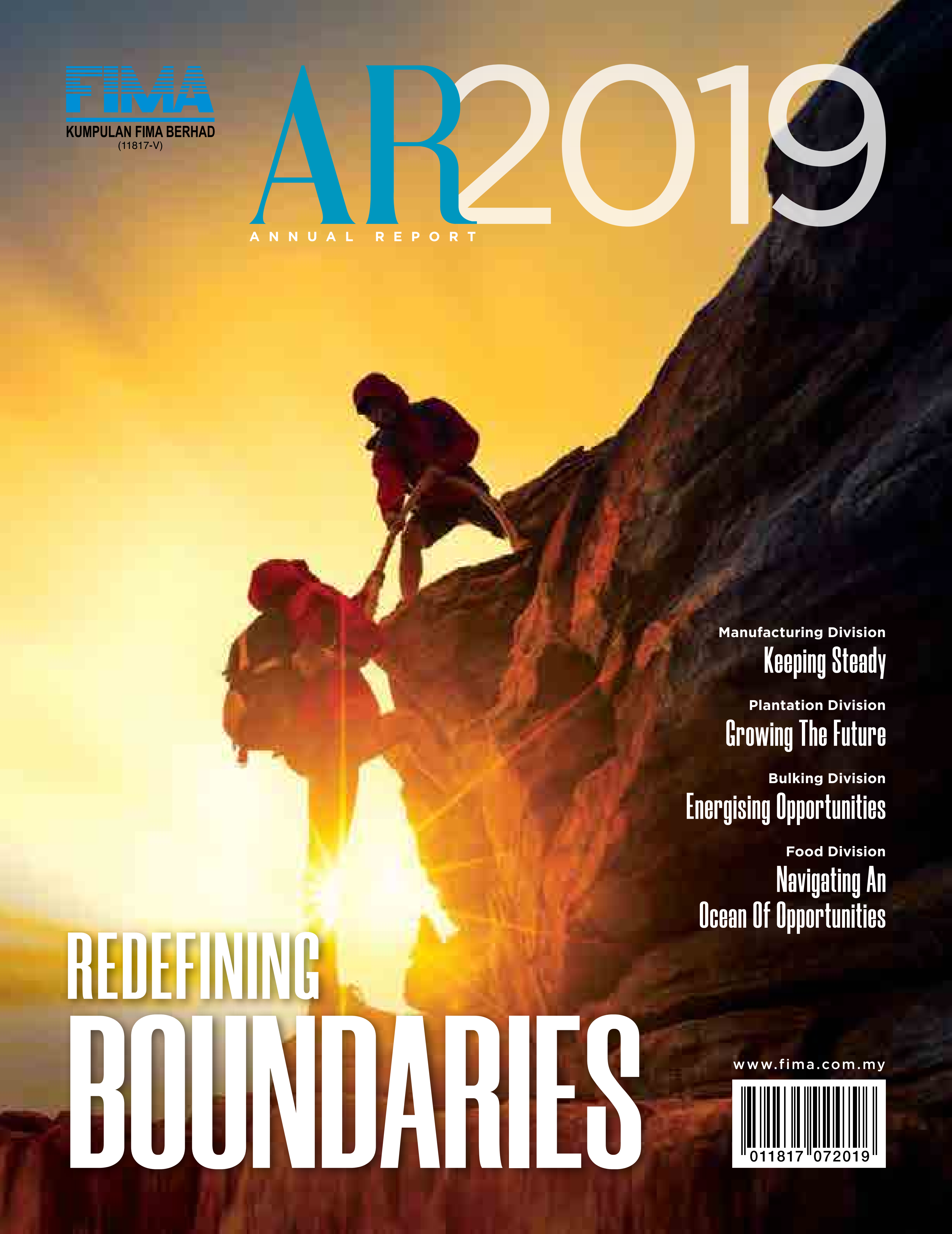
FIMA
KUMPULAN FIMA BERHAD
(11817-V)

AR2019
ANNUAL REPORT



Manufacturing Division
Keeping Steady

Plantation Division
Growing The Future

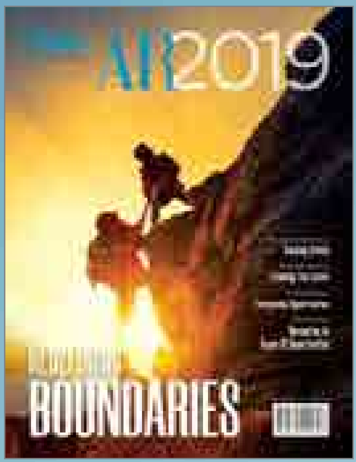
Bulking Division
Energising Opportunities

Food Division
Navigating An Ocean Of Opportunities

REDEFINING BOUNDARIES

www.fima.com.my

011817 072019



REDEFINING BOUNDARIES

Kumpulan Fima Berhad ("KFima") was incorporated by the Malaysian Government on 24th February 1972 under the name Fima Sdn Bhd. KFima's first business was canning of pineapples when Pineapple Cannery of Malaysia Sdn. Bhd. ("PCM") was incorporated as KFima's wholly-owned subsidiary. KFima was converted to a public company and changed its name to Kumpulan Fima Berhad. In 1991, KFima became the controlling shareholder of Fima Metal Box Berhad, now known as Fima Corporation Berhad ("FimaCorp"), a company listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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

47th ANNUAL GENERAL MEETING

DATE: 28 Aug 2019 **TIME:** 03.00 p.m.

VENUE
Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara
60000 Kuala Lumpur

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

Table of Contents

Corporate Information

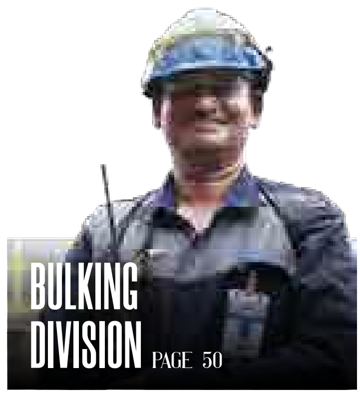
Performance Review

Sustainability Statement

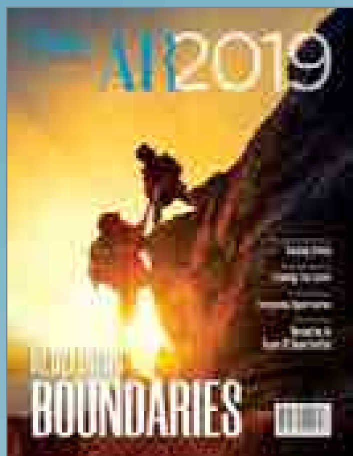
Corporate Governance

Financial Statements

Other Information



OUR REPORTS



REDEFINING BOUNDARIES

Kumpulan Fima Berhad ("KFima") was incorporated by the Malaysian Government on 24th February 1972 under the name Fima Sdn Bhd. KFima's first business was canning of pineapples when Pineapple Cannery of Malaysia Sdn. Bhd. ("PCM") was incorporated as KFima's wholly-owned subsidiary. KFima was converted to a public company and changed its name to Kumpulan Fima Berhad. In 1991, KFima became the controlling shareholder of Fima Metal Box Berhad, now known as Fima Corporation Berhad ("FimaCorp"), a company listed on the Main Board of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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

47th

ANNUAL GENERAL MEETING

DATE: 28 Aug 2019 **TIME:** 03.00 p.m.

VENUE
Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara
60000 Kuala Lumpur

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

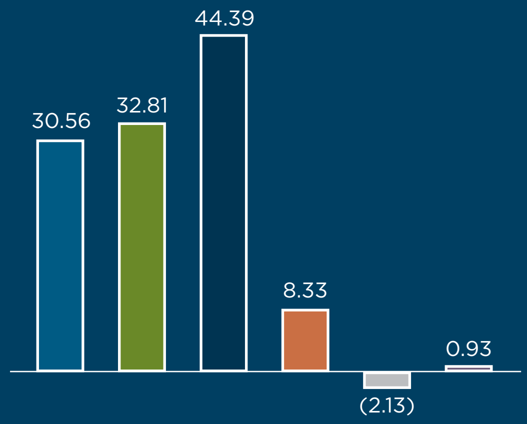
KUMPULAN FIMA BERHAD FACTS AT A GLANCE

Revenue

RM469.47mil

3,178 Employees

Segmental Profit Before Tax



Manufacturing
RM30.56mil

Plantation
RM32.81mil

Bulking
RM44.39mil

Food
RM8.33mil

Others
(RM2.13)mil

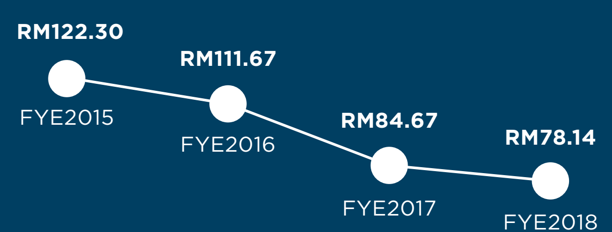
Associated Companies
RM0.93mil

Employee Breakdown by Gender

38% 62%

Number of Recorded Injuries

Fatality : 1



Profit Before Tax

RM114.89mil

Kumpulan Fima Berhad ("KFima") is a diversified group with businesses in manufacturing, plantation, bulking and food sectors. We have expanded our businesses beyond Malaysian shores to include Indonesia and Papua New Guinea.

CORPORATE PROFILE

Incorporated in 1972 by the Malaysian Government and listed on the Main Market of Bursa Malaysia in 1996.

Manufacturing Division

The Group's main manufacturing arm, Percetakan Keselamatan Nasional Sdn Bhd ("PKN") is the largest domestic security printer in Malaysia, offering a wide range of products and services which include travel documents, licenses, and other security and confidential documents for the local and overseas markets. PKN is a subsidiary of Fima Corporation Berhad ("FimaCorp"), which is listed on the Main Market of Bursa Malaysia.

Plantation Division

KFima Group is involved in the development, cultivation and management of oil palm and pineapple estates including production of crude palm oil and palm kernel. Presently, the Group owns and operates 14 estates in Malaysia and Indonesia with a land bank totalling 30,901 hectares, of which 14,239 hectares have been planted with oil palm comprising 3,208 hectares in Peninsular Malaysia, 4,714 hectares in Sarawak and 6,317 hectares in Indonesia. Approximately, 154 hectares of the land bank have been planted with pineapple.

Bulking Division

The Group's Bulking Division operates five (5) liquid bulk terminals of which three (3) are located in North Port in Port Klang and two (2) in Butterworth. Presently, these terminals have 271 tanks with a combined storage tank capacity of 275,190 MT and can handle a wide range of liquid cargoes ranging from palm oil products to latex concentrates, oleochemicals to specialty oils, as well as industrial chemicals and technical fats.

Food Division

Manufacture & Distribution of Canned Fish

KFima Group's involvement is via its subsidiary in Papua New Guinea ("PNG"), International Food Corporation Limited ("IFC") which manufactures and distributes canned mackerel, canned tuna and frozen tuna loins for both export and domestic markets. Canned mackerel and tuna under IFC's own "Besta", "Besta McFlakes", "BestaChoice" and "Besta White" brands are produces primarily for the PNG market while frozen tuna loins and private label canned tuna are exported to the European Union.

Food Packaging

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

Notice of 47th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Seventh (47th) Annual General Meeting ("AGM") of **KUMPULAN FIMA BERHAD** ("KFima" and/or "the Company") will be held at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 28 August 2019 at 3.00 p.m. for the transaction of the following business:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2019 and the Directors' and Auditors' Reports thereon.

   Please refer to Note A

2. To approve the payment of final dividend of 9.0 sen under the single-tier system in respect of the financial year ended 31 March 2019.

   Resolution 1

3. To re-elect the following Directors who retire by rotation in accordance with Article 102 of the Company's Constitution and who, being eligible, offer themselves for re-election:-

   (i) Dato' Roslan bin Hamir **Resolution 2**
   (ii) Cik Rozilawati binti Haji Basir **Resolution 3**

4. To re-elect the following Directors who retire in accordance with Article 84 of the Company's Constitution and who, being eligible, offer themselves for re-election:-

   (i) Dato' Idris bin Kechot **Resolution 4**
   (ii) Datuk Anuar bin Ahmad **Resolution 5**

5. To approve the payment of Directors' fees for the Non-Executive Directors of the Company for the ensuing financial year.

   Resolution 6

6. To approve the payment of Directors' fees for the Non-Executive Directors who sit on the Boards of subsidiary companies from 29 August 2019 until the conclusion of the next AGM of the Company.

Resolution 7

7. To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors from 29 August 2019 until the conclusion of the next AGM of the Company.

Resolution 8

8. To appoint Messrs. Ernst & Young, who have given their consent to act, as Auditors of the Company in place of the retiring Auditors, Messrs. Hanafiah Raslan & Mohamad and to authorize the Directors to determine their remuneration.

Resolution 9

SPECIAL BUSINESS

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

9. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** **Resolution 10**

"THAT pursuant to Paragraph 10.09 of Bursa Malaysia Securities Berhad ("Bursa") Main Market Listing Requirements ("Listing Requirements"), approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 Part A of the Company's Circular/Statement to Shareholders dated 29 July 2019 which are necessary for the day-to-day operations of the Company and/or its subsidiaries provided that such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company.

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

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

whichever is the earlier;

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

10. **PROPOSED RENEWAL OF THE AUTHORITY FOR SHARES BUY-BACK** **Resolution 11**

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

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

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

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

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

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

(i) the conclusion of the next AGM of the Company, at which time it shall lapse, unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
(iii) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Bursa Listing Requirements or any other relevant authorities;

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

11. **RETENTION OF INDEPENDENT DIRECTORS OF THE COMPANY**

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

Resolution 12

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

Resolution 13

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the 47^{th} AGM to be held on 28 August 2019, a single-tier final dividend of 9.0 sen for the financial year ended 31 March 2019 will be paid on 7 October 2019 to Depositors whose names appear in the Record of Depositors on 18 September 2019.

A Depositor shall qualify for entitlement to the dividend only in respect of:-

(a) Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 18 September 2019 in respect of transfers; and
(b) Securities bought on Bursa on a cum entitlement basis according to the Rules of Bursa.

BY ORDER OF THE BOARD

JASMIN BINTI HOOD (LS 0009071)
FADZIL BIN AZAHA (CA 20995)
Company Secretaries

Kuala Lumpur
29 July 2019

(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) Resolution 1
Under Section 131 of the Act, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 30 May 2019, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 7 October 2019 in accordance with the requirements under Section 132(2) and (3) of the Act.

(III) Resolutions 2 and 3
Article 102 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company provided always that all Directors, shall retire from office at least once in every three (3) years, but shall

be eligible for re-election at the AGM. A Director retiring at a meeting shall retain office until the close of the meeting whether adjourned or not.

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

The profiles of the retiring Directors are set out in Our Board of Directors section of the Company's Annual Report 2019.

(IV) Resolutions 4 and 5

Article 84 of the 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.

Dato' Idris bin Kechot and Datuk Anuar bin Ahmad, who were appointed as Independent Non-Executive Directors of the Company on 3 May 2019, shall hold office until the conclusion of the Company's 47th AGM and shall then be eligible for re-election in accordance with Article 84 of the Company's Constitution.

