature and immature oil palm plantations. Immature plantations includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted hectares.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful life and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria is satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Mature plantations are depreciated on a straight line basis and over its estimated useful life of 25 years, upon commencement of commercial production.

Other property, plant and equipment is depreciated on a straight-line basis to write-off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% 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 and infrastructure	4%

Notes to the Financial Statements

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(e) Property, plant and equipment (cont'd.)

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.

(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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(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.

(i) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of 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.

Notes to the Financial Statements

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(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 measures 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.

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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(j) Financial assets (cont'd.)

Financial assets at amortised cost (debt instruments) (cont'd.)

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.

Financial assets at FVTPL

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at 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 fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

As at 31 March 2021, 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 statement 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 debt financial assets at FVTOCI.

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 statement 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 equity financial assets at FVTOCI.

Notes to the Financial Statements

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.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(k) Impairment of financial assets (cont'd.)

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.

(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.

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 cash equivalents comprise cash at bank and on hand, and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or other financial liabilities, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables, amount due to related companies and lease liabilities.

Notes to the Financial Statements

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(n) Financial liabilities (cont'd.)

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.

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 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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(q) Revenue recognition

Revenue from contracts with customers

The Group is in the business of production of security and confidential documents, oil palm production and property management services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(i) Sale of 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.

(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.

(v) Receipts in advance

Receipts in advance are deferred and classified under current liabilities in the statement of financial position.

Other revenue

(i) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

(ii) Dividend income 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.

Notes to the Financial Statements

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(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.

(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.

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 state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

(iii) Defined benefit plan

The foreign subsidiary in Indonesia, operates an unfunded, defined benefit Retirement Benefit Scheme ("the Scheme") for its eligible employees. The foreign subsidiary's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial assumptions by independent actuaries, through which the amount of benefit that employees have earned in return for their services in the current and prior years is estimated. That benefit is discounted in order to determine its present value. Actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension assets or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligations adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any past service costs, and the present value of any economic benefits in the form of refunds or reductions in future contributions to the plan.

The latest actuarial valuation was carried out using the employee data as at 31 March 2021 by PT Sentra Jasa Aktuaria, an independent actuary report dated 30 April 2021.

(u) Leases

(i) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the Financial Statements

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 recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those of plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(ii) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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.

Notes to the Financial Statements

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(v) Income taxes (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.

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) Impairment of trade and other receivables

For financial assets, the Group applies a simplified approach in calculating an allowances for ECL in respect of trade and other receivables. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECL at each reporting date. 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 2021 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 2021 is 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 future rate of return for new products.

Total Group's provision for warranty as of 31 March 2021 is disclosed in Note 35.

3. Revenue

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers	**207,777**	237,801	**384**	455
Rental income	**4,872**	5,326	**3,772**	4,031
Dividend income from subsidiaries	**-**	-	**86,325**	27,076
	212,649	243,127	**90,481**	31,562

Notes to the Financial Statements

3. Revenue (cont'd.)

(a) Disaggregation of revenue from contracts with customers:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Production and trading of security and confidential documents	**101,934**	134,004	**-**	-
Net sale of oil palm products	**103,748**	103,118	**-**	-
Property management services	**391**	462	**384**	455
Engineering consultancy services	**1,704**	217	**-**	-
	207,777	237,801	**384**	455
Geographical market:				
Malaysia	**112,287**	137,944	**384**	455
Indonesia	**95,490**	99,857	**-**	-
	207,777	237,801	**384**	455

(b) Performance obligations

<u>Production and trading of security and confidential documents</u>
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.

<u>Sale of oil palm products</u>
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 produce to the palm oil mill or refinery.

<u>Property management and engineering consultancy services</u>
Performance obligation is satisfied upon completion and services rendered to the customers.

4. Cost of sales/services

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Manufacturing	**73,821**	92,832	**-**	-
Sale of oil palm products	**51,944**	68,390	**-**	-
Investment property related expenses	**3,592**	3,762	**3,288**	3,466
Engineering consultancy services	**1,743**	921	**-**	-
	131,100	165,905	**3,288**	3,466

5. Other income

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest income on fixed deposits	**47**	210	**42**	39
Profit income on Islamic fixed deposits	**1,295**	961	**-**	-
Distribution from financial investments	**2,924**	5,040	**178**	645
Gain on disposal of property, plant and equipment	**21**	58	**-**	-
Management fees	**547**	606	**1,174**	1,353
By-product and scrap sales	**1,627**	598	**-**	-
Income from rent concession (Note 31)	**588**	-	**-**	-
Others	**2,764**	2,309	**-**	-
	9,813	9,782	**1,394**	2,037

6. Net (write back)/charge of impairment losses

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Impairment loss on:				
- property, plant and equipment	**-**	8,940	**-**	-
- right-of-use assets	**-**	8,851	**-**	-
- trade receivables (Note 22)	**115**	343	**56**	292
- other receivables (Note 23)	**-**	415	**-**	100
- due from related companies (Note 24)	**-**	-	**2,362**	-
Writeback of impairment loss on:				
- trade receivables (Note 22)	**(58)**	(49)	**-**	-
- other receivables (Note 23)	**(451)**	-	**-**	-
	(394)	18,500	**2,418**	392

7. Finance costs

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expense on lease liabilities	**645**	371	**-**	-

Notes to the Financial Statements

8. Profit before tax

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Staff costs (Note 9)	**27,695**	33,773	**2,455**	2,272
Non-executive directors' remuneration (Note 10)	**625**	591	**553**	516
Auditors' remuneration:				
- Statutory audit fee	**359**	365	**87**	93
- Other services	**238**	197	**11**	10
Depreciation of:				
- Property, plant and equipment (Note 14)	**6,599**	10,819	**152**	161
- Right-of-use assets (Note 15)	**5,520**	5,471	**-**	-
- Investment properties (Note 16)	**1,507**	1,507	**1,164**	1,164
Changes in fair value of biological assets (Note 21)	**1,781**	(2,672)	**-**	-
(Reversal of provision)/provision for retirement benefit obligations	**(180)**	273	**-**	-
Inventories written (back)/down	**(1,760)**	1,959	**-**	-
Gain on disposal of property, plant and equipment	**(21)**	(58)	**-**	-
Net reversal of provision for warranty (Note 35)	**(4,963)**	(1,114)	**-**	-
Reversal of provision for compensation claim (Note 35)	**-**	(2,120)	**-**	(2,120)
Dividend income	**-**	-	**(86,325)**	(27,076)
Income from rent concession	**(588)**	-	**-**	-
Interest expense on lease liabilities	**645**	371	**-**	-
Interest income on fixed deposits	**(47)**	(210)	**(42)**	(39)
Profit income on Islamic fixed deposits	**(1,295)**	(961)	**-**	-
Distribution from financial investments	**(2,924)**	(5,040)	**(178)**	(645)
Unrealised foreign exchange gain	**(220)**	(2,722)	**-**	-
Realised foreign exchange loss/(gain)	**5,251**	(1,128)	**-**	-

9. Staff costs

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Wages and salaries	**22,788**	27,338	**1,989**	1,809
EPF contribution	**3,315**	3,679	**333**	317
Social security costs	**242**	271	**20**	20
(Reversal of)/charge for retirement benefits (Note 32)	**(180)**	273	**-**	-
Other staff related expenses	**1,530**	2,212	**113**	126
	27,695	33,773	**2,455**	2,272

Included in staff costs of the Group and of the Company is the Managing Director's remuneration amounting to RM1,593,000 (2020: RM1,644,000) and RM623,000 (2020: RM660,000) respectively as further disclosed in Note 10. Direct wages of employees amounting to RM4,766,000 (2020: RM6,139,000) has been included in the Group's cost of sales.

10. Directors' remuneration

The details of remuneration receivable by the directors of the Group and of the Company during the year are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Executive director's remuneration:				
Salaries and other emoluments	**1,041**	1,024	**414**	410
Bonus	**513**	558	**205**	223
Benefits-in-kind	**39**	62	**4**	27
	1,593	1,644	**623**	660
Non-executive directors' remuneration:				
Fees	**386**	373	**320**	307
Benefits-in-kind	**83**	101	**83**	101
Other emoluments	**156**	117	**150**	108
	625	591	**553**	516
Total	**2,218**	2,235	**1,176**	1,176
Total excluding benefits-in-kind	**2,096**	2,072	**1,089**	1,048

Notes to the Financial Statements

11. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current income tax:				
- Malaysian income tax	**7,834**	9,818	**418**	456
- Under/(over) provision in prior years	**113**	1,123	**(27)**	6
	7,947	10,941	**391**	462
Deferred taxation (Note 33):				
- Relating to reversal and origination of temporary differences	**2,134**	(1,217)	**1**	532
- Relating to changes in tax rate	**381**	-	**-**	-
- (Over)/under provision in prior years	**(3,127)**	(402)	**(97)**	88
	(612)	(1,619)	**(96)**	620
Total income tax expense	**7,335**	9,322	**295**	1,082

Domestic income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year. The corporate rate tax applicable to the Indonesian subsidiary of the Group is 22% (2020: 25%).

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax	**38,470**	18,129	**82,319**	27,696
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	**9,233**	4,351	**19,757**	6,647
Effect of tax rates in foreign jurisdiction	**(472)**	70	**-**	-
Effect of expenses not deductible for tax purposes	**3,152**	5,260	**1,424**	1,149
Effect of partial tax exemption	**(20)**	(38)	**-**	-
Deferred tax assets not recognised	**1,265**	2,133	**-**	-
Effect of share of results of associate	**(990)**	(471)	**-**	-
Income not subject to tax	**(1,819)**	(2,704)	**(20,762)**	(6,808)
(Over)/under provision of deferred tax in prior years	**(3,127)**	(402)	**(97)**	88
Under/(over) provision of income tax expense in prior years	**113**	1,123	**(27)**	6
	7,335	9,322	**295**	1,082

12. Dividends

	Dividends in respect of year		Dividends recognised in year	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
First interim				
Recognised during the financial year:				
Single-tier first interim dividend for year ended 31 March 2021 of 5.0 sen paid on 30 December 2020	**11,918**	-	**11,918**	-
Single-tier first interim dividend for year ended 31 March 2020 of 5.0 sen paid on 30 December 2019	**-**	11,980	**-**	11,980
Second interim				
Single tier second interim dividend for year ended 31 March 2020 of 7.5 sen paid on 7 September 2020	**-**	17,899	**17,899**	-
Final				
Single tier final dividend for year ended 31 March 2019 of 7.5 sen paid on 30 September 2019	**-**	-	**-**	17,985
	11,918	29,879	**29,817**	29,965

Subsequent to financial year end, on 29 June 2021, the directors declared a single-tier second interim dividend in respect of the current financial year ended 31 March 2021 of 7.5 sen per share on 238,092,530 shares, amounting to a total of RM17,857,000 payable on 3 September 2021.

The financial statements for the current financial year ended 31 March 2021 do not reflect this dividend. This dividend will be accounted for in shareholders' equity as appropriation of retained earnings in the financial year ending 31 March 2022.