(V) Resolutions 6, 7 and 8

Section 230(1) of the Act provides amongst others, that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 47th AGM of the Company on the following payments to Directors in three (3) separate resolutions as below:-

- **Resolution 6** on payment of Directors' fees for the ensuing financial year.
- **Resolution 7** on payment of Directors' fees for the Non-Executive Directors ("NEDs") who sit on the Board of Directors of subsidiary companies from 29 August 2019 until the conclusion of the next AGM of the Company.
- **Resolution 8** on payment of Directors' remuneration from 29 August 2019 until the conclusion of the next AGM of the Company.

Ordinary Resolutions 6, 7 and 8 comprises fees, allowances and other benefits payable to the Non-Executive Chairman, NEDs and Board Committees, including fees and allowances payable to them by subsidiaries are set out in the table:-

Company

	Fee (per annum)	Meeting Allowance (per meeting)	Benefits
Board			
Chairman	RM90,000	RM2,000	Medical coverage and other claimable benefits
Member	RM60,000	RM2,000	
Committees			
Chairman of Audit and Risk Committee	RM15,000	RM2,000	N/A
Member of Audit and Risk Committee	RM7,500	RM2,000	N/A
Member of Nomination and Remuneration Committee	N/A	RM2,000	N/A

Subsidiaries

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

There is no increase on Directors' fees for the financial year ended 31 March 2019. The Directors' fees were last increased in the financial year 2014.

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

Note: The Group Managing Director does not receive any Director's fees.

(VI) Resolution 9

Messrs. Hanafiah Raslan & Mohamad ("HRM") has informed the Board that they would not be seeking re-appointment as the Company's Auditors at the Company's 47th AGM in view of the new regulation set by the Audit Oversight Board ("AOB") stipulating that an audit partner must only be attached to one audit firm at all times, unless otherwise exempted by the AOB. HRM further informed the Board that they along with their associate firm, Messrs. Ernst & Young have submitted an application for exemption to the AOB, however, AOB did not approve the Company to be an entity to be audited under HRM. As such, HRM is not allowed to continue to serve as Auditors of the Company.

In view of the above, the Board proposed the appointment of Messrs. Ernst & Young as Auditors of the Company in place of the retiring Auditors, HRM for the ensuing financial year and to hold office until the conclusion of the next AGM at a remuneration to be determined by the Directors. The Company has received Messrs. Ernst & Young's written consent to act as Auditors of the Company pursuant to Section 264(5) of the Act.

(VII) EXPLANATORY NOTES ON SPECIAL BUSINESS

(a) Resolution 10

The proposed Ordinary Resolution 10, 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.

(b) Resolution 11

The proposed Ordinary Resolution 11, if passed, will renew the authority granted by the shareholders at the last AGM. The renewed authority will allow the Company to purchase its own shares of up to 10% of its prevailing ordinary issued and paid-up share capital at any time. The renewed authority, unless revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever occurs first.

Further information on the Proposed Renewal of Shares Buy-Back Authority is set out in the Circular/Statement to Shareholders dated 29 July 2019 which is circulated together with the Company's Annual Report 2019 and is also available on 'Investors' section of the Company's website.

(c) Resolutions 12 and 13

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

Directors	Appointed on
(i) Encik Azizan bin Mohd Noor	2 April 2003
(ii) Dato' Rosman bin Abdullah	5 May 2004

The Nomination and Remuneration Committee and the Board, through the annual assessment carried out for the financial year ended 31 March 2019, concluded that the above Directors remain independent and recommended them to continue to act as Independent Non-Executive Directors based on the following justifications:-

(a) Have fulfilled the criteria as an Independent Director as defined in the Bursa Listing Requirements, and therefore is able to bring independent and objective judgement to the Board;

(b) Have provided effective check and balance in the proceedings of the Board and the Board Committees;

(c) Have provided objectivity in decision making through unbiased and independent views as well as advice and judgement, to the Board;

(d) Have contributed sufficient time and effort and attended all Board and Committees Meetings for an informed and balanced decision making; and

(e) Have exercised due care during their tenure as Independent Non-Executive Director of the Company and carried out professional duties in the interest of the Company and shareholders.

Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may not be a member of the Company and a member may appoint up to two (2) proxies by specifying the proportion of his shareholding to be represented by each proxy.

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

3. The instrument appointing a proxy must be completed and deposited at the registered office of the Company not less than twenty-four (24) hours before the time of holding the meeting or any adjournment thereof.

4. Only members registered in the General Meeting Record of Depositors as at 23 August 2019 shall be eligible to attend the 47th AGM or appoint proxy(ies) to attend and/or vote on their behalf.

5. The voting at the 47th AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the results of the poll.

Statement Accompanying Notice of Annual General Meeting

1. The Directors who are retiring pursuant to Article 102 of the Company's Constitution and seeking re-election are:-

    a. Dato' Roslan bin Hamir
    b. Cik Rozilawati binti Haji Basir

2. The Directors who are retiring pursuant to Article 84 of the Company's Constitution and seeking re-election are:-

    a. Dato' Idris bin Kechot
    b. Datuk Anuar bin Ahmad

3. The Directors who are continuing to act as Independent Non-Executive Director are:-

    a. Encik Azizan bin Mohd Noor
    b. Dato' Rosman bin Abdullah

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

Administrative Details

REGISTRATION

- Registration will start at 1.00 p.m. and will remain open until the conclusion of the 47th AGM or such time as may be determined by the Chairman of the meeting.
- Please read the signage placed around the venue to ascertain where you should register for the AGM and join the queue accordingly.
- Please produce your original Identity Card ("IC") during the registration for verification and ensure that you collect your IC thereafter. No person will be allowed to register on behalf of another person even with the original IC of that person.
- After the verification and registration, you will be given an identification tag for e-polling process. No person will be allowed to enter the venue without the identification tag.

REFRESHMENT

- Light refreshment will be served after the AGM.
- No person will be allowed to enter the coffee house without the identification tag.

E-POLLING PROCEDURES

- Please remain seated until you are being ushered by the officers to the polling station located at foyer area to cast your votes.
- The Poll Administrators will be present at each polling station to assist the voting process and the independent scrutineers will also be present to monitor the process.
- At the polling station, you are required to scan the barcode on your identification wristband.
- If you are an **INDIVIDUAL SHAREHOLDER** or **CORPORATE REPRESENTATIVE**, your name or the name of the corporate shareholders and total shareholdings held in Kumpulan Fima Berhad will appear on the screen. Please cast your vote for all the resolutions by selecting your favoured option. Upon completion, please click "CONFIRM" to submit your votes.
- If you are a **PROXY** for one (1) or more shareholders, the name of the shareholder who has appointed you as proxy and his/her shareholdings in Kumpulan Fima Berhad will appear on the screen.
- If the shareholder has specified the manner in which his/her vote is to be cast, his/her vote would be pre-selected on the screen. The **PROXY** is only required to click "CONFIRM" to submit the votes.
- If the shareholder has not specified the voting instructions in the proxy form, the **PROXY** may vote on the resolutions in any manner as he/she think fits. Upon completion, please click "CONFIRM" to submit your votes.
- If you are both an **INDIVIDUAL SHAREHOLDER** as well as a **CORPORATE REPRESENTATIVE** and **PROXY** for another shareholder, the screen will show your name and total shareholdings in Kumpulan Fima Berhad, the name of the corporate shareholder and its total shareholdings and the name of the shareholder who has appointed you as proxy and his/her shareholdings held in Kumpulan Fima Berhad.
- You will need to vote in your capacity as **SHAREHOLDER** first before proceeding to vote in your capacity as **CORPORATE REPRESENTATIVE** and **PROXY**. Upon completion, please click "CONFIRM" to submit your votes.
- Please note that **<u>no alteration or deletion can be made to the votes cast</u>** once you have clicked "CONFIRM".

Corporate Information

BOARD OF DIRECTORS

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

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

Azizan bin Mohd Noor
Senior Independent Non-Executive Director

Dato' Rosman bin Abdullah
Independent Non-Executive Director

Rozana Zeti binti Basir
Non-Independent Non-Executive Director

Rozilawati binti Haji Basir
Non-Independent Non-Executive Director

Datuk Anuar bin Ahmad
Independent Non-Executive Director

AUDIT AND RISK COMMITTEE*

Azizan bin Mohd Noor
Chairman

Dato' Rosman bin Abdullah
Member

Rozana Zeti binti Basir
Member

Datuk Anuar bin Ahmad
Member

**Audit Committee was renamed as Audit and Risk Committee on 30 May 2019*

NOMINATION AND REMUNERATION COMMITTEE

Dato' Rosman bin Abdullah
Chairman

Azizan bin Mohd Noor
Member

Rozilawati binti Haji Basir
Member

COMPANY SECRETARIES

Jasmin binti Hood
LS 0009071

Fadzil bin Azaha
CA 20995

REGISTERED OFFICE

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

Tel : (+603) 2092 1211
Fax : (+603) 2092 5923
E-mail : info@fima.com.my
Website : www.fima.com.my

PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
(formerly known as Symphony Share Registrars Sdn. Bhd.)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46, 47301 Petaling Jaya
Selangor
Tel : (+603) 7849 0777
Fax : (+603) 7841 8151

STOCK EXCHANGE LISTING

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

AUDITORS

Messrs. Hanafiah Raslan & Mohamad

BULKING

- 100% FIMA BULKING SERVICES BERHAD
  - 100% FIMACHEM SDN. BHD.
  - 100% FIMA LOGISTICS SDN. BHD.
  - 100% FIMA LIQUID BULKING SDN. BHD.
  - 100% FIMA PALMBULK SERVICES SDN. BHD.
    - 100% FIMA FREIGHT FORWARDERS SDN. BHD.
    - 100% BOUSTEAD OIL BULKING SDN. BHD.

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

FOOD

- 78% INTERNATIONAL FOOD CORPORATION LIMITED (PNG Incorporated Company)
  - 100% IFC MARKETING & DISTRIBUTION LIMITED (PNG Incorporated Company)
- 38% MARUSHIN CANNERIES (MALAYSIA) SDN. BHD. (Associate Company)
- 100% FIMA INSTANCO SDN. BHD.
  - 100% FIMA MR-JUICY SDN. BHD.

Manufacture and distribution of canned fish including food packaging

PLANTATION

- 100% PINEAPPLE CANNERY OF MALAYSIA SDN. BHD.
- 100% LADANG FIMA SDN. BHD.
- 80% VICTORIA SQUARE PLANTATION SDN. BHD.
  - 65% AMGREEN GAIN SDN. BHD.
- 85% FIMA-TLP FEEDLOT SDN. BHD.
- 100% FCB PLANTATION HOLDINGS SDN. BHD.
  - 80% PT NUNUKAN JAYA LESTARI (Indonesia Incorporated Company)
  - 100% NEXT OASIS SDN. BHD.
    - 100% ETIKA GANGSA SDN. BHD.
    - 100% TAKA WORLDWIDE TRADING SDN. BHD.
  - 100% CENDANA LAKSANA SDN. BHD.
  - 70% R.N.E. PLANTATION SDN. BHD.
  - 100% FCB EASTERN PLANTATIONS SDN. BHD.
    - 80% LADANG BUNGA TANJONG SDN. BHD.
- 100% GABUNGAN WARISAN SDN. BHD.

Oil palm and pineapple cultivation including oil palm production and processing

MANUFACTURING

OTHERS

100% FIMA METAL BOX HOLDINGS SDN. BHD.
- 60% FIMA CORPORATION BERHAD
  - 100% FIMA TECHNOLOGY SDN. BHD. (formerly known as FCB Property Management Sdn. Bhd.)
  - 100% PERCETAKAN KESELAMATAN NASIONAL SDN. BHD.
  - 100% SECURITY PRINTERS (M) SDN. BHD.
  - 20% GIESECKE & DEVRIENT MALAYSIA SDN. BHD. (Associate Company)

100% MALAYSIAN TRANSNATIONAL TRADING (MATTRA) CORPORATION BERHAD
- 100% MATTRA PREMIER SDN. BHD.

100% FIMA OVERSEAS HOLDINGS SDN. BHD.
- 80% ENDELL PTE LTD (Singapore Incorporated Company)

60% FIMA FRASER'S HILL SDN. BHD.

100% FIMA BIODIESEL SDN. BHD.
- 100% KF COMMODITIES SDN. BHD.

Group Corporate Structure

Production and trading of security and confidential documents

Investment holding, trading, property management and engineering consultation services

Financial Calendar

FINANCIAL YEAR

1 APRIL 2018 TO 31 MARCH 2019

RESULTS

First Quarter Announced
28 August 2018

Second Quarter Announced
27 November 2018

Third Quarter Announced
27 February 2019

Fourth Quarter Announced
30 May 2019

ANNUAL REPORT

Issued 29 July 2019

ANNUAL GENERAL MEETING

To be held 28 August 2019

FINAL DIVIDEND

(Subject to the approval of the shareholders at the 47th Annual General Meeting)

Announced
26 July 2019

Entitlement date
18 September 2019

Payment date
7 October 2019

Our Board of Directors

Dato' Idris bin Kechot

Chairman / Independent Non-Executive Director
Malaysian / 64 / Male

Date of Appointment:
3 May 2019

Date of Last Re-election:
N/A

Academic / Professional Qualification(s):
- Masters, Business Administration specialising in Finance, University of Stirling, United Kingdom
- Degree, Bachelor of Science Degree in Agribusiness, Universiti Putra Malaysia
- Certified Financial Planner, Financial Planning of Malaysia
- Accelerated Development Programme, London Business School, United Kingdom

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

Present Directorship(s) of Public and Listed Companies:
- Chairman, Chemical Company of Malaysia Berhad
- Independent Non-Executive Director, Malayan Banking Berhad

Membership of Board Committee(s):
NIL

Securities holdings in the Company:
NIL

Family relationship with any director and/or major shareholder of the Company:
NIL

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year:
NIL

Board meeting attendance during the financial year:
N/A
(He was appointed to the Board as an Independent Non-Executive Director on 3 May 2019)

Our Board of Directors (Cont'd.)

Dato' Roslan bin Hamir

Group Managing Director / Non-Independent Executive Director
Malaysian / 52 / Male

Date of Appointment:
11 October 2002

Date of Last Re-election:
23 August 2017

Academic / Professional Qualification(s):
ACCA graduates with Bachelor of Arts (Honours) in Accounting and Finance

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

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

Membership of Board Committee(s):
NIL

Securities holdings in the Company:
Please refer to Disclosure of Directors' interests in the Financial Statements

Family relationship with any director and/or major shareholder of the Company:
NIL

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year:
NIL

Board meeting attendance during the financial year:
6/6

Azizan bin Mohd Noor

Senior Independent Non-Executive Director
Malaysian / 78 / Male

Date of Appointment:
2 April 2003

Date of Last Re-election:
23 August 2017

Academic / Professional Qualification(s):
- Member, Institute of Chartered Accountants, England & Wales (ICAEW)
- Member, Malaysian Institute of Accountants (MIA)
- Member, Malaysian Institute of Certified Public Accountants (MICPA)

Past Appointment(s):
- Senior Auditor, Azman, Wong, Salleh & Co., Chartered Accountants (1972-1973)
- Chief Internal Auditor, Bank Bumiputra Malaysia Berhad (1973-1976)
- Senior Partner, Anuarul, Azizan, Chew & Co., Chartered Accountants (1976-2000)

Present Directorship(s) of Public and Listed Companies:
Chairman, Fima Bulking Services Berhad (non-listed)

Membership of Board Committee(s):
- Audit and Risk Committee* *(Chairman)*
- Nomination and Remuneration Committee

* *Audit Committee was renamed as Audit and Risk Committee on 30 May 2019*

Securities holdings in the Company:
NIL

Family relationship with any director and/or major shareholder of the Company:
NIL

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year:
NIL

Board meeting attendance during the financial year:
6/6

Our Board of Directors (Cont'd.)

Dato' Rosman bin Abdullah

Independent Non-Executive Director
Malaysian / 52 / Male

Date of Appointment:
5 May 2004

Date of Last Re-election:
30 August 2018

Academic / Professional Qualification(s):
- Bachelor of Commerce (Accounting) Degree, Australian National University
- Advanced Management Programme, Oxford University
- Member, Malaysian Institute of Accountants (MIA)
- Member, Australian Society of Certified Practicing Accountants

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

Present Directorship(s) of Public and Listed Companies:
Group Managing Director, Putrajaya Perdana Berhad (non-listed)

Membership of Board Committee(s):
- Nomination and Remuneration Committee *(Chairman)*
- Audit and Risk Committee*

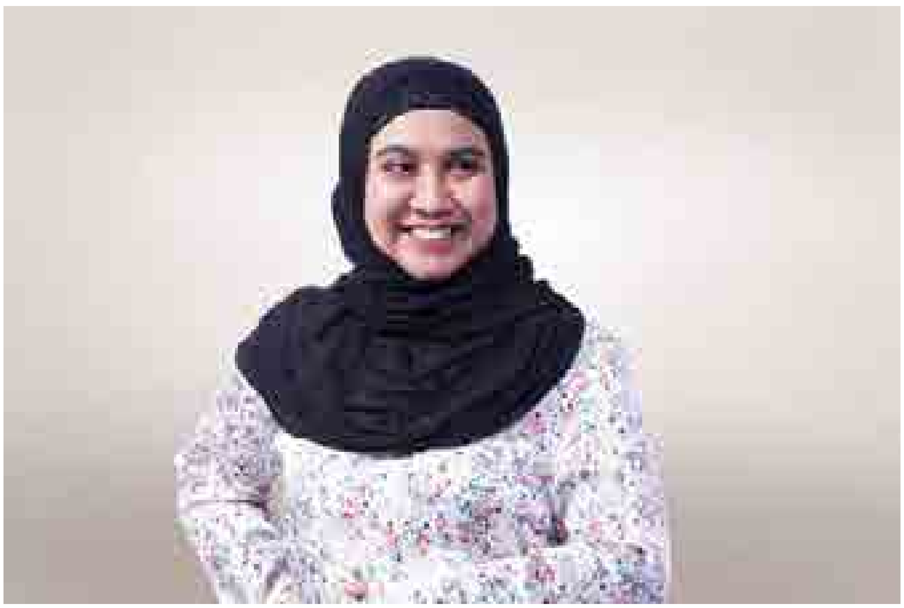
* *Audit Committee was renamed as Audit and Risk Committee on 30 May 2019*

Securities holdings in the Company:
NIL

Family relationship with any director and/or major shareholder of the Company:
NIL

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year:
NIL

Board meeting attendance during the financial year:
6/6



Rozana Zeti binti Basir

Non-Independent Non-Executive Director
Malaysian / 44 / Female

Date of Appointment:
30 March 2004

Date of Last Re-election:
30 August 2018

Academic / Professional Qualification(s):
- Bachelor of Arts in Fashion Marketing, American College, London

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

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

Membership of Board Committee(s):
Audit and Risk Committee*

* *Audit Committee was renamed as Audit and Risk Committee on 30 May 2019*

Securities holdings in the Company:
Please refer to Disclosure of Directors' interests in the Financial Statements

Family relationship with any director and/or major shareholder of the Company:
- Sister of Rozilawati binti Haji Basir, a Non-Independent Non-Executive Director of the Company
- Rozana Zeti binti Basir is also a Director of BHR Enterprise Sdn. Bhd., a major shareholder of the Company

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year:
NIL

Board meeting attendance during the financial year:
6/6

Our Board of Directors (Cont'd.)

Rozilawati binti Haji Basir

Non-Independent Non-Executive Director
Malaysian / 48 / Female

Date of Appointment:
26 November 2009

Date of Last Re-election:
24 August 2016

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

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

Present Directorship(s) of Public and Listed Companies:
Independent Non-Executive Director, Serba Dinamik Holdings Berhad

Membership of Board Committee(s):
Nomination and Remuneration Committee

Securities holdings in the Company:
Please refer to Disclosure of Directors' interests in the Financial Statements

Family relationship with any director and/or major shareholder of the Company:
- Sister of Rozana Zeti binti Basir, a Non-Independent Non-Executive Director of the Company
- Rozilawati binti Haji Basir is also a Director of BHR Enterprise Sdn. Bhd., a major shareholder of the Company

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year:
NIL

Board meeting attendance during the financial year:
6/6

Datuk Anuar bin Ahmad

Independent Non-Executive Director
Malaysian / 65 / Male

Date of Appointment:
3 May 2019

Date of Last Re-election:
N/A

Academic / Professional Qualification(s):
- Bachelor of Science (Econs), London School of Economics and Political Science, University of London, United Kingdom
- Advanced Management Program, Harvard Business School, United States of America

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

Present Directorship(s) of Public and Listed Companies:
- Independent Non-Executive Director, Petronas Dagangan Berhad
- Independent Non-Executive Director, ENRA Group Berhad
- Independent Non-Executive Director, Nylex (Malaysia) Berhad
- Independent Non-Executive Director, Chemical Company of Malaysia Berhad

Membership of Board Committee(s):
Audit and Risk Committee*
(Appointed on 26 June 2019)
* *Audit Committee was renamed as Audit and Risk Committee on 30 May 2019*

Securities holdings in the Company:
NIL

Family relationship with any director and/or major shareholder of the Company:
NIL

List of convictions for offences within the past five (5) years other than traffic offences and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during financial year:
NIL

Board meeting attendance during the financial year:
N/A
(He was appointed to the Board as an Independent Non-Executive Director on 3 May 2019)

Our Key Senior Management

Fadzil bin Azaha
Chief Financial Officer / Company Secretary
Malaysian / 42 / Male

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

He has 20 years of working experience in accounting, finance, treasury, auditing and corporate advisory. Prior to joining the Group, he was a Senior Manager (Assurance and Business Advisory) of Ernst & Young, Malaysia.

Irman bin Abdul Shukor
Director, Strategy & Business Development
Malaysian / 43 / Male

He joined the Company in January 2018 as Director, Strategy & Business Development to oversee the overall Group business development strategies.

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

Nazaruddin bin Mohd Hadri
Chief Operating Officer, Fima Corporation Berhad
Executive Director, Operations, Percetakan Keselamatan Nasional Sdn. Bhd.
Malaysian / 52 / Male

He joined Fima Corporation Berhad ("FimaCorp"), the Group's listed subsidiary in 2003 as Vice President and was subsequently seconded to an associate company, Giesecke & Devrient Malaysia Sdn. Bhd. as an Executive Director. In 2005, he was appointed as Director of Operations, Percetakan Keselamatan Nasional Sdn. Bhd. ("PKN"), subsidiary of FimaCorp. He was appointed as Chief Operating Officer, FimaCorp on 23 November 2009 and an Executive Director of Operations, PKN on 25 August 2014. He sits on the Board of several of the Group's subsidiaries.

He started his career as an auditor with Ernst & Young from 1991 until 1995. He then joined a unit trust management company as Head of Finance and Administration from 1995 to 2002.

Jasmin binti Hood
Senior General Manager, Group Secretarial & Legal / Company Secretary
Malaysian / 46 / Female

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

Ali bin Khamis
Senior General Manager, Operation,
Fima Bulking Services Berhad
Malaysian / 50 / Male

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

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

Mohd Adizuraimin bin Mohd Affandi
Senior Plantation Controller, Fima Corporation Berhad
Malaysian / 47 / Male

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

***Mohd Rizal bin Mat Nor**
General Manager, Plantation Division
Malaysian / 51 / Male

He joined the Group's subsidiary, PT Nunukan Jaya Lestari ("PTNJL") in 2006 as Senior Manager before being appointed as PTNJL's President Director in 2012. On 12 July 2013, he assumed the role of General Manager, Plantation Division with lead responsibility for overseeing the Group's estate operations in Malaysia and Indonesia. He sits on the Board of several of the Group's subsidiaries.

He has extensive experience in accounting, finance and general management across a number of industries, amongst them, telecommunications and utilities.

Dzakwan bin Mansori
Executive Director, Sales,
Percetakan Keselamatan Nasional Sdn. Bhd.
Malaysian / 57 / Male

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

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

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

*** Not pictured**

Scan the QR code for more details.

Five Year Group Financial Highlights

Financial Year Ended 31 March (RM MILLION)	FYE2015	FYE2016	FYE2017	FYE2018	FYE2019
REVENUE	544.79	541.11	547.21	482.46	469.47
PROFIT					
Profit before tax	122.30	111.67	84.67	78.14	114.89
Income tax expense	38.29	31.67	34.24	31.50	29.68
Non-controlling interests	25.44	23.27	20.59	16.76	25.37
Profit after taxation and non-controlling interests	58.58	56.73	29.84	29.87	59.84
ASSETS AND LIABILITIES					
Total assets	1,189.50	1,185.66	1,224.28	1,171.76	1,233.90
Total liabilities	211.49	186.38	197.87	171.84	176.94
Non-controlling interests	245.72	250.99	257.70	244.84	253.81
Shareholders' funds	732.29	748.30	768.70	755.08	803.15
EARNINGS AND DIVIDEND					
Earnings per share (sen)					
Basic	21.26	20.51	10.70	10.59	21.25
Diluted	21.10	20.31	10.70	10.59	21.25
Gross dividend per share (sen)	8.50	9.00	9.00	9.00	9.00
Net dividend per share (sen)	8.50	9.00	9.00	9.00	9.00
SHARE PRICES					
Transacted price per share (RM)					
Highest	2.43	2.04	1.98	1.96	1.76
Lowest	1.75	1.72	1.70	1.45	1.41

Revenue (RM MILLION)

Profit Before Tax (RM MILLION)

Total Assets (RM MILLION)

Shareholders' Funds (RM MILLION)

Letter from the **Group Managing Director**

Dato' Roslan bin Hamir

Dear Shareholders,

FYE2019 proved to be an incredibly challenging period for the Company. We had to navigate uncertainties in our operating environment and volatile commodity prices which, in the case of the latter, had created major challenges for our plantation segment. Our focus during the year therefore has been on what we can control, driving underlying performance delivery and ensuring financial discipline as we continue to prioritise our resources amid tough trading conditions.

Performance

The diversity of our businesses has provided the Group with a natural hedge against market volatility.

Given the above, our financial performance for FYE2019 was mixed. Revenue is down 2.7% to RM469.47 million, reflecting the impact of lower commodity prices on our plantation segment coupled with continuing lower volumes in our manufacturing segment. The decline in Group revenue was partially offset by the solid performance of our bulking segment which delivered a 51.6% year-on-year ("y-o-y") increase in revenue due to higher throughput volumes and improved product mix.

The Group recorded a profit before tax ("PBT") of RM114.89 million, up 47.0% compared to last year on the back of improved contributions from the manufacturing, bulking and food segments as well as the reversal of previously recorded impairment loss on plant, property and equipment ("PPE") taken in Q2 of FYE2019 of RM23.63 million (discussed below). Without the write back of impairment, our PBT would be RM91.26 million, 16.8% higher than last year.

Net cash generated from operating activities for the year was RM52.78 million, and we ended the year once again with a strong balance sheet and net cash of RM290.32 million (inclusive of short-term cash investments).

Group Revenue

RM469.47mil

	FYE2018 RM Million	FYE2019 RM Million
Manufacturing	140.78	134.78
Plantation	153.65	118.34
Bulking	53.54	81.15
Food	129.27	130.32
Others	5.22	4.88
Total	**482.46**	**469.47**

Group PBT

RM114.89mil

	FYE2018 RM Million	FYE2019 RM Million
Manufacturing	22.81	30.56
Plantation	31.67	32.81
Bulking	24.91	44.39
Food	1.36	8.33
Others (including Associate Companies)	(2.61)	(1.20)
Total	**78.14**	**114.89**

21.25sen
Earnings Per Share

+6.3%
Increase Y-o-Y
Net Assets Per Share

+6.4%
Increase Y-o-Y
Shareholders' Funds

Meanwhile, our **bulking division has commenced construction of new tanks** at their terminal in Port Klang that will increase the terminal's storage capacity for edible oils.

The detailed analysis of the results for the year is presented on pages 32 to 36 of this Annual Report.

In August 2018, we announced that Mahkamah Agung Republik Indonesia, the country's apex court, has allowed our subsidiary PT Nunukan Jaya Lestari's ("PTNJL") appeal and ruled that the Ministerial Order revoking PTNJL's Hak Guna Usaha be annulled. Accordingly, the reversal of impairment loss of RM23.63 million referred to above were recognised during the year.

Subsequently in February 2019, we had also announced that the defendant, i.e. the Menteri Agraria dan Tata Ruang/Kepala Badan Pertahanan Nasional Republik Indonesia had filed an application and memorandum to the court seeking judicial review of the Mahkamah Agung's decision; on grounds that the court had among others misapplied the law to the relevant facts in arriving at the decision. In response, PTNJL filed its counter-memorandum on 18 March 2019. Our Indonesian solicitors have advised that based on normal timelines for judicial review, we could expect the decision to be made in six to twelve months from the date the counter-memorandum was filed. Commencement of the judicial review proceedings does not however, prevent the implementation of the Mahkamah Agung's written decision as aforesaid.

An important focus area during FYE2019 for our plantation division has been the planting and development of the Group's greenfield assets, currently at different stages of development, following acquisitions made by the Group in prior years. Regrettably, there had been several more incidences of elephant encroachments at our estates resulting in damage to quite a number of our young palms which have to be replaced and this in turn will cause delays before the new palms can be harvested. Attention was also given to improve yields and agronomic standards of our estates and establishing permanent and comfortable housing for estate workers. On a separate note, I am happy to report that all our estates have been recommended to receive the Malaysian Sustainability Palm Oil accreditations.

Meanwhile, our bulking division has commenced construction of new tanks at their terminal in Port Klang that will increase the terminal's storage capacity for edible oils. The expansion has several value-added benefits and is in line with the Group's growth strategy as it not only optimizes the terminal's land usage but also expands the division's product offerings and help grow market share over the long term.

Food division's revenue improved slightly by 0.8% compared to last year. PBT increased more than seven-fold y-o-y mainly attributable to forex gain of RM0.67 million (FYE2018: forex loss of RM8.53 million). The division has made good strides in expanding the market base for a few of its product segments. While there is still much to be done, we are nonetheless encouraged by the performance of the division on this front.

Manufacturing division's revenue declined 4.3% to RM134.78 million due to volume contraction in the travel documents segment and pricing pressures across some of the other product segments. We did signal a year ago that this was going to be the case, and so through management actions and disciplined cost control, we have managed to negate the dual impact of lower demand and margins, resulting in y-o-y improvement of 34.0% in its PBT contributions.

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 37 to 57 of this Annual Report.

Dividend

The Board is pleased to recommend for shareholders' approval a final single-tier dividend of 9.0 sen per share for the financial year ended 31 March 2019 at the forthcoming Annual General Meeting. If approved at the forthcoming Annual General Meeting, the dividend will be paid on 7 October 2019 to shareholders whose names appear on the register as at 18 September 2019. The dividend paid out is approximately 42.3% of our Profit After Tax and Non-Controlling Interests (PATANCI) for this year.