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

Notes to the Financial Statements

13. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing consolidated profit for the year, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 March 2021 and 2020:

	Group	
	2021	2020
Consolidated profit attributable to equity holders of the Company (RM'000)	27,133	11,736
Weighted average number of ordinary shares in issue ('000)	238,578	239,745
Basic earnings per share for the year (sen)	11.37	4.90

(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 2021								
Cost								
At 1 April 2020	1,550	16,786	88,059	19,565	48,686	116,882	970	292,498
Additions	-	187	956	46	1,596	7,253	691	10,729
Disposals	-	(70)	(922)	-	(1,209)	-	-	(2,201)
Reclassification	-	831	-	-	-	-	(831)	-
Exchange differences	-	1,133	2,161	709	1,012	4,282	168	9,465
At 31 March 2021	1,550	18,867	90,254	20,320	50,085	128,417	998	310,491
At 31 March 2021								
Accumulated depreciation and impairment loss								
At 1 April 2020	-	11,980	80,983	19,362	43,568	55,075	-	210,968
Depreciation charge for the year	-	919	1,863	131	2,360	1,326	-	6,599
Disposals	-	(69)	(922)	-	(1,208)	-	-	(2,199)
Exchange differences	-	991	1,601	709	911	3,828	-	8,040
At 31 March 2021	-	13,821	83,525	20,202	45,631	60,229	-	223,408
Analysed as:								
Accumulated depreciation	-	9,853	83,462	20,202	45,631	44,830	-	203,978
Accumulated impairment loss	-	3,968	63	-	-	15,399	-	19,430
	-	13,821	83,525	20,202	45,631	60,229	-	223,408
Net carrying amount	1,550	5,046	6,729	118	4,454	68,188	998	87,083

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 2020								
Cost								
At 1 April 2019	1,550	15,937	84,536	20,394	48,476	112,019	3,575	286,487
Additions	-	980	3,070	3	2,041	9,261	1,645	17,000
Disposals	-	-	(252)	-	(732)	-	-	(984)
Reclassification	-	1,076	3,085	-	-	70	(4,231)	-
Exchange differences	-	(1,207)	(2,380)	(832)	(1,099)	(4,468)	(19)	(10,005)
At 31 March 2020	1,550	16,786	88,059	19,565	48,686	116,882	970	292,498
At cost								
Accumulated depreciation and impairment loss								
At 1 April 2019	-	9,818	80,597	20,138	43,107	46,379	-	200,039
Charge for the year:								
- Depreciation	-	1,262	2,267	56	2,192	5,042	-	10,819
- Impairment loss	-	1,800	50	-	-	7,090	-	8,940
Disposals	-	-	(252)	-	(729)	-	-	(981)
Exchange differences	-	(900)	(1,679)	(832)	(1,002)	(3,436)	-	(7,849)
At 31 March 2020	-	11,980	80,983	19,362	43,568	55,075	-	210,968
Analysed as:								
Accumulated depreciation	-	8,332	80,926	19,362	43,568	40,853	-	193,041
Accumulated impairment loss	-	3,648	57	-	-	14,222	-	17,927
	-	11,980	80,983	19,362	43,568	55,075	-	210,968
Net carrying amount	1,550	4,806	7,076	203	5,118	61,807	970	81,530

14. Property, plant and equipment (cont'd.)

Company	Land and buildings* RM'000	Plant and machinery RM'000	Office renovations RM'000	Equipment, furniture, and fittings and motor vehicles RM'000	Total RM'000
At 31 March 2021					
Cost					
At 1 April 2020	**1,769**	**5**	**464**	**1,319**	**3,557**
Additions	**-**	**-**	**46**	**72**	**118**
At 31 March 2021	**1,769**	**5**	**510**	**1,391**	**3,675**
Accumulated depreciation					
At 1 April 2020	**142**	**3**	**382**	**671**	**1,198**
Charge for the year	**14**	**1**	**28**	**109**	**152**
At 31 March 2021	**156**	**4**	**410**	**780**	**1,350**
Net carrying amount	**1,613**	**1**	**100**	**611**	**2,325**
At 31 March 2020					
Cost					
At 1 April 2019	1,769	5	464	1,092	3,330
Additions	-	-	-	227	227
At 31 March 2020	1,769	5	464	1,319	3,557
Accumulated depreciation					
At 1 April 2019	126	3	359	549	1,037
Charge for the year	16	-	23	122	161
At 31 March 2020	142	3	382	671	1,198
Net carrying amount	1,627	2	82	648	2,359

Notes to the Financial Statements

14. Property, plant and equipment (cont'd.)

* Land and buildings of the Company

	Freehold land RM'000	Buildings RM'000	Total RM'000
At 31 March 2021			
Cost			
At 1 April 2020/31 March 2021	**1,550**	**219**	**1,769**
Accumulated depreciation			
At 1 April 2020	**-**	**142**	**142**
Charge for the year	**-**	**14**	**14**
At 31 March 2021	**-**	**156**	**156**
Net carrying amount	**1,550**	**63**	**1,613**
At 31 March 2020			
Cost			
At 1 April 2019/31 March 2020	1,550	219	1,769
Accumulated depreciation			
At 1 April 2019	-	126	126
Charge for the year	-	16	16
At 31 March 2020	-	142	142
Net carrying amount	1,550	77	1,627

(a) The factory extension of the Group with a net book value of RM16,000 (2020: RM29,000) was constructed on a piece of land leased from a lessor. The lease will expire on 30 June 2022.

(b) Included in the property, plant and equipment of the Group and the Company are cost of fully depreciated assets still in use of RM145,285,000 (2020: RM137,435,000) and RM872,000 (2020: RM720,000) respectively.

Notes to the Financial Statements

15. Right-of-use assets

As lessee

The carrying amount and the movement of right-of-use assets for the year ended 31 March 2021 and 2020 are as follows:

Group	Leasehold land RM'000	Buildings RM'000	Barge RM'000	Total RM'000
At 31 March 2021				
Cost				
At 1 April 2020	128,008	349	3,277	131,634
Additions	-	3,342	1,542	4,884
Exchange differences	9	-	284	293
At 31 March 2021	128,017	3,691	5,103	136,811
Accumulated depreciation and impairment loss				
At 1 April 2020	31,673	322	1,574	33,569
Depreciation charge for the year	2,770	1,048	1,702	5,520
Exchange differences	-	-	131	131
At 31 March 2021	34,443	1,370	3,407	39,220
Analysed as:				
Accumulated depreciation	22,467	1,370	3,407	27,244
Accumulated impairment loss	11,976	-	-	11,976
	34,443	1,370	3,407	39,220
Net carrying amount	93,574	2,321	1,696	97,591

Notes to the Financial Statements

15. Right-of-use assets (cont'd.)

As lessee (cont'd.)

Group	Leasehold land RM'000	Buildings RM'000	Barge RM'000	Total RM'000
At 31 March 2020				
Cost				
At 1 April 2019	128,017	349	3,576	131,942
Exchange differences	(9)	-	(299)	(308)
At 31 March 2020	128,008	349	3,277	131,634
Accumulated depreciation and impairment loss				
At 1 April 2019	19,432	-	-	19,432
Charge for the year:				
- Depreciation	3,390	322	1,759	5,471
- Impairment loss	8,851	-	-	8,851
Exchange differences	-	-	(185)	(185)
At 31 March 2020	31,673	322	1,574	33,569
Analysed as:				
Accumulated depreciation	19,697	322	1,574	21,593
Accumulated impairment loss	11,976	-	-	11,976
	31,673	322	1,574	33,569
Net carrying amount	96,335	27	1,703	98,065

Right-of-use assets are mainly in relation to lease of land from state governments and lease of office building and barge from third parties.

16. Investment properties

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cost				
At 1 April 2020/2019 and 31 March	**87,559**	87,559	**72,116**	72,116
Accumulated depreciation				
At 1 April 2020/2019	**29,903**	28,396	**25,001**	23,837
Charge for the year	**1,507**	1,507	**1,164**	1,164
At 31 March	**31,410**	29,903	**26,165**	25,001
Net carrying amount	**56,149**	57,656	**45,951**	47,115
Fair value	**61,990**	62,195	**50,990**	50,995

(a) The land title of a freehold land and building of the Company with a net book value of approximately RM45,199,000 (2020: RM46,343,000) 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 RM753,000 (2020: RM772,000) has yet to be finalised.

(c) As at 31 March 2021 and 2020, the fair values of the investment properties are based on valuation performed by independent professional valuer. Valuations are performed by accredited independent valuer with recent experience in the location and category of properties being valued. The valuations are based on 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 investment properties amounting to RM3,850,000 (2020: RM4,055,000) are valued under 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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Comparison approach:				
Average value (RM/psf)				
- Land	**8 - 20**	8 - 20	**8**	8
- Buildings	**400**	400	**400**	400
Cost approach:				
Building cost (RM psf)	**0.7 - 20**	0.7 - 21	**0.7 - 1.6**	0.7 - 1.6

The estimated fair value would increase/(decrease) if the average value per square foot was higher/(lower).

The estimated fair value would increase/(decrease) if the building cost per square foot was lower/(higher).

Notes to the Financial Statements

16. Investment properties (cont'd.)

(d) Rental income generated from and direct operating expenses incurred on income generated from investment properties are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Rental income	**4,872**	5,326	**3,772**	4,031
Direct operating expenses	**(3,592)**	(3,762)	**(3,288)**	(3,466)

(e) Other details of future minimum rental receivable under non-cancellable operating leases are disclosed in Note 36(b).

17. Investments in subsidiaries

Company	Unquoted shares RM'000	Redeemable preference shares RM'000	Redeemable convertible preference shares RM'000	Total RM'000
At 1 April 2020	**26,999**	**101,600**	**-**	**128,599**
Subscription	**450**	**19,000**	**-**	**19,450**
At 31 March 2021	**27,449**	**120,600**	**-**	**148,049**
At 1 April 2019	26,999	35,400	50,100	112,499
Subscription	-	16,100	-	16,100
Conversion	-	50,100	(50,100)	-
At 31 March 2020	26,999	101,600	-	128,599

(a) Details of subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective ownership interest 2021 %	Effective ownership interest 2020 %	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.
Gabungan Warisan Sdn. Bhd.	Malaysia	**100**	100	Oil palm plantation.

17. Investments in subsidiaries (cont'd.)

(a) Details of subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Country of incorporation	Effective ownership interest 2021 %	Effective ownership interest 2020 %	Principal activities
Subsidiaries 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 proccessing.
Fima Sg. Siput Estate Sdn. Bhd (formerly known as R.N.E. Plantation Sdn. Bhd.)	Malaysia	**70**	70	Oil palm plantation.
FCB Eastern Plantations Sdn. Bhd.	Malaysia	**100**	100	Oil palm plantation.
Subsidiaries 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.

Notes to the Financial Statements

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

	2021 RM'000	2020 RM'000
Non-current assets - Property, plant and equipment	**14,765**	13,498
Non-current assets - Right-of-use assets	**11,569**	12,208
Non-current assets - Others	**4,546**	2,299
Current assets - Cash and cash equivalents	**46,348**	27,188
Current assets - Others	**45,603**	47,031
Total assets	**122,831**	102,224
Current liabilities	**16,061**	10,981
Non-current liabilities	**1,085**	1,596
Total liabilities	**17,146**	12,577
Net assets	**105,685**	89,647
Equity attributable to equity holders of the Company	**84,548**	71,718

(ii) Summarised statement of comprehensive income

	2021 RM'000	2020 RM'000
Revenue	**95,490**	99,857
Profit for the year	**19,863**	519
Other comprehensive income/(loss)	**179**	(151)
Total comprehensive income	**20,042**	368
Dividend paid to non-controlling interests	**1,924**	-

(iii) Summarised statement of cash flows

	2021 RM'000	2020 RM'000
Net cash generated from operating activities	**28,103**	9,127
Net cash generated from/(used in) investing activities	**186**	(4,456)
Net cash used in financing activities	**(11,075)**	(1,713)
Net increase in cash and cash equivalents	**17,214**	2,958
Cash and cash equivalents at beginning of the year	**27,188**	27,984
Effect of exchange rate changes	**1,946**	(3,754)
Cash and cash equivalents at end of the year	**46,348**	27,188

17. Investments in subsidiaries (cont'd.)

(c) During the year, the Company subscribed to 190 units of redeemable preference shares at RM100,000 each, issued by the following subsidiaries, for a total cash consideration of RM19,000,000:

	RM'000
Gabungan Warisan Sdn. Bhd.	1,100
Taka Worldwide Trading Sdn. Bhd.	800
Etika Gangsa Sdn. Bhd.	900
Ladang Bunga Tanjong Sdn. Bhd.	3,000
Fima Sg. Siput Estate Sdn. Bhd. (formerly known as R.N.E. Plantation Sdn. Bhd.)	13,200
	19,000

(d) The redeemable preference shares of Ladang Bunga Tanjong Sdn. Bhd. and Fima Sg. Siput Estate Sdn. Bhd. (formerly known as R.N.E. Plantation 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.