Sustainability

We are fully aware of our responsibilities as a corporate citizen to create an environment where all can prosper. Our approach to sustainability is therefore guided by this sense of purpose i.e. to create value for the long term, by managing our business in a balanced and responsible way. In seeking an appropriate balance, we are mindful that more often than not, there are certain trade-offs that need to be made. The social license and influence of stakeholders has grown tremendously over the years and we need to ensure that these are properly addressed - especially when social and environmental concerns can affect the legal license to operate. We have brought this thinking to bear in all our business dealings. Stakeholder engagements are vital for the Group; we have certainly embraced that and it's been mission-critical and key strategic advantage to our success to date.

I am happy to unveil our first stand-alone Sustainability Report as it marks an important step in our sustainability journey. The report, which has been prepared in accordance with the Global Reporting Initiative (GRI) Core Option and Bursa Malaysia's requirements on sustainability reporting to ensure it focuses on our material issues, builds on prior annual reporting and will give our stakeholders greater information about the Group's sustainability practices and performance.

Board Appointments

As foreshadowed in last year's Annual Report, Board succession and planning has been at the forefront of our minds. So during the year, the Nomination and Remuneration Committee led the process which resulted in the appointment of Dato' Idris bin Kechot and Datuk Anuar bin Ahmad as Independent Non-Executive Directors. Both Dato' Idris and Datuk Anuar bring a wealth of corporate and industry experience and the Board believes that the Group can derive substantial benefit from their expertise as we move from one phase of growth and development to the next.

Further information is set out in the Profile and Corporate Governance sections of this Annual Report.

Prospects

We expect our bulking and food businesses to deliver organic growth through further investments and improvement in their customer offerings and market expansion. The manufacturing division's performance is expected to remain fairly subdued as we project that there could be further downward pressure on volumes. Our plantation division expects this current financial year to remain challenging on the back of the prevailing low commodity prices arising from inter alia the negative sentiments on palm oil from EU and pressures on the US-China trade dispute. Additional development expenditure on the greenfield assets are also expected to impact the division's earnings.

Notwithstanding the challenges I have described, our businesses generate strong cash flows which, in combination with a strong balance sheet and financial discipline, should enable us to cope with any market disruptions and competition as we go forward.

As a Board, we had spent time in FYE2019 reviewing our strategy with the management team in light of market dynamics, and as new M&A and capital expenditure opportunities were presented. We remain acquisitive in nature and will seek and pursue opportunities in desired sectors and to expand our plantation landbank, but as always, such acquisitions will be considered provided they meet the Group's investment returns criteria and the Board has comfort in the Group's gearing and funding capacity.

Appreciation & Acknowledgement

I would like to close by thanking the Board for their guidance and support to me during the year. I would also like to thank our employees, suppliers, business

We expect our **bulking and food businesses to deliver organic growth** through further investments and improvement in their customer offerings and market expansion.

partners and other stakeholders for their efforts and contribution in the past year and to you, our shareholders, for your continued support and confidence.

Thank you.

Dato' Roslan bin Hamir
Group Managing Director

Introducing our new Chairman

Dear Shareholders,

I became Chairman of the Company on 26 June 2019, having been earlier appointed to the Board as an Independent Non-Executive Director on 3 May 2019. It is indeed a special privilege for me to take on the role of Chairman at a company that is already built on a strong foundation from which to grow and essential to long-term value creation. For that, I wish to pay tribute to my predecessor and acknowledge the commitment of my fellow Directors for steering the Group and maintaining its robust health.

I hope to bring all this to bear in helping to craft a way forward for the Group and supplementing the already diverse and considerable skills of my Board colleagues. There is strength in diversity, both at Board and team levels, and I look forward to working with them all.

The year ahead is expected to present heightened challenges and uncertainties of global economic growth following US-China trade tension and protracted Brexit negotiations. While we will not be immune from its effects, our businesses have shown resilience in the past and I am confident that the quality of our assets and balance sheet, along with the skills of our 3,000-strong workforce, will ensure that the Group can stand up to near-term challenges and external headwinds.

The Group's FYE2019 performance is covered in further detail in this Annual Report. It is a story of growth and resilience across the portfolio, which gives me as well as my fellow Board members, the conviction that the best years lie ahead. I very much look forward to reporting to you on our continued progress.

Thank you.

Dato' Idris bin Kechot
Chairman

Management Discussion & Analysis

The Group's principal activities are organised in four (4) divisions: manufacturing, plantation, bulking and food. The businesses are spread across Malaysia, Indonesia, and Papua New Guinea. The Group currently employs 3,178 people.

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

Group Strategic Overview

The Group remains focused on providing sustainable value to our shareholders through three (3) core objectives – to grow profitable revenue, to generate solid returns on capital employed and cash generation.

3 Key Performance Objectives

Profitable Revenue Growth

The Group aims to grow revenue in a sustainable manner through expansion of existing operations, products and services, growth in market share and expanding into new market

Solid Returns on Capital Employed

Long-term contracts, investment and ownership of productive assets with continued focus on efficiencies, cost structures and improved returns on capital employed

Strong Cash Generation

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

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

These objectives are enabled and supported by the four (4) strategic drivers which provide a competitive advantage to the Group and act as a guideline to direct strategy formulation and implementation by the businesses within the Group.

4 Strategic Drivers

Maintain Prudent Financial Profile

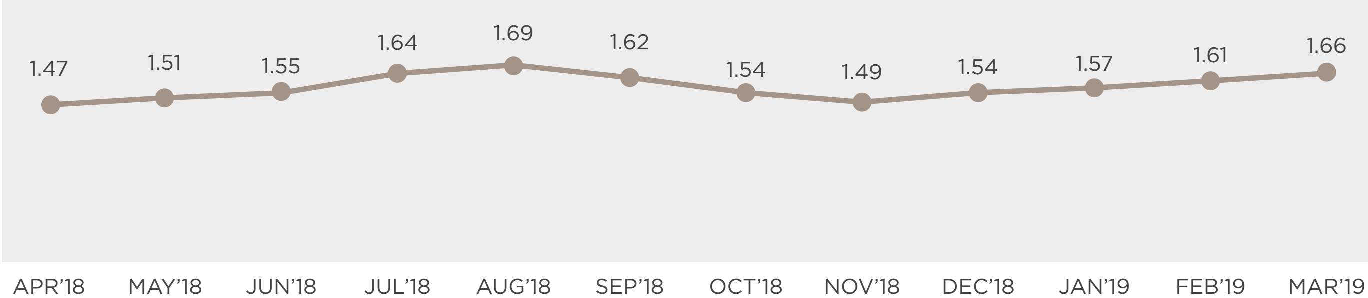
Strengthen Core Businesses

Leverage on Market Opportunities

Establish Strong Pillars For Future Growth

Key Financial Analysis

One Year Average Monthly Closing Share Price (RM)



Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
High	1.50	1.55	1.59	1.76	1.74	1.73	1.60	1.57	1.60	1.62	1.66	1.68
Low	1.44	1.47	1.50	1.52	1.64	1.50	1.47	1.41	1.48	1.51	1.55	1.63

During the year under review, the highest and lowest monthly share price transacted was RM1.76 and RM1.41 respectively.

Key Financial Highlights

		FYE2018	FYE2019	Change %
Revenue	RM Million	482.46	469.47	(2.7)
Cost of Sales ("COS")	RM Million	294.87	278.85	(5.4)
Gross Profit	RM Million	187.59	190.62	1.6
Gross Profit Margin	%	38.9	40.6	1.7
Earnings Before Interest and Taxation ("EBIT")	RM Million	79.64	116.81	46.7
Profit Before Tax ("PBT")	RM Million	78.14	114.89	47.0
Profit After Tax ("PAT")	RM Million	46.64	85.21	82.7
Profit Attributable to Equity Holders of the Company	RM Million	29.87	59.84	100.3
Return on Shareholders' Equity ("ROE")	%	4.7	8.1	3.4
Return on Capital Employed ("ROCE")	%	7.5	10.5	2.9
Returns to Shareholders				
- Gross Dividend Per Share	sen	9.00	*9.00	-
Net Cash Flow (Used in)/Generated from Operating Activities	RM Million	(7.52)	52.78	801.9
Total Asset	RM Million	1,171.76	1,233.90	5.3
Total Liabilities	RM Million	171.84	176.94	3.0
Capital Employed	RM Million	1,055.69	1,115.69	5.7
Retained Earnings	RM Million	398.99	433.56	8.7

* *Subject to shareholders' approval.*

Revenue

Profitability	FYE2018 RM Million	Contribution %	FYE2019 RM Million	Contribution %	Variance RM Million	%
Manufacturing	140.78	29.2	134.78	28.7	(6.00)	(4.3)
Plantation	153.65	31.8	118.34	25.2	(35.31)	(23.0)
Bulking	53.54	11.1	81.15	17.3	27.61	51.6
Food	129.27	26.8	130.32	27.8	1.05	0.8
Other	5.22	1.1	4.88	1.0	(0.34)	(6.5)
Group Results	**482.46**	**100.0**	**469.47**	**100.0**	**(12.99)**	**(2.7)**

For the financial year ended 31 March 2019 ("FYE2019"), the Group generated revenue of RM469.47 million compared to RM482.46 million recorded last year, representing a decrease of 2.7%. The decrease is mainly attributable to the decline in contributions from Plantation and Manufacturing divisions by 23.0% or RM35.31 million and 4.3% or RM6.00 million, respectively.

The lower revenue recorded by the Plantation division y-o-y was reflective of the lower commodity prices. Our average CIF Crude Palm Oil ("CPO") selling price (net of duty) in FYE2019 declined significantly by 18.0% to RM1,921 per MT (FYE2018: RM2,342 per MT). The average Crude Palm Kernel Oil ("CPKO") price achieved was also lower y-o-y at RM3,015 per MT (FYE2018: RM4,431 per MT). Lower production of CPO to 47,966 MT (FYE2018: 51,887 MT) also contributed to the decline in the division's revenue.

Manufacturing division's revenue performance had been largely impacted by the expiration of a major supply contract.

Bulking division's revenue increased significantly by 51.6% y-o-y to RM81.15 million compared to RM53.54 million in the prior year on the back of the higher throughput achieved for most of the products segments, in particular, edible oil, oleochemicals, industrial chemicals and base oil, offsetting the decline in latex. Total throughput improved by 14.1% y-o-y.

Food division's revenue rose 0.8% to RM130.32 million from RM129.27 million recorded in the previous year on the back of improved sales in the canned mackerel and tuna loin segments. Sales volumes for tuna and mackerel in the domestic PNG market grew 16.39% to 525,103 cartons (FYE2018: 451,165 cartons). However, the increase in revenue was offset by the reduced contribution from the division's canned tuna (export) segment both in terms of volume and value.

	FYE2018 RM Million	Contribution %	FYE2019 RM Million	Contribution %	Variance RM Million	%
Manufacturing	22.81	29.2	30.56	26.6	7.75	34.0
Plantation	31.67	40.5	32.81	28.6	1.14	3.6
Bulking	24.91	31.9	44.39	38.6	19.48	78.2
Food	1.36	1.7	8.33	7.3	6.97	512.5
Other	(2.13)	(2.7)	(2.13)	(1.9)	-	-
Associate Companies	(0.48)	(0.6)	0.93	0.8	1.41	(293.8)
Group PBT	**78.14**	**100.0**	**114.89**	**100.0**	**36.75**	**47.0**

Despite the lower revenue for the year, the Group's Profit Before Tax ("PBT") improved by 47.0% y-o-y to RM114.89 million mainly attributed to higher contributions from all divisions as well as the reversal of previously recorded impairment loss on plant, property and equipment ("PPE") of RM23.63 million. Without the write back of impairment, the Group PBT would be RM91.26 million, 16.8% higher than last year.

Bulking division posted a record high PBT of RM44.39 million and is the leading contributor to the Group's PBT. Plantation division recorded PBT of RM32.81 million on the back of the reversal of impairment loss on PPE amounting to RM23.63 million. Without the reversal, Plantation's PBT is RM9.18 million compared to RM28.34 million in previous year.

Meanwhile, Manufacturing division recorded better PBT against last year primarily due to higher write back of inventories and reversal of certain provisions on warranty as well as lower direct costs and depreciation.

Food division's PBT improved by RM6.97 million to RM8.33 million compared with RM1.36 million posted in the preceding year mainly due to increase in earnings contribution from our PNG subsidiary, International Food Corporation Ltd.

Gross Profit and Cost of Sales for the Group improved to RM190.62 million (FYE2018: RM187.59 million) and RM278.85 (FYE2018: RM294.87 million) respectively. The improvement is mainly

attributed to the strong results recorded by the Bulking division.

The Group's **Gross Profit Margin** was higher by 1.7% mainly contributed by higher gross profit margin enjoyed by Bulking division.

Share of Results of Associates totalled RM0.93 million as compared to a loss of RM0.48 million last year on the back of improved contributions from Giesecke & Devrient Malaysia Sdn Bhd ("G&D"). G&D posted a revenue of RM184.08 million (FYE2018: RM164.50 million) and PBT of RM17.67 million (FYE2018: RM11.57 million).

PAT for FYE2019 was RM85.21 million compared to RM46.64 million recorded in the previous financial year. The increase in PAT mainly attributed to the write back of the impairment loss on PPE amounting RM23.63 million and lower tax expenses during the year. Taxation expenses for the period decreased to RM29.68 million from RM31.50 million.

Profit Attributable to Equity Holders of the Company improved 100.3% or RM29.87 million from RM29.87 million recorded in FYE2018 to RM59.84 million in FYE2019. Basic earnings per share of our Group increased to 21.25 sen based on weighted average of 281.63 million shares (FYE2018: 10.78 sen based on 282.20 million shares).

The Group's **Retained Earnings** FYE2019 stood at RM433.56 million against RM398.99 million in the previous financial year. The variance was due to the higher profit attributable to the equity holders of the Company of RM59.84 million (FYE2018: RM29.87 million).

Shareholders' Funds stood at RM803.15 million, representing an increase of RM48.07 million or

6.37% over the previous financial year. The increase was in line with the increase of the Group's net earnings.

Return on Equity (ROE) for FYE2019 of 8.1% (FYE2018: 4.7%) is based on total equity of RM1,056.96 million (FYE2018: RM999.93 million).

Capital employed is the total amount of capital utilises to generate profits. **Return on Capital Employed (ROCE)** during FYE2019 improved to 10.5% from 7.7% registered in the previous year.

Liquidity and Capital Resources

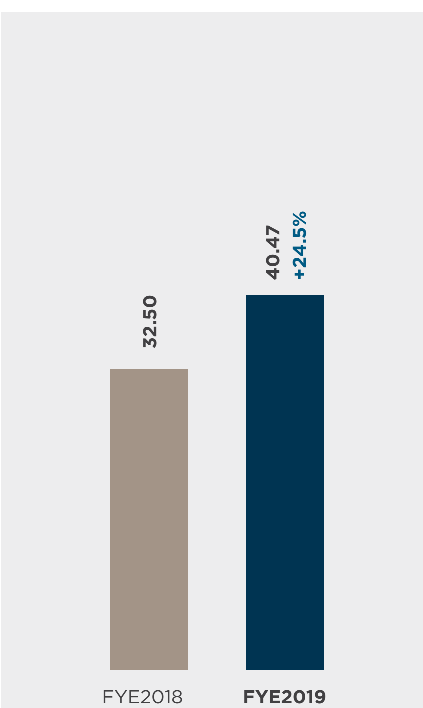
Typically, over the course of a year, cash, short-term investments and short-term debt may fluctuate in order to manage the Group's liquidity. The Group believes it has sufficient operating flexibility, cash flow, cash and short-term investment balances to meet future operating needs of the business as well as any scheduled payments of debt. The net gearing ratio of the Group as at 31 March 2019 remained low at 0.17 times.