(e) During the year, the Company subscribed to 450,000 ordinary shares at RM1 each, issued by Fima Technology Sdn. Bhd. for a cash consideration of RM450,000.

18. Investment in associate

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted shares, at cost	**10,000**	10,000	**10,000**	10,000
Share of post acquisition results	**27,363**	23,237	**-**	-
	37,363	33,237	**10,000**	10,000

Details of the associate, which is incorporated in Malaysia, are as follows:

	Group's effective interest		
Name of associate	2021 %	2020 %	Principal activities
Giesecke & Devrient Malaysia Sdn. Bhd.*	**20**	20	Production and sale 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 2020 have been used and appropriate adjustments have been made for the effects of transactions between 31 December 2020 and 31 March 2021.

Notes to the Financial Statements

18. Investment in associate (cont'd.)

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

	2021 RM'000	2020 RM'000
Current assets	**86,939**	91,902
Non-current assets	**183,989**	176,129
Total assets	**270,928**	268,031
Current liabilities	**49,652**	37,693
Non-current liabilities	**34,459**	64,151
Total liabilities	**84,111**	101,844
Net assets	**186,817**	166,187

(ii) Summarised statement of comprehensive income

	2021 RM'000	2020 RM'000
Revenue	**225,482**	166,829
Profit before tax	**20,312**	10,687
Profit for the year	**20,630**	9,816
Total comprehensive income	**20,630**	9,816

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate

	2021 RM'000	2020 RM'000
Net assets at 1 April 2020/2019	**166,187**	156,371
Total comprehensive income	**20,630**	9,816
Net assets at 31 March	**186,817**	166,187
Interest in associate	**20%**	20%
Carrying value of Group's interest in associate	**37,363**	33,237

19. Goodwill on consolidation

	Group	
	2021 RM'000	2020 RM'000
At 1 April 2020/2019 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 assumption used in the value-in-use calculation

<u>Revenue</u>
Revenue is estimated based on future expected yield and price.

<u>Discount rate</u>
Discount rate of 15.5% (2020: 15.5%) is used based on the risk specific to the CGU.

(c) Sensitivity analysis

In assessing value-in-use and fair value, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

20. Inventories

	Group	
	2021 RM'000	2020 RM'000
At cost:		
Work-in-progress	**5,683**	8,420
Oil palm products	**5,917**	4,015
Printing materials	**11,616**	22,776
Fertilizer	**1,354**	2,432
Consumables	**4,524**	4,102
	29,094	41,745

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM78,784,000 (2020: RM93,946,000).

Notes to the Financial Statements

21. Biological assets

	Group	
	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**3,347**	1,019
Changes in fair value less cost to sell (Note 8)	**(1,781)**	2,672
Exchange differences	**278**	(344)
At 31 March	**1,844**	3,347

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 are 4,754 (2020: 9,719) metric tonnes. The fair value disclosed in the financial statements is categorised within the Level 3 fair value hierarchy.

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	
	2021 RM'000	2020 RM'000
10% increase	**247**	396
10% decrease	**(247)**	(396)

22. Trade receivables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Third parties	**57,975**	106,500	**555**	669
Less: Allowance for impairment	**(1,008)**	(951)	**(348)**	(292)
Trade receivables, net	**56,967**	105,549	**207**	377

Trade receivables are non-interest bearing. The Group's normal trade credit term ranges from 30 to 90 days (2020: 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 RM19,597,500 and RM22,830,000 (2020: (2020: RM19,597,500 and RM60,806,000) of the Group's trade receivables were due from a single customer and the Government of Malaysia, respectively.

The ageing analysis of the Group's and the Company's trade receivables are further disclosed in Note 40(d).

22. Trade receivables (cont'd.)

Movement in allowance accounts based on lifetime expected credit losses are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**951**	657	**292**	-
Charge for the year (Note 6)	**115**	343	**56**	292
Write back of impairment loss (Note 6)	**(58)**	(49)	**-**	-
As 31 March	**1,008**	951	**348**	292

23. Other receivables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits	**39,594**	1,492	**39,336**	1,235
Sundry receivables	**5,153**	4,481	**21**	18
Prepayments	**3,298**	3,786	**478**	443
VAT receivables	**9,512**	9,052	**-**	-
Staff loan	**225**	333	**-**	-
	57,782	19,144	**39,835**	1,696
Less: Allowance for impairment	**(821)**	(1,175)	**(100)**	(100)
	56,961	17,969	**39,735**	1,596

Included in the deposits of the Group and the Company is RM39,193,000 (2020: RM1,030,000) in relation to the acquisition of plantation lands as further disclosed in Note 43.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

Movement in allowance accounts based on lifetime expected credit losses are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**1,175**	866	**100**	-
Charge for the year (Note 6)	**-**	415	**-**	100
Write back of impairment loss (Note 6)	**(451)**	-	**-**	-
Exchange differences	**97**	(106)	**-**	-
As 31 March	**821**	1,175	**100**	100

Notes to the Financial Statements

24. Due from/(to) related companies

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Due from ultimate holding company	**20**	-	**-**	-
Due from subsidiaries	**-**	-	**4,888**	12,404
Due from other related companies	**2,362**	2,606	**515**	663
Less: Allowance for impairment	**-**	-	**(2,362)**	-
	2,382	2,606	**3,041**	13,067
Due to ultimate holding company	**(358)**	(536)	**(74)**	(309)
Due to subsidiaries	**-**	-	**(6,264)**	-
Due to other related companies	**(3)**	(1,091)	**(1)**	(1)
	(361)	(1,627)	**(6,339)**	(310)

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.

Movement in allowance accounts based on lifetime expected credit losses are as follows:

	Company	
	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**-**	-
Charge for the year (Note 6)	**2,362**	-
As 31 March	**2,362**	-

25. Financial investments

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At fair value through profit and loss:				
Islamic money market unit trust funds	**144,563**	127,030	**20,208**	10,580

Other details of the fair value of the Group and the Company's financial investments further disclosed in Note 39.

Notes to the Financial Statements

26. Cash and bank balances

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	**15,830**	20,210	**1,162**	606
Fixed deposits with licensed banks	**35,179**	27,341	**23**	21
Total cash and cash equivalents	**51,009**	47,551	**1,185**	627

The weighted average effective interest rates ("WAEIR") per annum of deposits at the reporting date are as follows:

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Licensed banks	**3.17**	3.76	**1.35**	2.95

The average maturity of deposits as at the end of the financial year are as follows:

	Group		Company	
	2021 Days	2020 Days	2021 Days	2020 Days
Licensed banks	**31**	22	**30**	30

27. Share capital

	Number of shares		Amount	
	2021 '000	2020 '000	2021 RM'000	2020 RM'000
Issued and fully paid:				
At 1 April 2020/2019 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.

Notes to the Financial Statements

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 28 August 2019, gave their approval for the Company's plan to buy back its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the share buy back plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company bought back 1,161,500 (2020: 873,200) of its issued ordinary shares from the open market at an average price of RM1.61 (2020: RM1.69) per ordinary share. The total consideration paid for the buy back including transactions costs was RM1,864,000 (2020: RM1,475,000). 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 (2020: 245,324,330) issued and fully paid ordinary shares as at 31 March 2021, 7,231,800 (2020: 6,070,300) are held as treasury shares by the Company. As at 31 March 2021, the number of outstanding ordinary shares in issue and fully paid-up is therefore 238,092,530 (2020: 239,254,030).

29. Other reserves

	Foreign currency translation deficit RM'000	Equity contribution from parent RM'000	Total RM'000
Group			
At 1 April 2019	(7,317)	4,250	(3,067)
Foreign currency translation	(6,707)	-	(6,707)
At 31 March 2020	(14,024)	4,250	(9,774)
At 1 April 2020	**(14,024)**	**4,250**	**(9,774)**
Foreign currency translation	**5,442**	**-**	**5,442**
At 31 March 2021	**(8,582)**	**4,250**	**(4,332)**
Company			
At 1 April 2019/31 March 2020/31 March 2021		**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 employees recorded on grant of share options and shares by Kumpulan Fima Berhad.

30. Retained earnings

As at 31 March 2021 and 31 March 2020, the Company may distribute the entire balance of the retained earnings under the single tier system.

31. Lease liabilities

The carrying amount and the movement of lease liabilities for the year ended 31 March 2021 and 2020 are as follows:

	Group	
	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**16,641**	19,436
Payments	**(2,940)**	(3,048)
Rent concession (Note 5)	**(588)**	-
Interest expense (Note 7)	**645**	371
Additions	**4,884**	-
Exchange differences	**106**	(118)
At 31 March	**18,748**	16,641
Analysed as:		
Current	**3,699**	2,406
Non-current	**15,049**	14,235

32. Retirement benefit obligation

	Group	
	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**2,073**	1,831
Recognised in profit or loss (Note 9)	**(180)**	273
Benefits paid	**(183)**	(77)
Remeasurement of defined benefit liability	**(196)**	201
Exchange differences	**143**	(155)
At 31 March	**1,657**	2,073

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 2021.

Notes to the Financial Statements

32. Retirement benefit obligation (cont'd.)

(a) The amount recognised in the statement of financial position is determined as follows:

	Group	
	2021 RM'000	2020 RM'000
Present value of unfunded defined benefits obligations	**1,657**	2,073
Analysed as:		
Non-current	**1,657**	2,073

(b) The amounts recognised in the profit or loss are as follows:

	Group	
	2021 RM'000	2020 RM'000
Current service cost	**(313)**	163
Interest cost	**133**	110
Total, included in staff costs (Note 9)	**(180)**	273

(c) Principal assumptions used by the foreign subsidiary in Indonesia in determining the employee benefits liability as of 31 March 2021 and 2020 are as follows:

	Group	
	2021	2020
Discount rate	**6.16%**	6.97%
Annual salary increase	**7.00%**	7.00%
Retirement age	**57 to 65**	55

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.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on changes to individual assumptions, with all other assumptions held constant.

	Group	
	2021 RM'000	2020 RM'000
A 1% decrease/increase in discount rate will increase/decrease the defined benefit obligation by	**102**	144
A 1% increase/decrease in expected salary growth will increase/decrease the defined benefit obligation by	**116**	145

32. Retirement benefit obligation (cont'd.)

(c) Principal assumptions used by the foreign subsidiary in Indonesia in determining the employee benefits liability as of 31 March 2021 and 2020 are as follows: (cont'd)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

33. Deferred taxation

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 April 2020/2019	**(1,286)**	168	**198**	(422)
Recognised in:				
- profit or loss (Note 11)	**(612)**	(1,619)	**(96)**	620
- other comprehensive income	**17**	(50)	**-**	-
Exchange differences	**(193)**	215	**-**	-
At 31 March	**(2,074)**	(1,286)	**102**	198
Presented after appropriate offsetting as follows:				
Deferred tax assets	**(6,612)**	(5,856)	**-**	-
Deferred tax liabilities	**4,538**	4,570	**102**	198
	(2,074)	(1,286)	**102**	198

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 2019	10,400	2,532	12,932
Recognised in profit or loss	(693)	631	(62)
Exchange differences	-	(87)	(87)
At 31 March 2020	**9,707**	**3,076**	**12,783**
Recognised in profit or loss	**3,342**	**(400)**	**2,942**
Changes in tax rate	**-**	**(102)**	**(102)**
Exchange differences	**-**	**71**	**71**
At 31 March 2021	**13,049**	**2,645**	**15,694**

Notes to the Financial Statements

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	Property, plant and equipment RM'000	Total RM'000
At 1 April 2019	(4,510)	(452)	(5,310)	(2,492)	(12,764)
Recognised in:					
- profit or loss	(1,617)	(57)	558	(441)	(1,557)
- other comprehensive income	-	(50)	-	-	(50)
Exchange differences	-	47	-	255	302
At 31 March 2020	**(6,127)**	**(512)**	**(4,752)**	**(2,678)**	**(14,069)**
Recognised in:					
- profit or loss	**(3,022)**	**69**	**1,018**	**(2,022)**	**(3,957)**
- other comprehensive income	**-**	**17**	**-**	**-**	**17**
Changes in tax rate	**-**	**109**	**-**	**396**	**505**
Exchange differences	**-**	**(36)**	**-**	**(228)**	**(264)**
At 31 March 2021	**(9,149)**	**(353)**	**(3,734)**	**(4,532)**	**(17,768)**

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2021 RM'000	2020 RM'000
Unutilised tax losses	**29,256**	24,400
Unabsorbed capital allowances	**8,219**	7,804
	37,475	32,204

Historically, unutilised tax losses and unabsorbed capital allowances are available indefinitely against future taxable profit of the respective entities within the Group subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

33. Deferred taxation (cont'd.)

However, effective from year of assessment 2019 as announced in the Malaysia Annual Budget 2019, the unutilised tax losses of the Group as at 31 March 2019 and thereafter will be only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised tax losses will be disregarded.