The Group's **Cash and Bank Balances** and **Short-Term Cash Investments** stood at RM290.32 million in total, 1.1% higher than the previous year.

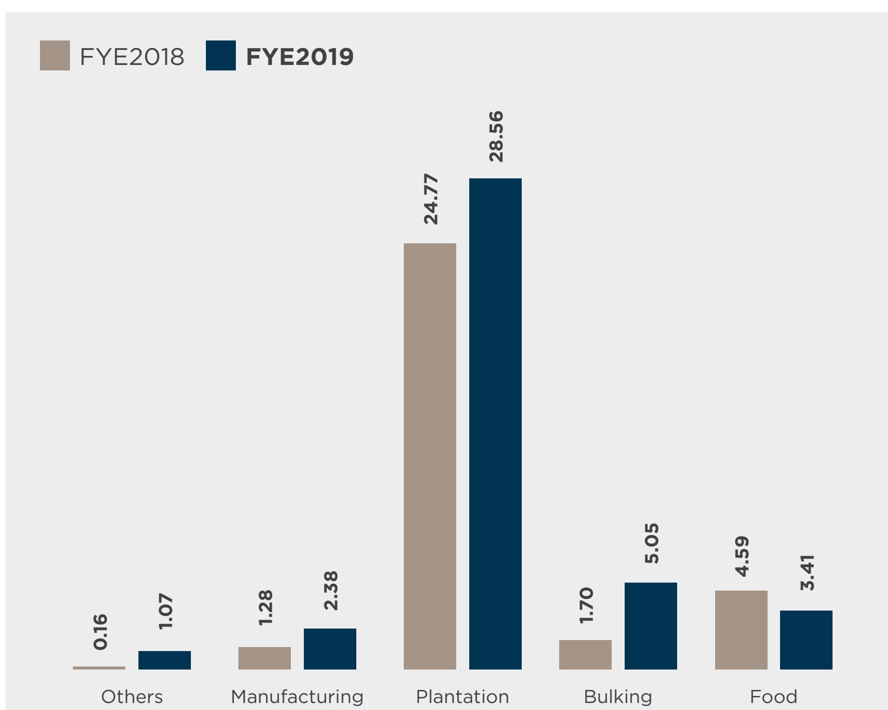
Despite a reduction in revenue, the Group continue to generate strong cash flow. The **Net Cash Flow Generated from Operating Activities** recorded a surplus of RM52.78 million (FYE2018: deficit of RM7.52 million) resulting from operating profit of RM104.77 million offset by net changes in inventories balances and payment on taxation.

The Group's CAPEX of RM40.47 million (FYE2018: RM32.50 million) was incurred to meet ongoing CAPEX commitments during the year. Notably, Plantation division accounted for 70.6% of the Group's total CAPEX spend which was largely utilised towards plantation development works, new planting, construction of workers quarters and purchase/ replacements of fixed assets. Sources of funds for CAPEX during the year were generated internally.

Group CAPEX (RM Million)



CAPEX Breakdown by Division (RM Million)



Manufacturing Division

KEEPING STEADY

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

In FYE2019, the division's revenue declined by 4.3% to RM134.78 million from RM140.78 million reported last year due to a decline in the travel documents subsegment where the expiry of a major supply contract in the last financial year had significantly weighed in on the division's topline performance despite strong performance in the transport and confidential documents subsegments.

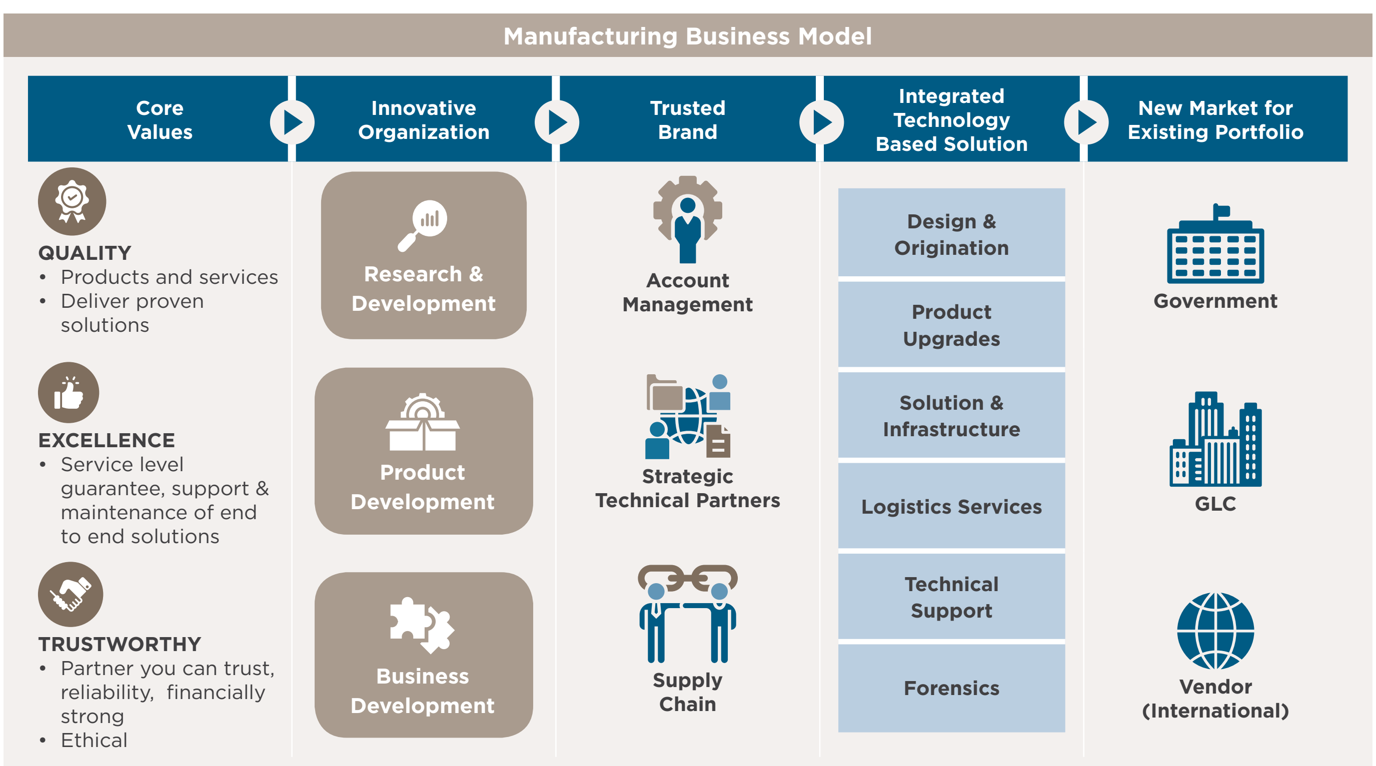
PBT, however, was up by 34.0% to RM30.56 million compared to the RM22.81 million recorded last year as a result of sales mix, higher write back of certain provisions as well as lower direct costs and depreciation.

The share of results of associate company Giesecke & Devrient Malaysia Sdn Bhd ("G&D") increased to RM3.73 million from RM1.70 million last year. G&D achieved higher revenue and PBT of RM184.08 million and RM17.67 million, an improvement by 11.9% and 52.7% respectively.

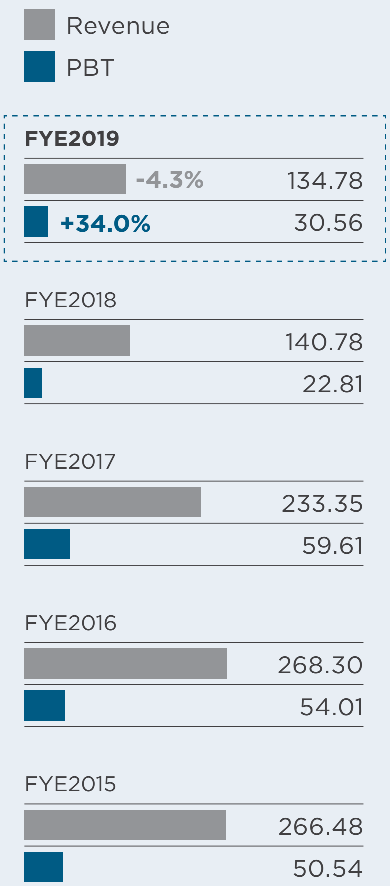
The division's trade receivables decreased 16.0% y-o-y to RM68.17 million. A significant amount of the trade receivables arise from customers with whom the division has had a long-term relationship and therefore the Board is of the view there is no significant concentration of credit risk and that the receivables are collectable.

The transport and confidential documents subsegments continued to show improvement in revenue growth, albeit modest, cumulatively generating approximately RM102.07 million in revenue, an increase of 0.4% over the prior year. Certain strategic contracts within these product subsegments have been successfully extended during the year. Transport and confidential documents are now the division's largest revenue segment groups, albeit all with different margin structures. We view these segments groups as potential long-term growth drivers and we are investing strategically to foster this incremental growth opportunity. Except for travel documents, results of the other product segments have remained relatively stable and are comparable to last year. Likewise, we expect their activity and performance in this current year will be sustained at FYE2019 levels.

During the year under review, the Company had announced that its wholly-owned subsidiary Percetakan Keselamatan Nasional Sdn Bhd ("PKN"), had commenced legal action against Datasonic Technologies Sdn. Bhd. ("DTSB") at the Kuala Lumpur High Court. The claim is for a sum of RM24,975,000.00 (excluding interest and cost) being the amount due and owing by the DTSB to PKN for the 1.5 million Malaysian passport booklets which



Manufacturing Division: 5-Years Revenue & PBT Performance
(RM Million)



were supplied by PKN to DTSB. The matter is currently pending trial. The suit, however, is not expected to have any material impact on the financial and operational position of the Group.

We have continued to maintain discipline in capital expenditure ("CAPEX") spending. The division spent RM2.38 million on CAPEX compared to RM1.28 million last year, which are largely restricted to assets needed to meet or maintain the division's operational requirements.

PBT however was up by **34.0% to RM30.56 million** compared to the RM22.81 million recorded last year as a result of sales mix, higher write back of certain provisions as well as lower direct costs and depreciation.

We have also enhanced our technical support functions and have developed the capabilities in a high-quality way. We are pleased to report that during the year, PKN's Technical Support Department has secured the ISO 9001:2015 Quality Management Systems and ISO 27001:2013 Information Security Management Systems accreditations, affirming the division's commitment to provide customers with the best security measures for data sharing and storage. PKN had also increased the size of its technical support team as it continues to strengthen its aftermarket service offerings to customers in several towns in Sabah and Sarawak.

Specific business challenges

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

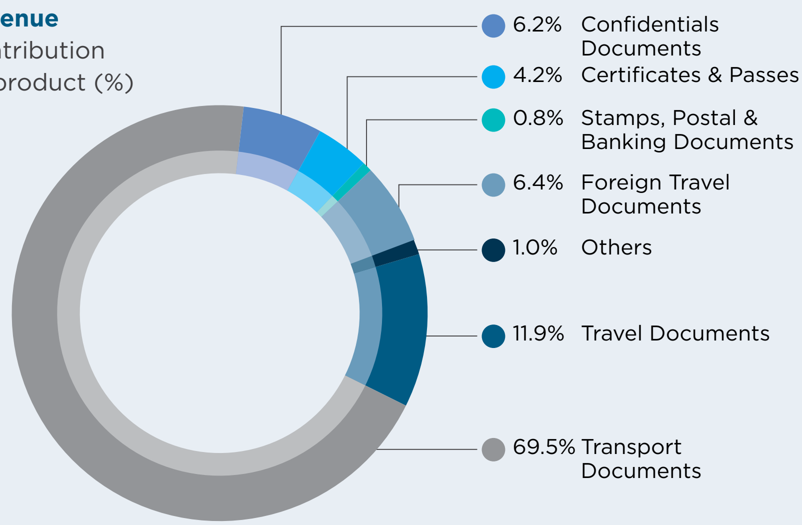
Customers needs

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

While the division's financial and liquidity profiles remain sound, we recognise that given the highly competitive nature of our markets, the immediate focus must be given to certain priority areas that can support future value-creating opportunities. The first is to protect and maintain our niche markets. The second is to drive cost efficiency and effectiveness with which we operate and go to market. We have established a scalable platform, but we acknowledge that we need to become more agile and collaborative. Towards this end, we have and will continue to place emphasis on strategic partnerships, both local and foreign, centred on innovative and technology-driven solutions that can enhance our competitiveness. Add to that, our teams continue to remain focused on proactively matching our cost structures to the realities of the top-line pressures we face in the market. The third is to work to secure the capabilities we need so that we can respond to the rapid technological advancements we are seeing and to have the ability to deploy new products and services through existing channels and meet

> "While the division's financial and liquidity profiles remain sound, **we recognise that given the highly competitive nature of our markets**, the immediate focus must be given to certain priority areas that can support future value-creating opportunities."

Revenue
Contribution by product (%)



As highlighted above, **the aim for the current financial year is to protect and maintain our niche markets**, improve our product offerings and delivery of differentiated services.

our customers' changing needs. We need to do all this while continuing to deliver improvements in safety, compliance and conduct and in operational excellence across the division, which, as noted above, we have already started with our technical support teams.

Prospects

The division's activities are expected to remain subdued in the near term as we project that there could be further pressures on pricing and volumes. As highlighted above, the aim for the current financial year is to protect and maintain our niche markets, improve our product offerings and delivery of differentiated services. We believe that the anticipated continued strength in the transport and confidential documents subsegments together with benefits from the division's continued focus on sustainable cost reduction and productivity improvement initiatives will render the division in good stead to capitalize on any eventual upturn in our key markets.

Plantation Division

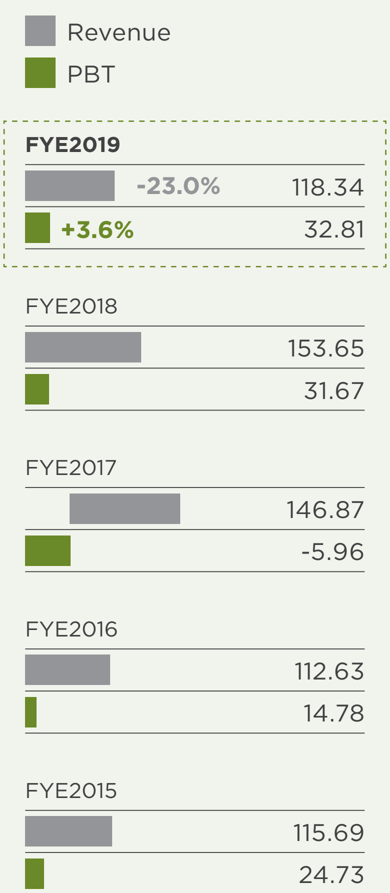
GROWING THE FUTURE

The Group owns and operates 14 estates in Malaysia and Indonesia with a land bank totalling 30,901 hectares, of which 14,239 and 154 hectares have been planted with oil palm and pineapple respectively.