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	
	2021 RM'000	2020 RM'000
Year of assessment 2027	**4,856**	-
Year of assessment 2026	**24,400**	24,400

Deferred tax liability/(asset) of the Company:

	Accelerated capital allowances RM'000	Provision for liabilities RM'000	Total RM'000
At 1 April 2019	251	(673)	(422)
Recognised in profit or loss	56	564	620
At 31 March 2020	**307**	**(109)**	**198**
Recognised in profit or loss	**13**	**(109)**	**(96)**
At 31 March 2021	**320**	**(218)**	**102**

34. Trade and other payables

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current				
Trade payables				
Third parties	**15,153**	7,136	**154**	29
Other payables				
Tenants' rental deposits	**1,275**	1,309	**945**	934
Accruals	**14,383**	13,451	**267**	319
Provision for bonus	**3,261**	3,308	**466**	434
Receipts in advance	**2,324**	1,897	**-**	-
Others	**240**	2,751	**-**	-
	21,483	22,716	**1,678**	1,687
Total trade and other payables	**36,636**	29,852	**1,832**	1,716

Trade payables are non-interest bearing which are normally settled within 30 to 90 days (2020: 30 to 90 days).

Notes to the Financial Statements

35. Provisions

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Provision for warranty	**3,115**	8,078	**-**	-
Provision for compensation claim	**-**	-	**-**	-
	3,115	8,078	**-**	-

(a) 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.

(b) Provision for compensation claim is for a tenant's renovation costs and general damages arising from an early termination of a tenancy agreement by the Company. On 27 September 2011, the Court of Appeal had allowed the Company's appeal against the decision by the High Court in favour of the tenant whereby the High Court directed that the matter be remitted back to the High Court for a full trial.

During the case management held on 30 June 2020, the Court of Appeal has directed that the matter to be struck out by virtue of Order 34 Rule 6 of Rules of Court 2012 with no order as to costs and no liberty to file afresh, resulting in a reversal of RM2,120,000 in the previous financial year.

The movement of the provisions are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Provision for warranty:				
At 1 April 2020/2019	**8,078**	9,192	**-**	-
Charge for the year (Note 8)	**799**	1,783	**-**	-
Reversal of provision (Note 8)	**(5,762)**	(2,897)	**-**	-
At 31 March	**3,115**	8,078	**-**	-
Provision for compensation claim:				
At 1 April 2020/2019	**-**	2,120	**-**	2,120
Reversal of provision (Note 8)	**-**	(2,120)	**-**	(2,120)
At 31 March	**-**	-	**-**	-

36. Commitments

(a) Capital expenditure

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Approved and contracted for:				
Property, plant and equipment	**11,939**	3,112	**-**	-
Approved but not contracted for:				
Property, plant and equipment	**41,261**	28,379	**1,419**	1,083
	53,200	31,491	**1,419**	1,083

(b) Operating lease commitments - as lessor

The Group and the Company have entered into operating leases on its 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 annual basis according to prevailing market conditions.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2021 and 2020 for the Group and the Company are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Within one year	**3,548**	4,452	**2,181**	3,130
After one year but not more than five years	**5,950**	6,572	**3,828**	4,131
	9,498	11,024	**6,009**	7,261

Notes to the Financial Statements

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)	
Group	**2021 RM'000**	**2020 RM'000**
Ultimate holding company		
- Rental income	**861**	853
- Sales/services rendered	**131**	99
- Management fees	**(1,266)**	(1,339)
Fellow subsidiaries:		
- Rental income	**190**	180
- Sales/services rendered	**1,774**	157
- Management services	**734**	609
Related by virtue of common shareholder of the Company:		
- Purchases made	**(49)**	(79)
- Rental income	**78**	76
Related by virtue of director/(s) of the Company and/or Group having substantial interest:		
- Services received	**(161)**	(365)
- Purchases made	**(5,859)**	(5,925)
Company		
Ultimate holding company		
- Rental income	**861**	853
- Management fees	**(371)**	(498)
Subsidiaries:		
- Rental income	**184**	180
- Management services	**660**	746
- Purchases made	**(798)**	(1,055)
Fellow subsidiaries:		
- Management services	**514**	597
Related by virtue of common shareholder of the Company:		
- Rental income	**-**	4

Information regarding outstanding balance arising from related party transactions as at the financial year end are disclosed in Note 24.

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 compensation is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short-term benefits	**3,019**	4,082	**1,324**	1,273
Post-employment benefits:				
Defined contribution plan	**445**	616	**163**	153
Other benefits	**129**	152	**92**	93
	3,593	4,850	**1,579**	1,519

Included in the total key management personnel above are the remuneration in respect of the directors of the Company and directors of subsidiaries:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Directors' remuneration:				
Directors of the Company (Note 10)	**2,218**	2,235	**1,176**	1,176
Directors of subsidiaries	**1,375**	2,615	**403**	343

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.

The directors are of the opinion that all inter-segment 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.

(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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue												
External sales	**101,934**	134,004	**93,931**	27,076	**6,967**	6,005	**103,748**	103,118	**(93,931)**	(27,076)	**212,649**	243,127
Inter-segment sales	**-**	-	**-**	-	**1,366**	1,730	**-**	-	**(1,366)**	(1,730)	**-**	-
Total revenue	**101,934**	134,004	**93,931**	27,076	**8,333**	7,735	**103,748**	103,118	**(95,297)**	(28,806)	**212,649**	243,127
Results												
Profit from operations	**14,691**	25,996	**90,577**	24,288	**2,153**	3,587	**21,499**	(10,258)	**(93,931)**	(27,076)	**34,989**	16,537
Finance costs	**(95)**	(8)	**-**	-	**(1)**	(2)	**(549)**	(361)	**-**	-	**(645)**	(371)
Share of results of associate	**-**	-	**4,126**	1,963	**-**	-	**-**	-	**-**	-	**4,126**	1,963
Profit before tax											**38,470**	18,129
Income tax expense											**(7,335)**	(9,322)
Profit net of tax											**31,135**	8,807

38. Segmental information (cont'd.)

Business segments (cont'd.)

The following table provides an analysis of the Group's revenue, results, assets and liabilities and other information by business segment: (cont'd.)

	Production and trading of security documents		Investment holding		Property management		Oil palm production		Eliminations		Consolidated	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Asset and Liabilities												
Segment assets	**196,768**	263,986	**265,864**	215,189	**58,764**	60,612	**244,635**	220,745	**(174,395)**	(168,950)	**591,636**	591,582
Deferred tax assets	**1,950**	3,332	**404**	708	**116**	224	**4,546**	2,300	**(404)**	(708)	**6,612**	5,856
Investment in associate	**-**	-	**37,363**	33,237	**-**	-	**-**	-	**-**	-	**37,363**	33,237
Consolidated total assets											**635,611**	630,675
Segment liabilities	**30,686**	33,159	**8,340**	3,651	**1,307**	2,575	**34,447**	46,309	**(9,670)**	(21,009)	**65,110**	64,685
Consolidated total liabilities											**65,110**	64,685
Other Information												
Capital expenditure	**858**	462	**28**	47	**332**	185	**9,596**	16,443	**(85)**	(137)	**10,729**	17,000
Depreciation and amortisation	**3,429**	1,850	**152**	143	**1,530**	1,536	**8,558**	14,277	**(43)**	(9)	**13,626**	17,797
Net (write back)/charge of impairment losses	**1**	2	**2,362**	-	**56**	392	**(451)**	18,106	**(2,362)**	-	**(394)**	18,500
Net reversal of provision for warranty	**(4,963)**	(1,114)	**-**	-	**-**	-	**-**	-	**-**	-	**(4,963)**	(1,114)
Fair value changes in biological assets	**-**	-	**-**	-	**-**	-	**1,781**	(2,672)	**-**	-	**1,781**	(2,672)

Notes to the Financial Statements

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	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysia	**117,159**	143,270	**512,780**	489,358	**9,629**	11,776
Indonesia	**95,490**	99,857	**122,831**	102,224	**1,100**	5,224
	212,649	243,127	**635,611**	591,582	**10,729**	17,000

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 of loss ("FVTPL").

Group	Note	Carrying amount RM'000	AC RM'000	FVTPL RM'000
31 March 2021				
Financial assets				
Trade receivables	22	**56,967**	**56,967**	**-**
Other receivables (less prepayments)	23	**53,663**	**53,663**	**-**
Financial investments	25	**144,563**	**-**	**144,563**
Cash and bank balances	26	**51,009**	**51,009**	**-**
		306,202	**161,639**	**144,563**
Financial liabilities				
Trade payables	34	**15,153**	**15,153**	**-**
Other payables	34	**21,483**	**21,483**	**-**
Lease liabilities	31	**18,748**	**18,748**	**-**
		55,384	**55,384**	**-**

Notes to the Financial Statements

39. Financial instruments (cont'd.)

(a) Categories of financial instruments (cont'd.)

Group	Note	Carrying amount RM'000	AC RM'000	FVTPL RM'000
31 March 2020				
Financial assets				
Trade receivables	22	105,549	105,549	-
Other receivables (less prepayments)	23	14,183	14,183	-
Financial investments	25	127,030	-	127,030
Cash and bank balances	26	47,551	47,551	-
		294,313	167,283	127,030
Financial liabilities				
Trade payables	34	7,136	7,136	-
Other payables	34	22,716	22,716	-
Lease liabilities	31	16,641	16,641	-
		46,493	46,493	-
Company				
31 March 2021				
Financial assets				
Trade receivables	22	**207**	**207**	**-**
Other receivables (less prepayments)	23	**39,257**	**39,257**	**-**
Financial investments	25	**20,208**	**-**	**20,208**
Cash and bank balances	26	**1,185**	**1,185**	**-**
		60,857	**40,649**	**20,208**
Financial liabilities				
Trade payables	34	**154**	**154**	**-**
Other payables	34	**1,678**	**1,678**	**-**
		1,832	**1,832**	**-**

Notes to the Financial Statements

39. Financial instruments (cont'd.)

(a) Categories of financial instruments (cont'd.)

Company	Note	Carrying amount RM'000	AC RM'000	FVTPL RM'000
31 March 2020				
Financial assets				
Trade receivables	22	377	377	-
Other receivables (less prepayments)	23	1,153	1,153	-
Financial investments	25	10,580	-	10,580
Cash and bank balances	26	627	627	-
		12,737	2,157	10,580
Financial liabilities				
Trade payables	34	29	29	-
Other payables	34	1,687	1,687	-
		1,716	1,716	-

(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, borrowings, 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 that determined by reference to the fair value provided by the fund manager 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 (2020: no transfer in either directions).

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 2021. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes 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 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. There are no material unhedged financial assets and financial liabilities that are not denominated in the functional currencies of the Company and its subsidiaries.

Sensitivity analysis

The net unhedged financial assets and financial liabilities of the Group that are not denominated in their functional currencies are as follows:

	2021 RM'000	2020 RM'000
IDR		
Financial assets		
- Trade and other receivables	**28,561**	34,768
- Cash and cash equivalents	**46,348**	27,188
	74,909	61,956
Financial liabilities		
- Trade and other payables	**10,704**	6,346
Net exposure	**64,205**	55,610

Notes to the Financial Statements

40. Financial risk management objectives and policies (cont'd.)

(b) Foreign exchange risk (cont'd.)

Sensitivity analysis (cont'd.)

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the Indonesian Rupiah ("IDR") exchange rates against the functional currency of the affected group companies ("RM") with all other variables held constant.

	Group	
	2021 Effect on profit net of tax/equity RM'000	2020 Effect on profit net of tax/equity RM'000
IDR - strengthens 1% (2020: 1%)	**+488**	+423
IDR - weakens 1% (2020: 1%)	**-488**	-423

(c) Liquidity/funding risk

The Group and the Company define liquidity/funding risk as the risk that funds will not be available to meet its liabilities as and when they fall due.

The Group and the Company actively manage its operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible instruments to meet its working capital requirements. To ensure availability of funds, the Group closely monitors its cash flow position on a regular basis.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group 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				
As at 31 March 2021				
Financial liabilities:				
Trade and other payables (Note 34)	**36,636**	**-**	**-**	**36,636**
Amount due to related companies (Note 24)	**361**	**-**	**-**	**361**
Lease liabilities (Note 31)	**3,785**	**4,042**	**10,523**	**18,350**
	40,782	**4,042**	**10,523**	**55,347**
As at 31 March 2020				
Financial liabilities:				
Trade and other payables (Note 34)	29,852	-	-	29,852
Amount due to related companies (Note 24)	1,627	-	-	1,627
Lease liabilities (Note 31)	2,543	2,957	11,140	16,640
	34,022	2,957	11,140	48,119

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 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				
As at 31 March 2021				
Financial liabilities:				
Trade and other payables (Note 34)	**1,832**	**-**	**-**	**1,832**
Amount due to related companies (Note 24)	**6,339**	**-**	**-**	**6,339**
	8,171	**-**	**-**	**8,171**
As at 31 March 2020				
Financial liabilities:				
Trade and other payables (Note 34)	1,716	-	-	1,716
Amount due to related companies (Note 24)	310	-	-	310
	2,026	-	-	2,026

(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.

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).

Notes to the Financial Statements

40. Financial risk management objectives and policies (cont'd.)

(d) Credit risk (cont'd.)

Trade receivables (cont'd.)

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 ("ECL") approach. In determining the ECL, 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 2021 and 31 March 2020:

	Weighted average loss rate%	Gross amount RM'000	Expected credit loss RM'000	Credit impaired Yes/No
Group				
31 March 2021				
Current	**0%**	**21,603**	**-**	**No**
1 to 60 days past due	**0%**	**9,664**	**-**	**No**
61 to 120 days past due	**0%**	**155**	**-**	**No**
More than 121 days past due	**4%**	**26,553**	**1,008**	**Yes**
		57,975	**1,008**	
31 March 2020				
Current	0%	32,916	-	No
1 to 60 days past due	0%	19,507	-	No
61 to 120 days past due	0%	7,733	-	No
More than 121 days past due	2%	46,344	951	Yes
		106,500	951	
Company				
31 March 2021				
Current	**0%**	**61**	**-**	**No**
1 to 60 days past due	**0%**	**96**	**-**	**No**
61 to 120 days past due	**0%**	**50**	**-**	**No**
More than 121 days past due	**100%**	**348**	**348**	**Yes**
		555	**348**	
31 March 2020				
Current	0%	236	-	No
1 to 60 days past due	0%	104	-	No
61 to 120 days past due	0%	37	-	No
More than 121 days past due	100%	292	292	Yes
		669	292	

40. Financial risk management objectives and policies (cont'd.)

(d) Credit risk (cont'd.)

Trade receivables (cont'd.)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date are as follows:

	Group			
	2021		2020	
	RM'000	% of total	RM'000	% of total
Malaysia	**43,438**	**76%**	88,223	84%
Indonesia	**13,529**	**24%**	17,326	16%
	56,967	**100%**	105,549	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 RM19,597,500 and RM22,830,000 (2020: RM19,597,500 and RM60,806,000) of the Group's trade receivables were due from a single customer and the Government of Malaysia, respectively.

There are trade receivables where the Group and the Company have not recognised any loss allowance as the trade receivables are secured by collateral and/or other credit enhancements such as cash deposits, letter of credit and bank guarantees.

Fixed deposits with licenced 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.

Notes to the Financial Statements

42. Material litigations

(i) Hak Guna Usaha No. 01/Nunukan Utara

(a) On 13 May 2003, the Badan Pertanahan Nasional Provinsi Kalimantan Timur 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 Pertanahan Nasional ("BPN") vide letter dated 25 July 2016 ("Ministerial Order") informed PTNJL among others, of the following:

- There were administrative irregularities performed by officer(s) of the Badan Pertanahan Nasional Provinsi Kalimatan Timur in respect of the HGU. Due to these irregularities, it was identified that 17,16 hectares ("Irregular Parcel") of the Total Parcel is delineated for forestry.

- A third party situated adjacent to the Total Parcel ("Third Party") has requested to revise/amend the HGU as there are overlaps between the Total Parcel with the Third Party's interests on the land pursuant to their operating permits (approximately 3,500 hectares) ("Overlapping Parcel").

Following the above, BPN vide the Ministerial Order has provided the following decisions:

- the HGU is revoked effectively immediately ("Revocation");

- PTNJL to apply for a new HGU certificate for the remaining 2,809 hectares of land located at Land Allocated for Other Purposes ("APL"); and

- The Irregular Parcel is to be surrendered to the Kementerian Lingkungan Hidup dan Kehutanan Republik Indonesia.

On 21 October 2016, PTNJL initiated legal proceedings against BPN to challenge the Ministerial Order issued by BPN ("Lawsuit") in the Administrative Court ("State Administrative Court") of Jakarta, Indonesia. In the Lawsuit, PTNJL applied for an order for stay of enforcement of the Ministerial Order pending full and final settlement of the matter by the Indonesian Courts.

PTNJL's basis for the Lawsuit are inter alia as follows:

(i) The status of the Total Parcel is State Land, aligned with the condition imposed by prevailing laws and regulations in Indonesia; and

(ii) The revocation of the HGU certificate is contrary to the prevailing laws and regulations in Indonesia.

On 13 June 2017, the State Administrative Court dismissed the Lawsuit ("State Administrative Court's Decision") resulting in PTNJL filed its statement of appeal and memorandum of appeal on 21 June 2017 and 24 July 2017 respectively in the High Administrative Court ("High Court") of Jakarta, Indonesia ("Appeal").

42. Material litigations (cont'd.)

(i) <u>Hak Guna Usaha No. 01/Nunukan Utara (cont'd.)</u>

(a) Vide written decision dated 11 December 2017 (which was received by PTNJL's solicitors on 2 January 2018 and subsequently forwarded to PTNJL on 3 January 2018), the High Court partly allowed the Appeal with costs and ordered that (i) the Ministerial Order revoking PTNJL's HGU to be void, save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares; (ii) has ordered BPN to revoke the Ministerial Order save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares ("High Court Decision").

On 10 January 2018, PTNJL has filed its statement of appeal and appeal on 23 January 2018 to the Supreme Court of Indonesia ("Supreme Court") against the High Court Decision. On 21 August 2018, the Supreme Court allowed PTNJL's appeal and similarly ordered that the Ministerial Order be annulled ("Decision of the Supreme Court"). The Supreme Court also ordered BPN to simultaneously:

(i) issue an order cancelling PTNJL's rights over the Overlapping Parcel measuring 3,500 hectares; and

(ii) issue a new HGU certificate in favour of PTNJL for an area measuring 16,474.13 hectares, (which is 19,974.13 hectares less the 3,500 hectares referred to in paragraph (i) above).

On 8 February 2019, BPN filed the judicial review application to the Supreme Court seeking to set aside the Decision of the Supreme Court ("JR Application").

On 27 November 2019 the Supreme Court overturned the Decision of the Supreme Court in favor of BPN upholding the legitimacy and the validity of the Ministerial Order ("JR Decision").

On 23 January 2020, PTNJL subsequently filed a further application for judicial review to Jakarta State Administrative Court against the JR Decision ("2nd JR Application") on the grounds that the JR Decision contradicts some aspects of other established cases and the discovery of new material evidences that were not previously available. As at the date of these financial statements, the Supreme Court has not issued any decision in respect of the 2nd JR Application.

(b) On 28 November 2019, PTNJL has filed a civil suit in the South Jakarta District Court ("the District Court") against the Menteri Agraria dan Tata Ruang/Kepala Badan Pertahanan Nasional Republik Indonesia ("BPN") and a Third Party (collectively, Defendants"). The President Republik Indonesia and Menteri Lingkungan Hidup dan Kehutanan Republik Indonesia ("Menteri Kehutanan") have been named as co-defendants in the said suit.

PTNJL is seeking legal recognition of its rights over HGU; an injunction to:

(i) order BPN and Menteri Kehutanan to issue permit, recommendation, or approval for PTNJL to undertake its plantation activities;

(ii) bar the Third Party from preventing PTNJL from undertaking its plantation activities within the HGU areas which overlap with the Third Party's operating permits/interests; and

(iii) restrain the Minister from issuing any new licences permits or approvals to any parties on or within the HGU.

PTNJL is also seeking an order from the District Court to stay the enforcement of the Ministerial Order dated 25 July 2016 pending full and final determination of the matter by the Indonesian Courts.

On 6 May 2020, the mediation held between PTNJL, Defendants and Co-defendants has failed. Accordingly, the matter will now proceed to the District Court for determination.

On 15 September 2020, the District Court had delivered an oral judgement and dismissed the civil suit filed by the PTNJL against the Defendant on the basis that the District Court has no competency to hear the matter notwithstanding the civil nature of the claim.

Notes to the Financial Statements

42. Material litigations (cont'd.)

(i) Hak Guna Usaha No. 01/Nunukan Utara (cont'd.)

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 PNJS dated 15 September 2020.

(ii) Legal action against Datasonic Technologies Sdn. Bhd.

On 30 July 2018, the Company's subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. ("the Plaintiff"), has commenced a High Court action against Datasonic Technologies Sdn. Bhd. ("the Defendant").

The claim is for a sum of RM24,975,000 (excluding interest and cost), being the amount due and owing by the Defendant to the Plaintiff for 1.5 million Malaysian passport booklets which were supplied by the Plaintiff to the Defendant.

At the request of the Defendant during the case management on 3 October 2018, the Plaintiff agreed to attempt mediation with the aim of arriving at an amicable resolution. The mediation took place on 17 October 2018 and 19 October 2018. However, the parties could not reach a resolution.

On 19 April 2019, the Company announced that the settlement negotiation between the parties have failed. Accordingly, the High Court Judge has fixed the matter for case management on 13 May 2019 (for compliance with pre-trial directions) and trial on 12 July 2019, 9 August 2019, 8 January 2020 and 9 January 2020.

During the case management on 31 May 2019, the High Court Judge has directed the parties to appear before her on 12 July 2019 as a final attempt to explore settlement as requested by DTSB. However, the settlement negotiation and mediation between the parties have failed. The trial dates were fixed for 9 and 10 November 2020. The next case management was fixed on 9 October 2020.

On 7 August 2020, the Company announced that the High Court Judge has dismissed PKN's amendment application with costs. Further, the High Court Judge has directed the parties to comply with pre-trial directions.

The High Court has vacated the trial date on 9 November 2020 in light that the Conditional Movement Control Order had been extended up to the said date. The trial date on 10 November 2020 was maintained. The High Court has subsequently vacated the trial date on 10 November 2020 and the said date has been converted to case management instead.

During the case management on 26 February 2021, the High Court has fixed the new trial dates for this matter on 23, 24 and 25 August 2021.

This civil suit is not expected to have any material impact on the financial and operational position of the Group.