Commodity markets were plagued by challenging conditions in the year under review. In 2018, the prices of oil palm products were traded lower globally. CPO price was lower by 19.3%, averaging RM2,239.00 per metric tonne ("MT") compared to RM2,795.00 per MT in 2017. Depreciating currencies of key importing countries such as India and China further limited their purchasing power on palm oil. As a result of the weaker demand and stronger CPO production in Indonesia, the Malaysian palm oil stocks hit a record high by the end of 2018 thereby adversely impacting prices.

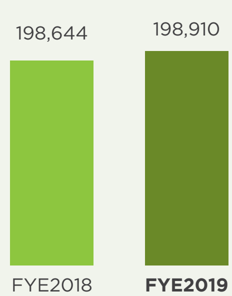
The trade dispute between China and the US, which intensified in July 2018 with China imposing a tax on US exports including soybeans also contributed to the volatility of commodity prices and heavily influenced the direction of CPO prices during the year.

Plantation Division: 5-Years Revenue & PBT Performance
(RM Million)



Average CPO Price Realised
(RM/MT)

Group FFB Harvested
(MT)



Plantation Division Business Model

Note: The diagram above refers to our Plantation Business in Kalimantan

Amid a bearish market, the division recorded revenue of RM118.34 million in FYE2019, 23.0% lower than last year's RM153.65 million largely due to the sharp decline in palm product prices. The average price realized for CPO (net of duty) registered during the year was RM1,921 per MT compared to RM2,342 per MT last year. Fresh fruit bunches ("FFB") harvested increased slightly to 198,910 MT compared to 198,644 MT harvested last year with an average yield of 20.77 per mature hectare (FYE2018: 22.83 MT).

Meanwhile, PBT stood at RM9.18 million (before the writeback of impairment losses which is discussed hereinbelow), which was 22.49% lower than the PBT of RM31.67 million achieved last year. Our estates in Malaysia which are still in the process of land development or palm planting registered a total pretax loss of RM13.87 million compared to RM7.13 million pretax loss recorded last year following to the acquisition of Ladang Bunga Tanjong Sdn. Bhd. which was completed in February 2018.

The division had in Q2 FYE2019 reversed a previously recorded impairment on property, plant and equipment in the Group's Indonesian subsidiary, PT Nunukan Jaya Lestari ("PTNJL") as a consequence of the Mahkamah Agung's decision that the Ministerial Order revoking PTNJL's HGU be annulled. The reversal of the impairment has a positive effect of RM23.63 million whereupon the division's PBT for FYE2019 would be RM32.81 million with the inclusion of the writeback.

FFB produced by PTNJL decreased by 6.1% to 164,769 MT (FYE2018: 175,425 MT). A lower yield per hectare of 26.08 MT was recorded compared to 27.53 MT last year. Meanwhile, FFB purchased from third parties also decreased to 49,902 MT from 60,460 MT in the previous year. Note that FFB production was back to normal

> Immature palms make up **4,660 ha** of the Group's total planted area, which means the Group's crops are **projected to rise strongly** in coming years.

following to the bumper crops recorded last year which is due to post recovery of El-Nino.

FFB production of our Johor estates have improved by 4.4% to 18,708 MT, (FYE2018: 17,912 MT) due to an increase in mature area from 875 hectares to 981 hectares. However, our average yield per mature hectare of 20.56 per MT lower than the 21.11 per MT achieved last year. FFB production at our estate in Miri, Sarawak increased by almost threefold from 4,958 MT to 14,122 MT, attributed

ESTATE OPERATIONS

INDONESIA

to more fields attaining maturity i.e. from 822 hectares last year to 1,648 hectares in FYE2019.

CPO and CPKO production during the year under review were 47,966 MT and 4,434 MT respectively (FYE2018: 51,887 MT and 4,013 MT respectively) in line with the decline in FFB production and lower third party crop. Average CPKO price was RM3,015 per MT, compared with RM4,431 per MT in the prior year. Meanwhile, the Group's oil extraction rate ("OER") average of 22.34% was slightly higher compared to 22.09% OER recorded last year.

On 23 August 2018, we had announced that the Mahkamah Agung Republik Indonesia, vide its written decision dated 21 August 2018, has allowed PTNJL's appeal and ruled that the Ministerial Order revoking PTNJL's HGU be annulled. The Mahkamah Agung also ordered the Menteri Agraria dan Tata Ruang/ Kepala Badan Pertahanan Nasional Republik Indonesia ("Defendant") to simultaneously:

i. issue an order cancelling PTNJL's HGU rights over the areas overlapping with third party interests measuring 3,500 hectares; and

ii. issue a new HGU certificate in favour of PTNJL for an area measuring 16,474.130 hectares, (which is 19,974.130 hectares less the 3,500 hectares referred to in paragraph (i) above).

Arising therefrom, the impairment of property, plant and equipment previously affected by the Ministerial Order was reversed in Q2 of FYE2019.

We had also announced in February 2019 that the Defendant had subsequently made a judicial review application to set aside the decision. This was followed by PTNJL filing a counter-memorandum in March 2019 in response thereof. Our Indonesian solicitors have advised that based on normal timelines for judicial review, we could expect the decision to be made in six to twelve months from the date PTNJL's counter-memorandum was filed. Further, commencement of the judicial review proceedings do not prevent the implementation of the Mahkamah Agung's written decision as aforementioned.

During the year, PTNJL commenced construction of a "terminal khusus" (specific terminal) at the estate. The terminal which was completed in this current financial year has locational advantages as it will allow for more efficient loading and dispatch of PTNJL's CPO and CPKO thereby reducing transport costs as well as PTNJL's environmental footprint.

MALAYSIA

Ladang Amgreen, Sarawak

The mature areas at the Group's Ladang Amgreen in Miri, Sarawak has reached approximately 1,648 hectares (FYE2018: 822 hectares) and is expected to increase by another 3,066 hectares in this current financial year as more areas are declared mature. While we have achieved our targets on this front, the estate's yield performance came in below our expectations and so the estate's immediate focus for this current financial year will be on improving agronomic standards of the fields in order to achieve better yields and output. On this note, management has decided to reign back on its plans to build a palm oil mill and will review this decision once the estate's yield performance reaches satisfactory levels and market conditions improve.

The estate is undertaking a number of initiatives to improve its operational performance. One such initiative is the adoption of the 'bin system' for a more efficient FFB loading and evacuation that minimizes manual handling thus retaining the quality of the crops. This system requires minimal infrastructure infield and consists of bins and a hook lift mechanism attached to a tractor.

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

FFB production of our 3 Johor estates have improved by 4.4% to 18,708 MT, (FYE2018: 17,912 MT) due to an increase in mature area from 875 hectares to 981 hectares. An average yield per mature hectare of 20.56 MT was recorded during the year (FYE2018: 21.11 MT per mature hectare), with the highest yield recorded by Ladang Ayer Hitam of 25.17 MT per mature hectare. Main focus areas for this current financial year will be on improving the yields at Ladang Kota Tinggi and Ladang Ayer Baloi through better agronomic practices.

Ladang Cendana, Kemaman, Terengganu

As at 31 March 2019, Ladang Cendana's mature areas totalled 117 hectares (FYE2018: 28 hectares). In tandem, volume of FFB harvested increased to 1,147 MT from 158 MT last year. The estate has again encountered incidences of elephants raiding the estate's crops resulting in damage to approximately 1,445 young palms. This figure is however significantly lower than 17,000 palms that were damage last year. A patrol team which was constituted during the year to monitor elephant movement around the clock has helped reduce the severity of the encroachments due to the early detection and increased field guarding actions. Be that as it may, all damaged palms have to be replaced and in turn, will inevitably cause delays before they can be harvested.

Ladang Bunga Tanjong, Jeli, Kelantan

Rehabilitation works on 457 hectares at Ladang Bunga Tanjong have been completed and we anticipated that the estate will commence harvesting in this current financial year. Replanting

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

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

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

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

Planting and development works has been progressing well with 110 hectares and 396 hectares have been planted at Ladang Dabong and Ladang Aring respectively. It is anticipated that these estates will commence harvest in this current financial year. Regrettably, Ladang Aring had also encountered incidences of crop-raiding elephants resulting in damage to approximately 13,672 young palms. In the circumstances, plans to establish a patrol team and construct trenches to deter elephants from entering the fields are underway. In any event, all damaged palms have to be replaced thus causing delays before they can be harvested.

Ladang Sg. Siput, Perak

The permission and approvals for land development at our greenfield estate in Sg. Siput, Perak measuring 2,000 hectares have been obtained from the relevant authorities after much delay. An environmental impact assessment exercise ("EIA") has also being carried out and is now pending final approval from the Department of Environment. As part of the EIA exercise, management held 2 focus group discussions to share information with and seek feedback from the indigenous and local communities, local authorities and NGOs regarding the planned development. It is pleasing to note that based on the outcome of the survey undertaken among the stakeholders, 61.2% of the respondents expressed their agreement towards the project. We hope to be in a position to commence initial development works in this current financial year.

Capital Expenditure ("CAPEX")

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

Sustainability Standards Certification

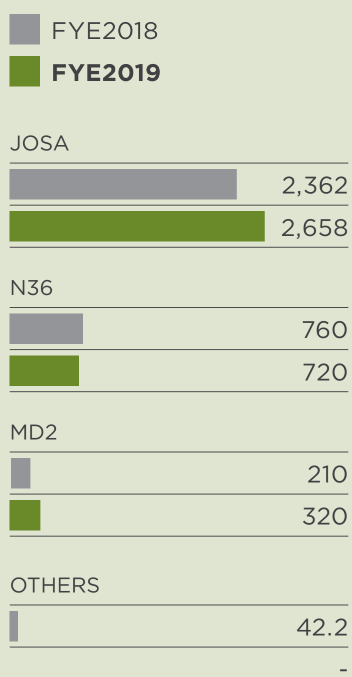
As at 31 March 2019, all 8 of our estates have been recommended for certification to the Malaysian Sustainable Palm Oil Standards ("MSPO") and are now pending certificate issuance. Selected employees have been sent for training to ensure that we have the necessary competencies

PINEAPPLE

The current total pineapple harvesting area in our estates in Johor stood at 154 hectares (or 381 acres). For the year under review, volume of pineapple harvested increased by 9.60% to 3,698 MT from 3,374 MT in the previous year. Currently, the division grows 3 pineapple cultivars – Josapine, MD2 and N36. The division is looking to plant more of the MD2 variety given the strong demand for the same. MD2 is popular due to its high quality, sweetness and golden yellow colour. Further, MD2 has a much higher yield per hectare compared to the other variants and has a longer shelf life, which makes it ideal for export. Due to the flat terrain at our Ladang Ayer Hitam, approximately 90% of the operations thereat are mechanized i.e. from plastic mulching to foliar application, which to some extent has helped address issues of labour shortage.

Pineapple Segment Revenue
(RM Million)

Pineapple Production
(MT)



40%
of the pineapples produced in FYE2019 are exported

to maintain and support our MSPO certification. However, the Indonesian Sustainable Palm Oil ("ISPO") audit on PTNJL remains status quo from last year as authorities await a definitive outcome of the ongoing legal suit pertaining to PTNJL's HGU before the ISPO certification process can be resumed.

Outlook

The palm oil industry continues to be challenging with geopolitical uncertainties, protectionist policies, recent EU resolution to ban palm-related biodiesel by January 2021 and uncertain weather conditions. The industry is also struggling with long-standing labour shortages and rising operating costs. These factors will continue to accentuate the bearish sentiment in the overall market.

While more areas are expected to attain maturity in this financial year, we expect the division's earnings to continue experiencing some pressures in the near term as a result of the prevailing low CPO prices and required expenditure in developing our greenfield estates. Nevertheless, the Board believes that on balance, this sector will continue to benefit from the growing demand given that palm oil is a significant and versatile raw material for both food and non-food (i.e. oleochemicals and biofuel) industries and is confident of its sustainable growth over the long-term. We also continue to see significant opportunities to grow the division through acquisitions as our capital structure continues to provide us with the flexibility to execute our growth strategy, including the funding of our acquisitions.

PLANTATION STATISTICS

Palm Age Profile (HA)

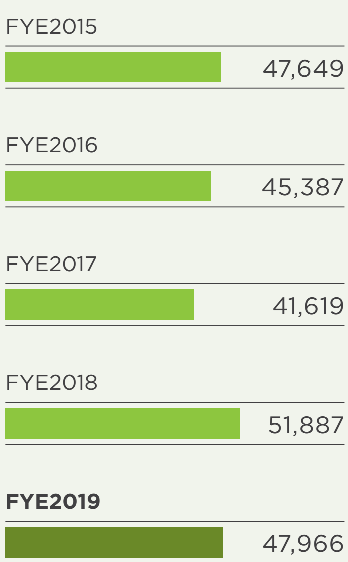
	FYE2015	FYE2016	FYE2017	FYE2018	FYE2019
> 19 years	432	-	-	-	124
10 - 18	6,154	6,154	6,214	6,206	6,647
4 - 9	1,097	1,594	1,502	1,913	2,808
	7,683	7,748	7,716	8,119	9,579
Rehab	-	-	-	566	-
Immature	4,678	4,798	5,491	*5,271	4,660
Total Planted Area	**12,361**	**12,546**	**13,207**	**13,956**	**14,239**

*Note: Immature hectarage has been restated from last year (FYE2018: 5.447 ha).

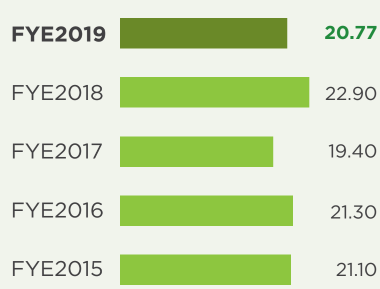
Total FFB (MT)

	FYE2015	FYE2016	FYE2017	FYE2018	FYE2019
FFB Production	162,526	164,738	149,753	198,644	198,910
FFB Purchased	60,677	53,198	51,853	60,460	49,902
Total FFB	**223,203**	**217,936**	**201,606**	**259,104**	**248,812**

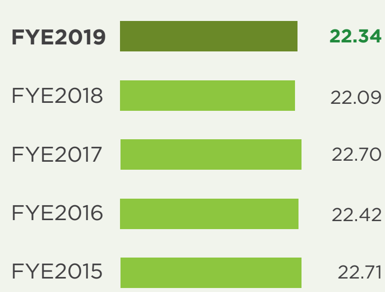
CPO Production
(MT)



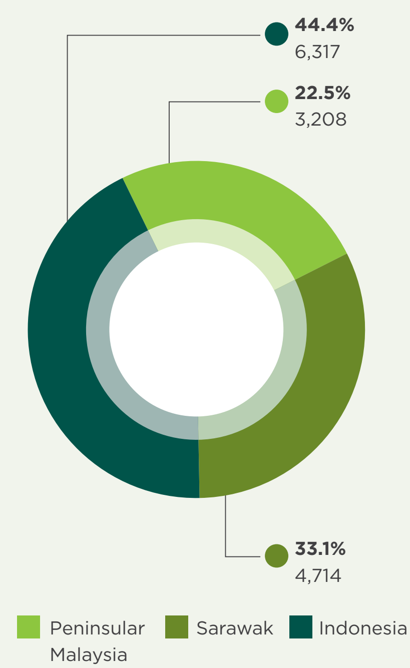
Yield Per Hectare
(MT)



Oil Extraction Rate
(%)



Total Oil Palm Planted Area
(HA)



Bulking Division

ENERGISING OPPORTUNITIES

The Bulking division operates five (5) liquid bulk terminals of which three (3) are located in North Port in Port Klang and two (2) in Butterworth. Presently, these terminals have 271 tanks with a combined storage tank capacity of 275,190 MT and can handle a wide range of liquid cargoes ranging from palm oil products to latex concentrates, oleochemicals to specialty oils, as well as petroleum products, industrial chemicals and technical fats.