43. Subsequent event

On 28 September 2020, the Company has entered into a conditional Agreement for the Sale and Purchase of Business Assets which includes inter alia the lease of the plantation lands known as Ladang Aring and Ladang Kuala Betis ("Plantation Lands") with PMBK Sawit Sdn. Bhd. for a purchase consideration in the aggregate sum of RM51,500,000. The Plantation Lands are held under PN6353, Lot 3468, Mukim Relai, Jajahan Gua Musang, Kelantan Darul Naim and HSD27345, PT363, Mukim Kuala Betis, Jajahan Kecil Lojing, Kelantan Darul Naim measuring approximately 935 hectares and 2,302 hectares, respectively. The lease period for the Plantation Lands is for 66 years and expiring on 5 March 2077. The acquisition was completed on 3 May 2021.

44. Restatement of comparatives

Certain comparative figures have been reclassified to conform to current financial year's presentation.

	As previously stated RM'000	Reclassi-fication RM'000	As restated RM'000
Statements of comprehensive income			
For the financial year ended 31 March 2020			
Group			
Cost of sales/services	(162,336)	(3,569)	(165,905)
Other operating expenses	(12,741)	3,569	(9,172)
Company			
Cost of sales/services	-	(3,466)	(3,466)
Administrative expenses	(4,096)	2,117	(1,979)
Other operating expenses	(1,415)	1,349	(66)
Statements of cash flows			
For the financial year ended 31 March 2020			
Group			
Net cash generated from operating activities	17,574	1,030	18,604
Net cash generated from investing activities	10,364	(1,030)	9,334
Company			
Net cash generated from/(used in) operating activities	376	(1,655)	(1,279)
Net cash generated from investing activities	46,937	(14,445)	32,492
Net cash used in financing activities	(47,540)	16,100	(31,440)

45. Authorisation of financial statements for issue

The financial statements for the year ended 31 March 2021 were authorised for issue in accordance with a resolution of the directors on 29 June 2021.

LIST OF PROPERTIES

Held by the Group at 31 March 2021

No.	Location	Description/ Existing Use	Tenure	Land Area (Acres)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/03/2021 (RM)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	FIMA CORPORATION BERHAD							
1.	PTD 4656 HS(D) 13531 Mukim Jeram Batu Pontian Johor	Industrial land and building	Freehold	2.71	66,608	753,000	07 July 1993	53
2.	Lot 1176 Mukim Pasir Panjang Port Dickson Negeri Sembilan	Bungalow	Feeehold	0.82	3,114	1,613,000	07 July 1993/ 12 February 2015	72
3.	Lot 52068 Grant 50064 Mukim of Kuala Lumpur Wilayah Persekutan	Office Building	Freehold	1.45	270,372	45,198,000	17 August 1995	23
	Sub Total			**4.98**	**340,094**	**47,564,000**		
	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	10,198,000	26 January 2006	34
	Sub Total			**8.30**	**250,560**	**10,198,000**		
	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	23,441,000	6 January 2014/ 20 March 2015	N/A
	Sub Total			**1,940.73**	**N/A**	**23,441,000**		
	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	6,133,000	17 October 2014/ 10 March 2015	N/A
	Sub Total			**617.27**	**N/A**	**6,133,000**		
	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	3,808,000	18 March 2015	N/A
	Sub Total			**500.00**	**N/A**	**3,808,000**		

List of Properties

Held by the Group at 31 March 2021

No.	Location	Description/ Existing Use	Tenure	Land Area (Acres)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/03/2021 (RM)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	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	3,811,000	18 March 2015	N/A
	Sub Total			**500.00**	**N/A**	**3,811,000**		
	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	24,832,000	20 February 2018	N/A
	Sub Total			**3,288.90**	**N/A**	**24,832,000**		
	FIMA SG SIPUT ESTATE SDN BHD (formerly known as R.N.E. Plantation 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	21,680,000	4 December 2015	N/A
	Sub Total			**4,942.00**	**N/A**	**21,680,000**		

**Note: On the 26 January 2021 R.N.E. Plantation Sdn Bhd changed its name to Fima Sg Siput Estate Sdn Bhd.*

No.	Location	Description/ Existing Use	Tenure	Land Area (Acres)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/03/2021 (RM)	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 112,375	9,202,000 667,000	9 April 2007/ 31 December 2014	N/A 16
	Sub Total			**49,641.90**	**112,375**	**9,869,000**		

***Note: The legal suit pertaining to the HGU is still ongoing to date.*

	GRAND TOTAL			**58,155.18**	**703,029**	**151,336,000**		

ANALYSIS OF SHAREHOLDINGS

As at 22 July 2021

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	% of Total Shareholdings
1.	FIMA METAL BOX HOLDINGS SDN. BHD.	147,245,358	61.92
2.	LEONG KOK TAI	3,468,300	1.46
3.	WONG YU @ WONG WING YU	2,757,800	1.16
4.	LIAU CHOON HWA & SONS SDN. BHD.	2,483,300	1.04
5.	TAN AH KOW @ TAN TOONG SOON	2,430,000	1.02
6.	LIAU KEEN YEE	2,400,000	1.01
7.	HAMIDAH BINTI ABDUL RAHMAN	1,816,800	0.76
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.	LEE SIEW PENG	1,260,000	0.53
11.	WONG YU @ WONG WING YU	1,260,000	0.53
12.	CHIN KIAN FONG	1,251,000	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	886,900	0.37
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.	INTROSCAPE SDN. BHD.	735,000	0.31
21.	ONG CHIN THYE	724,000	0.30
22.	UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENT)	722,415	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.	CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	610,168	0.26
27.	CHEN GUANGQIANG	605,000	0.25
28.	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' ROSLAN BIN HAMIR	601,800	0.25
29.	TAN TEAN TUNE	600,000	0.24
30.	LIM KHUAN ENG	570,000	0.24

Analysis of Shareholdings
As at 22 July 2021

SUBSTANTIAL SHAREHOLDER

Name	DIRECT HOLDINGS	
	No. of Shares	% of Total Shareholdings
FIMA METAL BOX HOLDINGS SDN. BHD.	147,245,358	61.92

DISTRIBUTION BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shareholdings
Less than 100	323	9.94	3,538	0.00
100 - 1,000	502	15.46	265,021	0.11
1,001 - 10,000	1,536	47.29	7,602,835	3.20
10,001 - 100,000	747	23.00	22,408,033	9.42
100,001 to less than 5% of issued shares	139	4.28	60,279,545	25.35
5% and above of issued shares	1	0.03	147,245,358	61.92
TOTAL	**3,248**	**100.00**	**237,804,330**	**100.00**

CLASSIFICATION OF SHAREHOLDERS

Category	No. of Holders	% of Holders	No. of Shares	% of Shareholdings
1. Government Agencies	0	0.00	0	0.00
2. Bumiputra				
a. Individuals	84	2.59	2,601,381	1.09
b. Companies	8	0.24	147,330,708	61.96
c. Nominees Company	167	5.14	4,740,583	1.99
3. Non-Bumiputra				
a. Individuals	2,659	81.86	67,392,568	28.34
b. Companies	61	1.88	7,126,838	3.00
c. Nominees Company	148	4.56	3,797,830	1.60
MALAYSIAN TOTAL	**3,127**	**96.27**	**232,989,908**	**97.98**
4. Foreign				
a. Individuals	80	2.47	1,490,117	0.62
b. Companies	3	0.09	116,673	0.05
c. Nominees Company	38	1.17	3,207,632	1.35
FOREIGN TOTAL	**121**	**3.73**	**4,814,422**	**2.02**
GRAND TOTAL	**3,248**	**100.00**	**237,804,330**	**100.00**

Analysis of Shareholdings

As at 22 July 2021

DIRECTORS' SHAREHOLDINGS

	DIRECT HOLDINGS		INDIRECT HOLDINGS	
Directors	No. of Shares	% of Shareholdings	No. of Shares	% of Shareholdings
DATO' ADNAN BIN SHAMSUDDIN	-	-	-	-
DATO' ROSLAN BIN HAMIR	-	-	601,800[(a)]	0.25
REZAL ZAIN BIN ABDUL RASHID	10,000	-	-	-
DR. ROSHAYATI BINTI BASIR	167,600	0.07	150,383,658[(b)]	61.30
DATUK BAZLAN BIN OSMAN	10,000	-	-	-
ROSELY BIN KUSIP	-	-	-	-

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. ("Fima Metal Box") direct shareholdings in the Company. Fima Metal Box is a major shareholder of the Company and is a wholly-owned subsidiary of Kumpulan Fima Berhad.

(ii) Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding and Rozilawati binti Haji Basir's indirect shareholding, in the Company.

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 02.033.898.4-723.000)
Jln. Jenderal Sudirman
Komplek Ruko Liem Hie Djung
No. A2 18, RT 01, Kec. Nunukan, Kab. Nunukan
Kalimantan Utara 77482
Indonesia

Cendana Laksana Sdn. Bhd.
201201039689 (1024167-W)
Ladang Fima Cendana
Batu 40, Jerangau-Jabor Highway
Air Putih, 24050 Kemaman
Terengganu
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Gabungan Warisan Sdn. Bhd.
199401042148 (327836-P)
Ladang Fima Dabong
PT 4718, Mukim Kuala Stong
Jajahan Kuala Krai, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Next Oasis Sdn. Bhd.
201401033412 (1109497-D)
Ladang Fima Aring
PT 6943 & PT 6944
Mukim Relai, Jajahan Gua Musang
Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Taka Worldwide Trading Sdn. Bhd.
200501032715 (714855-P)
Ladang Fima Aring
PT 6943 Mukim Relai
Jajahan Gua Musang, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Directory of Group Operations

Etika Gangsa Sdn. Bhd.
200601035188 (754947-D)
Ladang Fima Aring
PT 6944 Mukim Relai
Jajahan Gua Musang, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Fima Sg. Siput Estate Sdn. Bhd.
(formerly known as R.N.E. Plantation Sdn. Bhd.)
201301038071 (1067900-V)
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

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 (389287-K)
Lot 2429, Mukim Lubok Bongor
Daerah Kuala Balah
17600 Jeli, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

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 : +603-2094 5996

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

ENVIRONMENT

Waste Management

Total waste by type (MT)

Type	FYE2019	FYE2020	FYE2021
Hazardous	7	14	15
Non-hazardous	214,805	156,003	207,273
Total	**214,812**	**156,017**	**207,288**

Total waste by division (MT)

Division	FYE2019	FYE2020	FYE2021
Plantation	236	177	106
Manufacturing	214,576	155,840	207,182
Total	**214,812**	**156,017**	**207,288**

Total waste by disposal method (MT)

Disposal Method	FYE2021		
	Hazardous waste	Non-hazardous waste	Total
Reused	nil	145,046	145,046
Recycled	15	91	106
Composted	nil	62,051	62,051
Recovered	nil	85	85
Total	**15**	**207,273**	**207,288**

Total empty fruit bunches ("EFB") produced

	FYE2019	FYE2020	FYE2021
Total EFB produced (MT)	47,244	41,529	36,972
EFB processed into compost (MT)	27,155	4,710	18,294

Water Consumption (Megalitre)

Year	Water Consumption
FYE2019	426*
FYE2020	329*
FYE2021	306

**Restated*

Performance Data

Water consumption by division (Megalitre)

Division	FYE2019	FYE2020	FYE2021
Head Office	13	16	15
Manufacturing	20	13	15
Plantation	393	300	276
Total	**426**	**329**	**306**

Water consumption by source (Megalitre)

Source	FYE2019	FYE2020	FYE2021
Own Treated	384	295	272
Utility Water	37	29	30
Natural Source	5	5	4
Total	**426**	**329**	**306**

Note:
Own treated water refers to surface water.
Natural source refers to borewell water.