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

Revenue increased significantly by 51.6% y-o-y to an all-time high of RM81.15 million and profit before tax ("PBT") increased to RM44.39 million, another record high. For FYE2019, the division is the leading contributor to the Group's PBT at 38.6%.

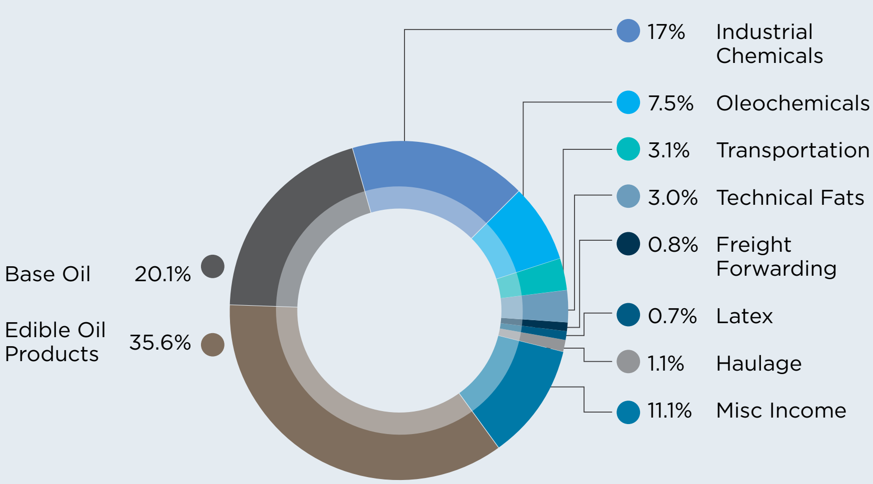
Throughput grew 14.1% year-on-year ("y-o-y") mainly driven by strong growth across most product segments particularly edible oils, oleochemicals and industrial chemicals which more than offset the decline in latex. The increase in edible oils throughput at both our Port Klang and Butterworth terminals were supported by the high levels of CPO inventories especially in the first three quarters of FYE2019 while the higher throughput generated by industrial chemical and base oil segments were primarily driven by market share gains on the back of robust transshipment and trading activities both domestically and in the region.

Average tank utilisation rate was 90.4% which is 48.7% higher than last year, led by higher volumes achieved in the edible oils, industrial chemicals and technical fats segments. This increase was also underpinned by the higher proportion of long-term contracts secured by our terminals in North Port, Port Klang, compared to spot contracts.

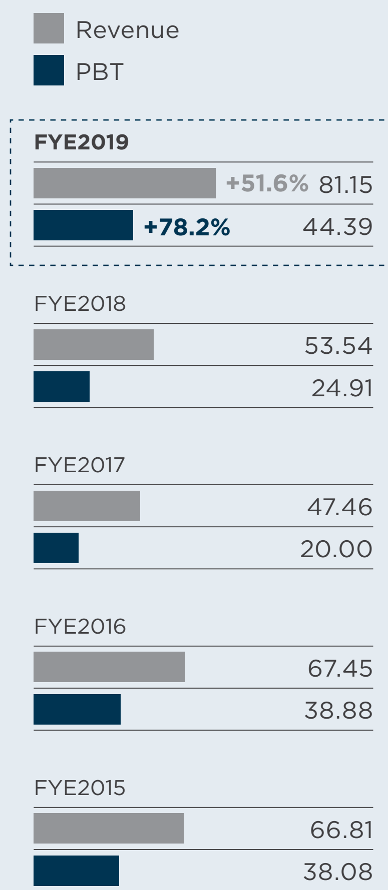
	Throughput Breakdown (MT)
Edible Oil	530,347
Oleochemical	54,310
Technical Fats	26,365
Industrial Chemicals	237,332
Base Oil	170,355
Latex	10,277
Transportation	57,359
TOTAL	**1,086,345**

During the year under review, we received the relevant approvals to build 4 new storage tanks with a combined capacity of 3,200 MT at our terminal in North Port, Port Klang, bringing the total number of tanks there to 231. Increasing our capacity not

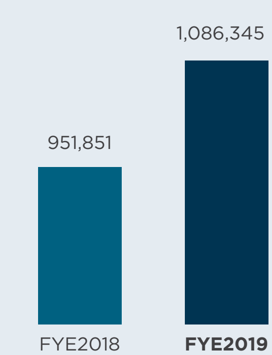
Revenue Contribution by Product (%)

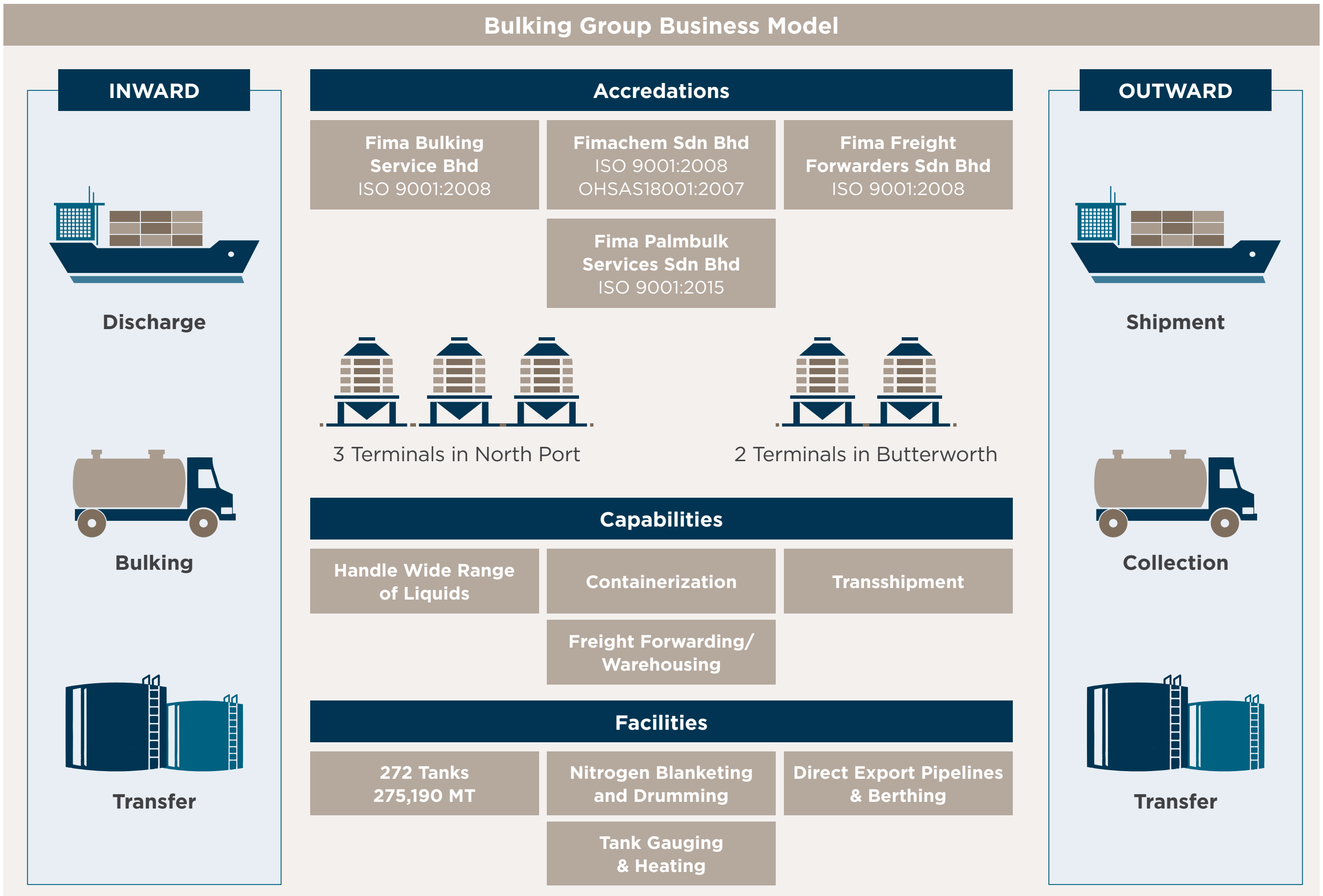


Bulking Division: 5-Years Revenue & PBT Performance
(RM Million)



Total Throughput
(MT)





> Our capital expenditure for **FYE2019 totalled RM5.04 million**. We made considerable progress on a number of operational areas involving enhancements to our existing infrastructure and assets.

only improves land utilization of our terminal but enables us to handle significantly more volume and grow market share over the long-term and this bodes well for longer-term stability. The tanks are constructed in accordance with API Standard 650 and will include installation of associated pipelines. Site establishments works which commenced in December 2018 are now well underway and we expect the tanks to be operational by the second quarter of this current financial year.

As reported last year, we initiated the revival of the Group's 60,000 MT/per annum biodiesel plant. The plant, which is ISCC-EU compliant, willfully commence commercial operations this current financial year. We are encouraged by the numerous interests we have received from potential customers and collaborators to-date with many discussions taking place. We are aware that biodiesel producers are currently facing major challenges with regard to the European biofuel policy, but nevertheless we remain bullish about the plant's overall prospects. We believe that it is a step in the right direction as biofuel and renewable energy looks likely to dominate the rapidly-changing energy market in the years to come.

Our capital expenditure for FYE2019 totalled RM5.04 million. We made considerable progress on a number of operational areas

We also see our freight-forwarding arm as a source of future growth for the division, with volume and revenue contributions from this segment increasing 42% and 29% respectively, y-o-y.

involving enhancements to our existing infrastructure and assets. Refurbishment works of our jetties in Butterworth which began in January 2018 have been completed. We have also purchased prime movers and container trailers for our freight-forwarding arm as part of our fleet replacement and capacity upgrade programme. This will reduce the overall costs associated with downtime and maintenance to service ageing assets. We also see our freight-forwarding arm as a source of future growth for the division, with volume and revenue contributions from this segment increasing 42% and 29% respectively, y-o-y.

Technology investments have also been a focus during the year. We are upgrading our division's IT systems by investing in a new tank farm inventory management system across our terminals. The solution will replace the existing software and will provide a common platform for all our terminals thereby enhancing internal controls, improving our global reporting and analysis capabilities leading to improved productivity and cross-functional efficiencies. In addition, our customers would be able to access real-time information on the movement and volumes of their stocks.

Outlook

We have come through a challenging year in good shape. Our businesses have performed well and our financial position is sound. Looking ahead we are energized by the opportunities within the sectors we operate in. Given current market conditions, we expect demand for storage of liquid commodities (especially edible oils) and transshipment activities to remain robust in this current financial year, but we also expect competitive dynamics in the sector to intensify. Part of our challenge for this current financial year will, therefore, be to sustain the momentum by strengthening our value propositions to clients and driving underlying organic growth by optimising our existing terminal infrastructures.

Food Division

NAVIGATING AN OCEAN OF OPPORTUNITIES

MANUFACTURE & DISTRIBUTION OF CANNED FISH

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

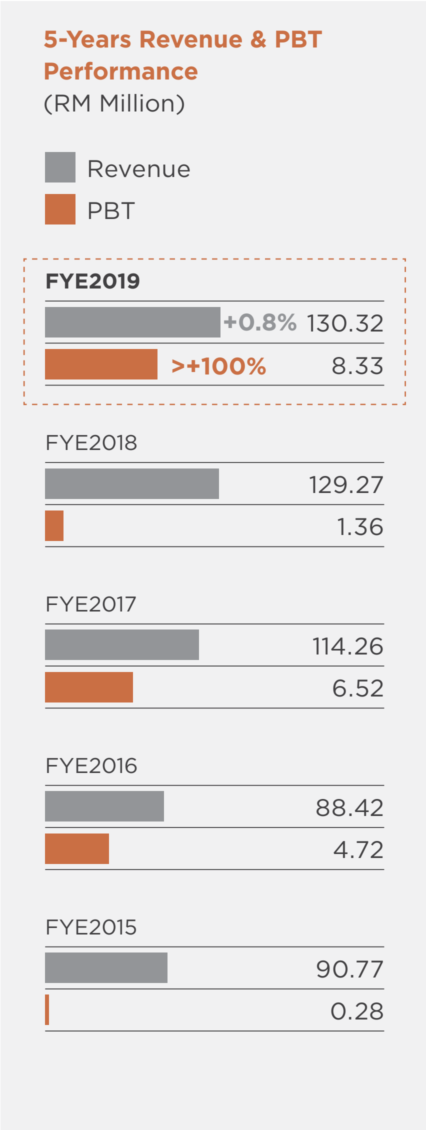
Canned mackerel and tuna under IFC's own "Besta", "Besta Mcflakes", "BestaChoice" and the recently launched "BestaWhite" brands are produced primarily for the PNG market while frozen tuna loins and private label canned tuna are exported to the European Union.

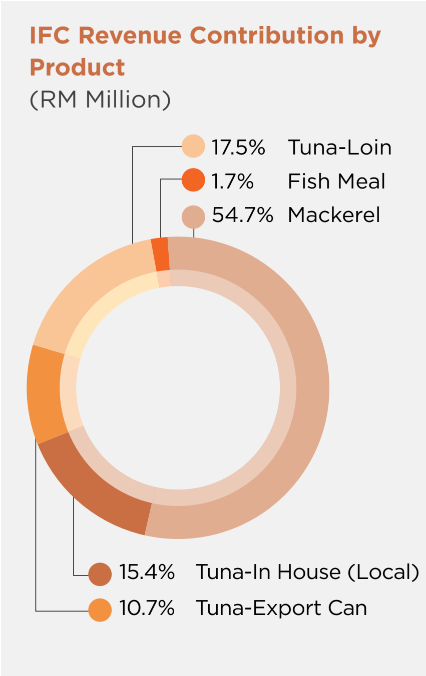
The Group's associate company, Marushin Canneries (M) Sdn. Bhd. manufactures and markets canned sardine, tuna and mackerel in Malaysia under the brand name "KING CUP".

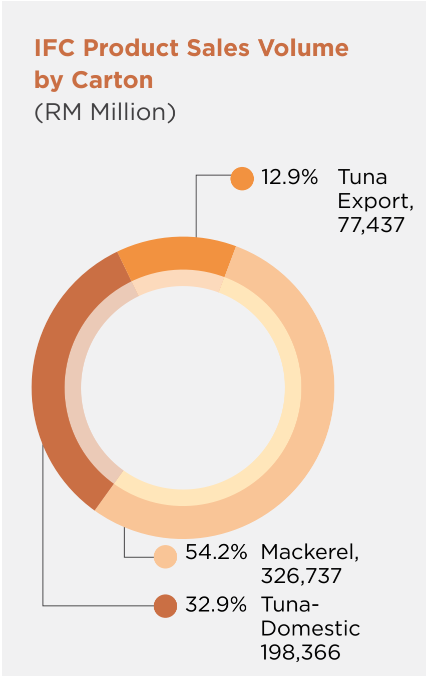
FOOD PACKAGING

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

Food division's revenue rose 0.8% to RM130.32 million from RM129.27 million recorded in the previous year on the back of improved sales in the canned mackerel and tuna loin segments. Sales volumes for tuna and mackerel in the domestic PNG market grew 16.39% to 525,103 cartons (FYE2018: 451,165 cartons). However, the increase in revenue was offset by the reduced contribution from the division's canned tuna (export) segment both in terms of volume and value.