Energy Consumption (TJ)

Year	Total Energy Consumption
FYE2019	738
FYE2020	663
FYE2021	556

Energy consumption by division (TJ)

Disposal Method	FYE2019	FYE2020	FYE2021
Head Office	108	103	77
Manufacturing	61	52	36
Plantation	569	508	443
Total	**738**	**663**	**556**

Fuel Consumption (litre)

Year	Fuel Consumption
FYE2019	1,189,090
FYE2020	1,268,356
FYE2021	1,358,921

Performance Data

Fuel consumption by division (litre)

Division	FYE2019	FYE2020	FYE2021
Manufacturing	7,590	6,142	7,797
Plantation	1,181,500	1,262,214	1,351,124
Total	**1,189,090**	**1,268,356**	**1,358,921**

Fuel consumption by type (litre)

Type	FYE2019	FYE2020	FYE2021
Heat and Power Generation	448,866	514,199	491,590
Transportation	708,972	726,696	841,976
Equipment	31,252	27,461	25,355
Total	**1,189,090**	**1,268,356**	**1,358,921**

Note: Fuel consumption consists of petrol and diesel.

Fuel Consumption Intensity

Plantation - Transportation Diesel (litre) Intensity per Tonne FFB production

	FYE2020	FYE2021
Malaysian	1.62	1.82
Indonesian	2.40	2.49

Note: Three-year data for intensity will be in the next Sustainability Report.

Electricity Consumption (MWh)

Year	Electricity Consumption
FYE2019	4,296
FYE2020	3,946
FYE2021	2,895

Electricity consumption by division (MWh)

Division	FYE2019	FYE2020	FYE2021
Head Office	1,533	1,305	912
Manufacturing	2,723	2,600	1,936
Plantation	40	41	47
Total	**4,296**	**3,946**	**2,895**

Performance Data

Greenhouse Gas Emissions (tCO2eq)

FY	Scope 1	Scope 2	Estate Application	Total
Carbon emissions				
FYE2019	8,601	2,866	10,920	22,387
FYE2020	8,147	2,632	7,799	18,578
FYE2021	7,670	1,988	10,178*	19,836

**This data does not include Fima Sg. Siput Estate Sdn Bhd.*

Solar Power (MWh)

Year	Solar Power Generated
FYE2019	34
FYE2020	161
FYE2021	257

Solar power generated by division (MWh)

Division	FYE2019	FYE2020	FYE2021
Head Office	34	153	212
Manufacturing	nil	nil	33
Plantation	nil	8	12
Total	**34**	**161**	**257**

SOCIAL

Headcount

Headcount by age group

Age Group	FYE2019	FYE2020	FYE2021
<30	480	518	472
30 - 50	1,058	1,056	1,005
>51	182	170	164
Total	**1,720**	**1,744**	**1,641**

Headcount by gender

Gender	FYE2019	FYE2020	FYE2021
Female	431	409	386
Male	1,289	1,335	1,255
Total	**1,720**	**1,744**	**1,641**

Performance Data

Headcount by position

Position	FYE2019	FYE2020	FYE2021
Senior Management	7	6	5
Management	26	27	22
Executive	65	78	72
Non-Executive	1,622	1,633	1,542
Total	**1,720**	**1,744**	**1,641**

Headcount by division

Division	FYE2019	FYE2020	FYE2021
Head Office	34	36	27
Manufacturing	290	287	268
Plantation	1,396	1,421	1,346
Total	**1,720**	**1,744**	**1,641**

Headcount by nationality

Nationality	FYE2019	FYE2020	FYE2021
Malaysia	526	563	493
Indonesia	1,169	1,156	1,116
Bangladesh	25	25	23
India	nil	nil	9
Total	**1,720**	**1,744**	**1,641**

Headcount by local employment

Country	FYE2019	FYE2020	FYE2021
Malaysia	567	622	544
Indonesia	1,153	1,122	1,097
Total	**1,720**	**1,744**	**1,641**

Employees by Employment Contract, Gender and Country

FYE 2019

Employment Contract	Permanent			Temporary			Grand
Country/Gender	Male	Female	Total	Male	Female	Total	Total
Malaysia	215	131	346	180	41	221	567
Indonesia	706	252	958	188	7	195	1,153
Total	**921**	**383**	**1,304**	**368**	**48**	**416**	**1,720**

FYE 2020

Employment Contract	Permanent			Temporary			Grand
Country/Gender	Male	Female	Total	Male	Female	Total	Total
Malaysia	230	126	356	214	52	266	622
Indonesia	592	222	814	299	9	308	1,122
Total	**822**	**348**	**1,170**	**513**	**61**	**574**	**1,744**

Performance Data

FYE 2021

Employment Contract	Permanent			Temporary			Grand
Country/Gender	**Male**	**Female**	**Total**	**Male**	**Female**	**Total**	**Total**
Malaysia	212	126	338	172	34	206	544
Indonesia	468	210	678	403	16	419	1,097
Total	**680**	**336**	**1,016**	**575**	**50**	**625**	**1,641**

Note: All FimaCorp employees are full-time staff.

New Hires

New hires by division

Division	FYE2019	FYE2020	FYE2021
Head Office	6	1	nil
Manufacturing	93	75	19
Plantation	493	474	73
Total	**592**	**550**	**92**

New hires by gender

Gender	FYE2019	FYE2020	FYE2021
Female	64	43	11
Male	528	507	81
Total	**592**	**550**	**92**

New hires by country

Country	FYE2019	FYE2020	FYE2021
Malaysia	322	294	66
Indonesia	270	256	26
Total	**592**	**550**	**92**

New hires by age group

Age Group	FYE2019	FYE2020	FYE2021
<30	322	320	63
30 - 50	261	227	29
>50	9	3	nil
Total	**592**	**550**	**92**

Turnover (%)

Turnover rate by gender

Gender	FYE2019	FYE2020	FYE2021
Female	26.8	26.2	9.5
Male	3.2	2.6	1.0
Total	**30.0**	**28.8**	**10.5**

Performance Data

Turnover rate by country

Country	FYE2019	FYE2020	FYE2021
Malaysia	9.0	8.9	6.4
Indonesia	21.0	19.9	4.1
Total	**30.0**	**28.8**	**10.5**

Turnover rate by age group

Age Group	FYE2019	FYE2020	FYE2021
<30	12.7	14.3	5.1
30 - 50	16.7	13.9	4.9
>50	0.6	0.6	0.5
Total	**30.0**	**28.8**	**10.5**

Turnover rate by division

Division	FYE2019	FYE2020	FYE2021
Head Office	0.1	nil	0.1
Manufacturing	2.8	0.8	0.5
Plantation	27.1	28.0	9.9
Total	**30.0**	**28.8**	**10.5**

Average Training Hours

Year	Headcount	Total training hours	Average training hours per employee
FYE2019	1,720	5,971	3.47
FYE2020	1,744	6,353	3.64
FYE2021	1,641	3,183	1.94

Average training hours by gender

Gender	FYE2019	FYE2020	FYE2021
Female	3.88	5.32	3.42
Male	3.33	3.13	1.48

Average training hours by employee category

Employee category	FYE2019	FYE2020	FYE2021
Senior Management	18.29	12.67	22.80
Management	45.73	19.85	17.50
Executive	15.35	21.08	15.92
Non-Executive	2.19	2.46	1.00

Performance Data

Occupational Health and Safety

Total recorded injuries and fatalities

	FYE2019	FYE2020	FYE2021
Recorded injuries	21	16	19
Fatalities	1	1	nil

Injuries by absent days

	FYE2019	FYE2020	FYE2021
Absent days	275	123	204

Lost time injury frequency rate ("LTIFR")

	FYE2019	FYE2020	FYE2021
LTIFR*	5.94	4.40	5.34

Note: Per 1 million hours worked.

Unionised Employees

	Malaysia	Indonesia
Total No. of Employees	1,130	1,097
Unionised Employees	125	769
% of Unionised Employees	11.1	70.1

GOVERNANCE

Value distribution to stakeholders (RM million)

Stakeholders	FYE2019	FYE2020	FYE2021
Reinvestment	22.90	17.00	10.73
Dividend	33.90	30.05	31.74
Salaries	32.00	33.77	27.70
Tax	20.66	12.30	28.73

Supply chain – Procurement values (%)

	FYE2019	FYE2020	FYE2021
Supplier/Country	Indonesia	Indonesia	Indonesia
Foreign	6.6%	7.9%	8.2%
Local	93.4%	92.1%	91.8%

GRI CONTENT INDEX

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	12, 29-43	Refer to the Group Corporate Structure, Management Discussion & Analysis and Segmental Report sections in this Report.
102-3	Location of headquarters	13	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	197-198	Refer to the Directory of Group Operations in this Report.
102-5	Ownership and legal form	13	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 Services.
102-6	Markets served	35-43	Refer to the Segmental Report sections in this Report.
102-7	Scale of the organisation	12, 63, 202 23, 24, 29-43	Refer to the following sections in this Report: • Group Corporate Structure and workforce data in this Report. • Management Discussion & Analysis, Segmental Reports, 5-Year Group Financial Highlights.
102-8	Information on employees and other workers	63, 203	All FimaCorp employees are full-time workers. Total Permanent workers: 1,016 Total Temporary workers: 625 Refer also to the Social section of the Sustainability Statement and Performance Data.
102-9	Supply chain	71-72	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 FYE2021.
102-11	Precautionary Principle or approach	91-101	Refer to the Statement on Risk Management and Internal Control in this Report.
102-12	External initiatives	48-49, 72-73	UNSDGs, MSPO, Certifications
102-13	Membership of associations	73	• Gabungan Pengusaha Kelapa Sawit Indonesia • Association of Plantation Investors of Malaysia in Indonesia (APIMI) • Incorporated Society of Planters (ISP) • Malaysian Employers Federation
102-14	Statement from senior decision-maker	24-28	Refer to the Chairman's Statement in this Report.
102-15	Key impacts, risks, and opportunities	50-73, 91-101	Our approach to managing the key impacts, risks and opportunities is reviewed in the respective Environmental, Social and Governance sections in this Report. Refer also to the Statement on Risk Management and Internal Control.
102-16	Values, principles, standards, and norms of behaviour	1, 74-87, 91-101	Refer to the Our Values section and also to the Corporate Governance Overview Statement and Statement of Risk Management & Internal Control in this Report.
102-17	Mechanisms for advice and concerns about ethics	62, 101	The Group has in place a Whistle-blowing Policy and grievance procedures to address employees' and third parties' concerns.
102-18	Governance structure	74-87	Refer to the Corporate Governance Overview Statement in this Report.

GRI Content Index

GENERAL DISCLOSURES			
GRI 102: General Disclosures			
Disclosure Number		**Page**	**Remarks**
102-19	Delegating authority	74-87	Refer to the Corporate Governance Overview Statement in this Report.
102-20	Executive-level responsibility for economic, environmental, and social topics	70, 74-87	Refer to the Corporate Governance Overview Statement in this Report.
102-21	Consulting stakeholders on economic, environmental, and social topics	45-46, 74-87, 91-101	Refer to the Corporate Governance Overview Statement and Statement of Risk Management & Internal Control in this Report.
102-22	Composition of the highest governance body and its committees	13-22, 74-87	Refer to the Corporate Information, Profile of Directors, Profile of Key Senior Management and Corporate Governance Overview Statement sections in this Report.
102-23	Chair of the highest governance body	13-14	FimaCorp's Chairman, Dato' Adnan bin Shamsuddin, is an Independent Non-Executive Director.
102-24	Nominating and selecting the highest governance body	74-87	The Nomination & Remuneration Committee's main activities are set out in the Corporate Governance Overview Statement in this Report. In delivering its recommendations to the Board on any appointment re-appointment of Directors, the NRC considers factors such as the prospective candidate's expertise, experience gender, independence and ability to devote sufficient time to discharge their duties as Director.
102-25	Conflicts of interest	74-87	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.
102-26	Role of highest governance body in setting purpose, values, and strategy	74-87	Refer to the Corporate Governance Framework.
102-27	Collective knowledge of highest governance body	74-87	FimaCorp Directors are encouraged to attend continuous training programmes. In FYE2021, the Directors attended and participated in various seminars, presentations and workshops, details of which are set out in the Directors' Training section of the Corporate Governance Overview Statement in this Report.
102-28	Evaluating the highest governance body's performance	74-87	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	70, 74, 77, 91-101	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 Statement on Risk Management and Internal Control in this Report.
102-30	Effectiveness of risk management processes	88-101	The Audit & Risk Committee has oversight of the Group's risk management processes. Refer to the Audit & Risk Committee Report and Statement of Risk Management & Internal Control in this Report.
102-31	Review of economic, environmental, and social topics	70, 74, 77	The Board reviews and approves the SR2021. The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance.

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GENERAL DISCLOSURES			
GRI 102: General Disclosures			
Disclosure Number		**Page**	**Remarks**
102-32	Highest governance body's role in sustainability reporting	70, 74, 77	The Board reviews and approves the SR2021. The Group Sustainability Committee has oversight of the Group's sustainability initiatives and performance.
102-35	Remuneration policies	74-87	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	74-87	Refer to the Corporate Governance Overview Statement in this Report.
102-37	Stakeholders' involvement in remuneration	2-7	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 Annual General Meeting.
102-40	List of stakeholder groups	45-46	FimaCorp has identified seven stakeholder groups.
102-41	Collective bargaining agreements	61	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	45-46	FimaCorp has identified seven stakeholder groups.
102-43	Approach to stakeholder engagement	45-46	We respond to our stakeholders' expectations in many different ways, depending on the nature and scale of the issues.
102-44	Key topics and concerns raised	45-46	
102-45	Entities included in the consolidated financial statements	29-43	The Group's core divisions are Manufacturing and Plantation. Refer to the Management Discussion & Analysis section in this Report.
102-46	Defining report content and topic boundaries	1	Refer to About This Report.
102-47	List of material topics	47	
102-48	Restatements of information	53, 58, 67	Historical data relating to waste management, emissions and LTIFR has been restated.
102-49	Changes in reporting	-	No significant changes to the Group's organisational structure and reporting.
102-50	Reporting period	1	1 April 2020 to 31 March 2021.
102-51	Date of most recent report	-	Our last Sustainability Report was dated 28 August 2020.
102-52	Reporting cycle	1	Annual; financial year ending 31 March 2021.
102-53	Contact point for questions regarding the report	1	All enquiries and comments can be forwarded to fima@fimacorp.com.
102-54	Claims of reporting in accordance with the GRI Standards	1	Refer to About This Report.
102-55	GRI content index	207-214	
102-56	External assurance	-	This Report has not been externally assured. We are incrementally improving the reporting of our sustainability disclosures and we aspire for our SR to be externally assured in the future.

GRI Content Index

MATERIAL TOPICS - ECONOMIC			
Disclosure Number		**Page**	**Remarks**
Economic			
103: Management Approach			
103-1	Explanation of the material topic and its boundary	70	Refer to the materiality and boundaries of economic 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 SR2021. 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		
201: Economic Performance			
201-1	Direct economic value generated and distributed	23, 24, 30 - 43, 70	
201-2	Financial implications and other risks and opportunities due to climate change	45-59, 99	Addressing the impacts of climate change on the business is a material issue and issues are raised in various sections of the SR2021, notably, the Environmental section. Refer also to the Statement on Risk Management and Internal Control.
201-3	Defined benefit plan obligations and other retirement plans	147	Details are provided in FimaCorp's Audited Financial Statements 2021 in this Report in notes 9 (Staff Costs) and 10 (Directors' Remuneration).
202: Market Presence			
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	64, 66	We are committed to providing competitive and fair wages and believe that we do so in all our operations. The Group pays at least minimum wage as required by law in the countries in which we operate and in no area of operation does minimum wage vary by gender.
202-2	Proportion of senior management hired from local community	63	In FYE2021, our local employment rate was 96.5% and 100% of the Group's senior management were locals.
203: Indirect Economic Impacts			
203-2	Significant indirect economic impacts	68	
204: Procurement Practices			
204-1	Proportion of spending on local suppliers	72	
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	45, 71, 91-101	Our group policies and training modules are periodically reviewed to comply with anti-bribery and corruption legislation.
205-3	Confirmed incidents of corruption and actions taken	71	There were no confirmed incidents of corruption during the review period.

GRI Content Index

MATERIAL TOPICS - ECONOMIC			
Disclosure Number		**Page**	**Remarks**
Economic			
Management Approach			
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			
103: Management Approach			
103-1	Explanation of the material topic and its boundary	50, 52-55	Refer to the materiality and boundaries of environmental 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 SR2021. 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		
302: Energy			
302-1	Energy consumption within the organisation	55-57	
302-3	Energy intensity	57	
302-4	Reduction of energy consumption	55-57	
302-5	Reduction in energy requirements of products and services	56-57	
303: Water and Effluent			
303-1	Interactions with water as shared recourse	53-54	
303-2	Management of water discharge-related impacts	54-55	We are incrementally improving our water impact disclosures, and we aim to include our water discharge data in the near future.
303-3	Water withdrawal	53-54	
303-5	Water consumption	53-54	

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	51	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	51	Environmental impact assessments are carried out ahead of any new plantation development, or as may be required by relevant legislation.
304-3	Habitats protected or restored	51-52	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 operations.	52	We adopt sustainable practices through the establishment of an Elephant Conflict Task Force to improve human-elephant conflict management which involves Asian elephants, an 'endangered species' on the IUCN Red List.
305: Emissions			
305-1	Direct (Scope 1) GHG emissions	57-58	
305-2	Energy indirect (Scope 2) GHG emissions	57-58	
305-5	Reduction of GHG emissions	57-58	
306: Effluent and Waste			
306-1	Water discharge by quality and destination	54	
306-2	Waste by type and disposal method	52-53	
306-3	Significant spills	-	We did not record any significant spills at our sites during the review period.
306-4	Transportation of hazardous waste	-	The Group does not import or export any hazardous waste.
306-5	Water bodies affected by water discharges and/or runoff	54	There were zero non-compliances committed in relation to water and discharge management.
307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	-	No environmental-related penalties or fines were payable during the reporting period.

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MATERIAL TOPICS - SOCIAL			
Disclosure Number		**Page**	**Remarks**
Social			
103: Management Approach			
103-1	Explanation of the material topic and its boundary	60, 62, 65, 68	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 SR2021. 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	64	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	66	
401-3	Parental Leave	-	We have not reported parental leave data for FYE2021.
402: Labour Management Relations			
402-1	Minimum notice periods regarding operational changes	61-62	We have systems in place aimed at ensuring effective dialogue and relations with all employee representative groups across our operations. FimaCorp adheres to all labour legislation relevant to the countries in which it operates.
403: Occupational Safety and Health			
403-1	Occupational health and safety management system	67	Health and safety committees are in place in all divisions.
403-2	Hazard identification, risk assessment, and incident investigation	67	All divisions have health and safety committees which consist of divisional management and employees. It is to these committees that incidences are reported, and where compliance with policies is monitored and improvements are discussed.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	67	
403-9	Work-related injuries	67, 206	
403-10	Work-related ill health	67, 206	
404: Training and Education			
404-1	Average hours of training per year per employee by gender and by employee category	65-66	
404-3	Percentage of employees receiving regular performance and career development reviews	66	

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MATERIAL TOPICS - SOCIAL			
Disclosure Number		**Page**	**Remarks**
Social			
Management Approach			
405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	14-22, 63, 82	The composition of our permanent workforce is detailed in the SR2021. The composition of our Board of Directors and Key Senior Management is provided on pages 14 to 22 in this Report.
405-2	Ratio of basic salary and remuneration of women to men	-	Our HR management principles are based on equal opportunity and non-discrimination. In no area of operation does minimum wage vary by gender.
406: Non-Discrimination			
406-1	Incidents of discrimination and corrective action taken	62	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	61-62	No such operations or suppliers have been formally identified within the Group. Freedom of association and collective bargaining are fundamental rights which FimaCorp has committed to uphold.
408: Child Labour			
408-1	Operations and suppliers at significant risk for incidents of child labour	61, 64	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 SR2021.
409: Forced or Compulsory Labour			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	61	No operations or suppliers were found to have significant risk of child labour. There were zero reported cases of breaches of human and workers' rights in the year under review.
412: Human Rights Assessment			
412-2	Employee training on human rights policies or procedures	61	
413: Local Community			
413-1	Operations with local community engagement, impact assessments, and development programmes	68	All our operations have some degree of community engagement. Impact assessments are conducted as and when needed, particularly for new development projects.
415: Public Policy			
415-1	Political contribution	-	FimaCorp 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	71	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.

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** ("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-Sixth ("46th") Annual General Meeting ("AGM") of the Company to be conducted fully virtual through an online meeting platform at https://meeting.boardroomlimited.my (domain registration number with MYNIC: D6A357657) provided by Boardroom Share Registrars Sdn Bhd in Malaysia on Tuesday, 21 September 2021 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 Dato' Roslan bin Hamir who retires by rotation in accordance with Article 108 of the Company's Constitution. **- Ordinary Resolution 1**		
2	To re-elect Encik Rosely bin Kusip who retires by rotation in accordance with Article 108 of the Company's Constitution. **- Ordinary Resolution 2**		
3	To re-elect Encik Nik Feizal Haidi bin Hanafi who retires in accordance with Article 88 of the Company's Constitution. **- Ordinary Resolution 3**		
4	To approve the payment of Directors' fees for the Non-Executive Directors of the Company for the ensuing financial year. **- Ordinary Resolution 4**		
5	To approve the payment of Directors' fees for the Non-Executive Directors who sit on the Boards of subsidiary companies from 22 September 2021 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 22 September 2021 until the conclusion of the next AGM of the Company. **- Ordinary Resolution 6**		
7	To re-appoint Messrs. Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **- Ordinary Resolution 7**		
AS SPECIAL BUSINESS:			
8	Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature. **- Ordinary Resolution 8**		
9	Proposed renewal of the authority for shares buy-back. **- Ordinary Resolution 9**		

** STRIKE OUT WHICHEVER IS 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 ______________ 2021

Notes:

1. *The 46th AGM of the Company will be conducted on a fully virtual basis where members are only allowed to participate remotely through live streaming and online remote voting via Remote Participation and Electronic Voting ("RPEV") facilities via online meeting platform available at https://meeting.boardroomlimited.my (domain registration number with MYNIC: D6A357657) provided by Boardroom Share Registrars Sdn Bhd in Malaysia. Kindly refer to the procedures provided in the Administrative Guide for the 46th AGM in order to register, participate, speak and vote remotely via RPEV facilities.*
2. *The online meeting platform which is the main venue of the 46th AGM is strictly for the purpose of complying with Section 327(2) of the Act that requires the main venue of a company's general meeting to be in Malaysia and the chairperson to be present at that main venue of the meeting.*
3. *The conduct of a fully virtual 46th AGM is in line with the Guidance Note and Frequently Asked Questions (Revised Guidance Note and FAQ) issued by the Securities Commission Malaysia on 16 July 2021.*
4. *Only members whose names appear in the General Meeting Record of Depositors as at 14 September 2021 shall be entitled to participate, speak and vote at the 46th AGM or appoint proxy(ies) to attend and/or vote on their behalf.*
5. *A member of the Company who is entitled to attend and vote at the 46th AGM may appoint up to 2 proxies by specifying the proportion of his shareholding to be represented by each proxy. A proxy may not be a member of the Company.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for the multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

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FIMA CORPORATION BERHAD
(197401004110) (21185 P)

Affix
Stamp

BOARDROOM SHARE REGISTRARS SDN BHD
(Registration No. 199601006647/378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Fold here

7. *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 46th 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. Boardroom Share Registrars Sdn Bhd will 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 Administrative Guide for the 46th AGM on the procedures for electronic lodgement of proxy form.
8. *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.*
9. *If you have submitted your proxy form prior to the 46th AGM and subsequently, decide to participate in the 46th AGM yourself, please write in to BSR.Helpdesk@boardroomlimited.com to revoke the appointment of your proxy(ies) 48 hours before the 46th AGM. Your proxy(ies) on revocation will not be allowed to participate in the 46th AGM. In such event, you should advise your proxy(ies) accordingly.*
10. *The voting at the 46th AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the poll results.*

FIMA CORPORATION BERHAD
(197401004110) (21185-P)

www.fimacorp.com

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

Tel : (+603) 2092 1211
Fax : (+603) 2092 5923
Email : fima@fimacorp.com