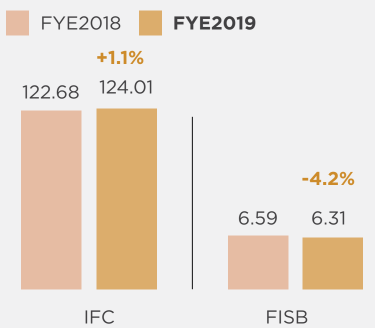




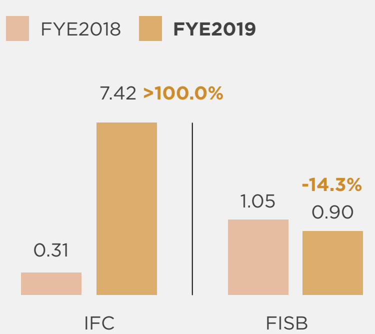


Profit before tax for the year stood at RM8.33 million compared to RM1.36 million registered in the prior year mainly attributable to foreign exchange gain of RM0.67 million (FYE2018: forex loss of RM8.53 million). Excluding the foreign exchange impact, the division's PBT would be RM7.66 million, 22.5% lower than last year's PBT of RM9.89 million. The decline is primarily attributed to the decline in the canned tuna (export) segment which generally gives a higher margin compared to the division's other product segments.

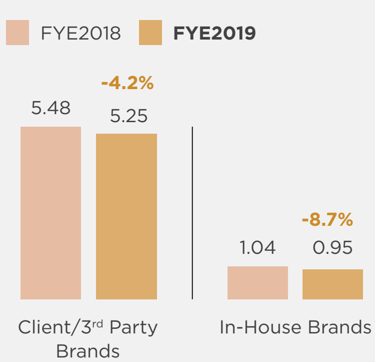
Revenue Contribution by Company
(RM Million)



Profit Before Tax Contribution by Company
(RM Million)



FISB Revenue Contribution By Category
(RM Million)



Profit before tax for the year stood at **RM8.33 million** compared to RM1.36 million registered in the prior year mainly attributable to foreign exchange gain of RM0.67 million (FYE2018: forex loss of RM8.53 million).

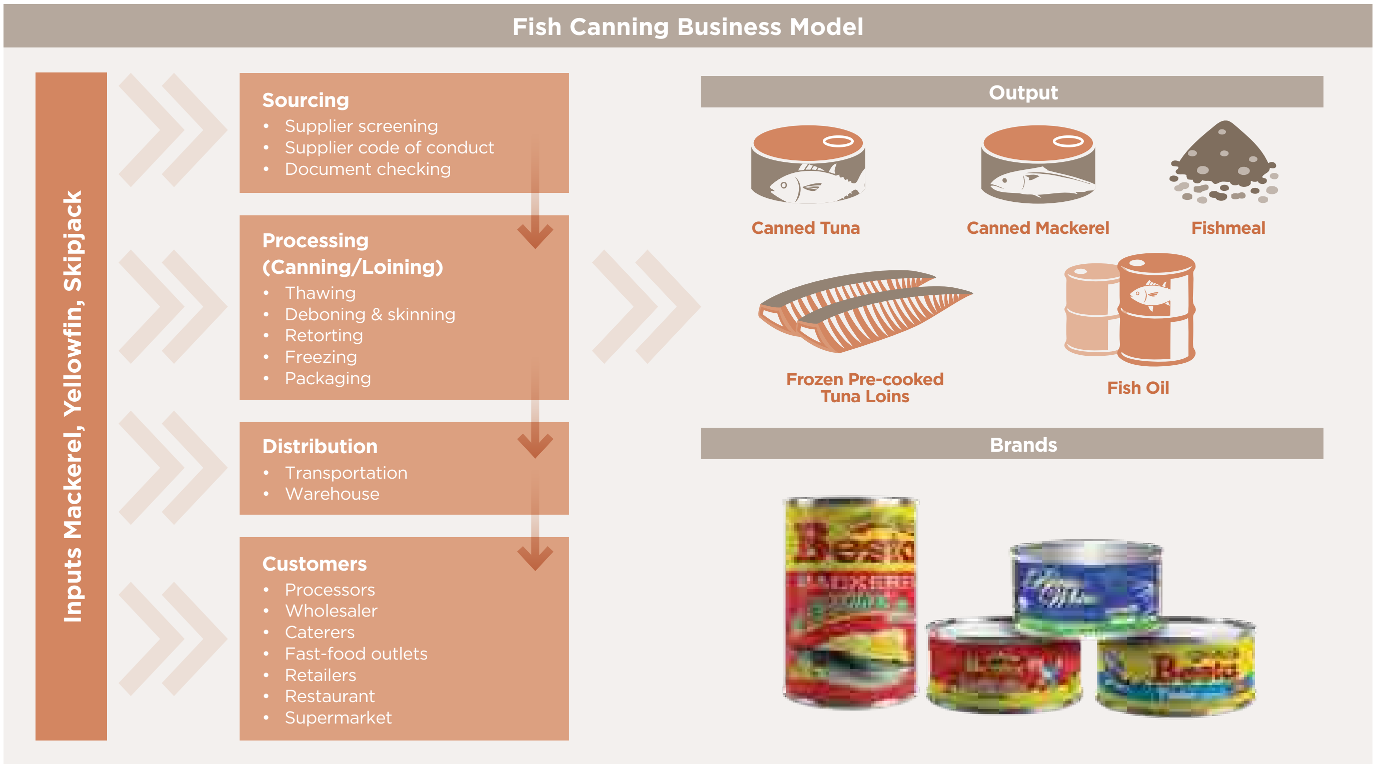

Besta's new product to boost canned mackerel sales

The division's portfolio mix has positioned it well amid dynamic demand patterns experienced during the year. Growth in the tuna and mackerel segment in the domestic PNG was entirely organic as there were no new product launches during the year - and was driven by higher demand as well as stronger advertising and promotional activities. It is also an indication that our existing brands such as Besta McFlakes and Besta Choice continue to be well-received by PNG consumers.

Although the performance of the canned tuna (export) segment came in below expectations, we have nevertheless been successful in expanding the customer base for our tuna loins and fishmeal segments. Sales of tuna loins increased almost twofold y-o-y to RM21.69 million (FYE2018: RM9.92 million), particularly to the European Union. We also saw continued strong demand for fishmeal, whose sales improved by approximately RM1.75 million to RM2.22 million y-o-y. Fishmeal and fish oil are derived from processing activities which generate large quantities of organic waste from unused fish parts and is a rich source of essential amino acids. Global demand for fishmeal and fish oil is strongly influenced by the aquaculture and farmed animal production sectors, as these 2 products are important high protein ingredients in feed.

While our fishmeal production currently makes up only a small percentage of our business, it nonetheless provides a major outlet to recycle by-products from our processing plant. Further, given the anticipated growth in the aquaculture sector on the back of growing fish consumption, demand for fishmeal is expected to remain positive. These trends also offer exciting opportunities for us to consider pursuing fish oil production as a potential new revenue source.

Capital expenditure was RM3.4 million (FYE2018: RM4.59 million). Major spend items in FYE2019 include the purchase and refurbishment of boilers and improvements of facilities at our sites.



Outlook

The division expects to drive sales growth with new product lines, brand marketing and expanded distribution channels. Sales growth is also expected to include the impact of pricing taken to offset the anticipated increase in input costs and we project that demand for fishmeal and tuna loins can be sustained at current levels, if not higher. In addition, we expect meaningful cost savings to be delivered through specific improvement measures undertaken in recent years to inter alia reduce our energy and fuel consumption and optimising our environmental footprint in every phase of our value chain given consumers' growing preference towards more sustainable processes. On that note, we remain committed to the sustainability agenda and continues to maintain a strict position on our value chain, namely and in particular, marine resource sustainability, within our operating principles.

Over the past few years, we have experienced a range of external impacts ranging from currency volatility, raw material supply constraints and product dumping. Despite these major influences, we have managed to put in significant platforms on which to build a food business with a diverse portfolio. While there continue to be major issues such as lack of adequate enforcement e.g. from export-dumping activities that remain out of our control, our businesses have developed agility, resilience and a lean infrastructure. This positions us well to benefit from any improvements in our operating environment.

This Sustainability Statement is a concise narrative of the Group's Sustainability Report 2019 and covers key material sustainability issues and reporting for KFima.

Sustainability Statement

Our business strategy recognises our responsibility to our stakeholders – to deliver shared value and long-term sustainability.

Through responsible actions and behaviours, continuously improving our environmental performance, build trust and operate ethically to the highest standards of corporate governance and empowering our employees. This approach underlines our conviction that creating shared value for our stakeholders and for ourselves contributes to KFima becoming a more successful and sustainable enterprise now and in the future. And it means having strong governance and oversight that starts at the top with the Board of Directors and is carried out through dedicated committees, policies, management systems, teams and senior level accountabilities. Alongside our risk management processes, in FYE2019 we undertook a materiality assessment to gather insight from various stakeholders on the sustainability issues that are important to our stakeholders.

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

Economic

Governance & Responsible Business Practices

Operational resource and efficiency

Environment

Environmental & social responsibility in our supply chain

Social

Building strong and respectful relationships with stakeholders

Health, safety & development of our employees and communities

MATERIAL TOPICS

Economic	Environment	Social
Ethics & Corporate Governance	**Effluents and Waste**	**Workforce relations**
Supply Chain Management & Transparency	**Water Management**	**Health and Safety**
Economic Performance	**Energy Management**	**Stakeholder & Community Relations**
	Emissions	

Detailed information on our approach in managing our material topics is reported in our standalone Sustainability Report 2019. The Sustainability Report has been prepared in accordance with the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards): Core option and the requirements of Bursa Malaysia's Main Market Listing Requirements on sustainability reporting, sums up what sustainability means for us, what measures we have taken in tackling the economic, environmental and social challenges we faced, and what we have achieved in the process. It is also a reflection of our continuing commitment to transparency and accountability. Other information relating to the material topics can be found in the Corporate Governance and Segmental Report sections of this Annual Report.

VALUE DISTRIBUTION TO STAKEHOLDER
(RM Million)

- 59.5 Employees (salaries, wages, and other benefits)
- 26.5 Government (Tax and duties)
- 25.3 Shareholders (dividends)
- 40.5 Reinvestment in the business

FINANCIAL HIGHLIGHTS
(RM Million)

Revenue
RM469.47mil

Profit Before Tax
RM114.89mil

Dividend Payment
9.0
sen per share*
*subject to shareholders' approval

Sustainability Highlights

Roll out of **energy efficiency & reduction programmes** across our businesses

38% of our **employees** are **women**

3,178 employees in **3 countries**

13,067 total **training hours**

Zero discharge through the recycling of **waste and by-products** in our plantation operations

Increase use of **ICT and mechanisation** in our operations

Increased **stakeholder engagements** through **materiality survey** and **focus group discussions**

Community contributions & involvement in the form of **donations, sponsorships** and **support** in kind

Sustainability awareness workshops & training conducted throughout

FYE2019

79.5%

local spend including **SMEs in Indonesia & Papua New Guinea**

Market credibility through **international standards & MSPO accreditations**

OUR WIDER CONTRIBUTION

ECONOMIC

ENVIRONMENTAL

SOCIAL

We believe we can make specific contributions to at least 8 of the United Nations' Sustainable Development Goals – their vision for a more sustainable world by 2030. Our long-term focus is on finding new ways of reducing emissions, waste and biodiversity impacts – and continuing to support the development of our employees and communities.

See our full Sustainability Report at
http://www.fima.com.my/sustainability-reports.html

SUSTAINABILITY PERFORMANCE METRICS

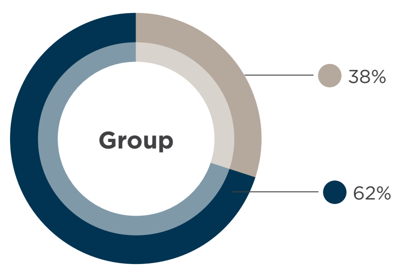
Total Workforce

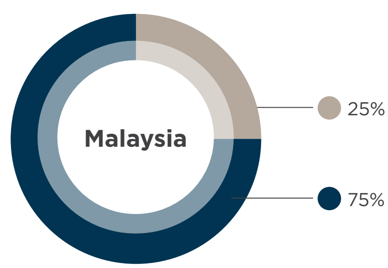
3,178 | 1,205 Female | 1,973 Male

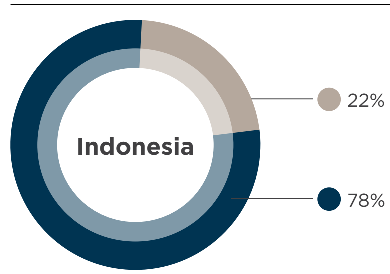
BOARD OF DIRECTORS | 2 Female | 5 Male

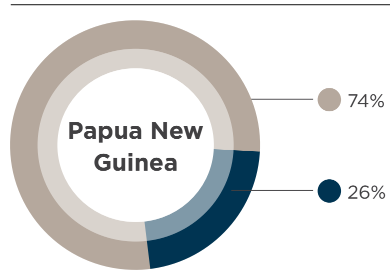
Total Workforce Breakdown by Country

Female Male



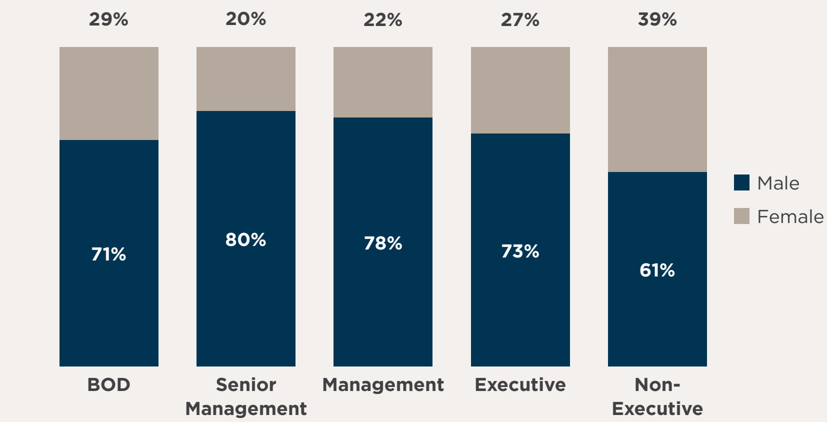






SUSTAINABILITY PERFORMANCE METRICS

Total Workforce Breakdown by Gender & Position FYE2019



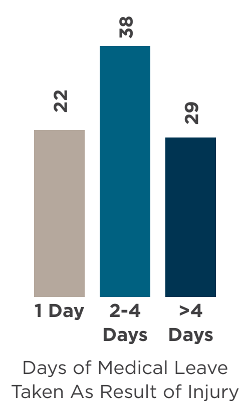
Lost Time Incident Frequency Rate (LTIFR)

The Group recorded an LTIFR of **13.25** site for every 1 million man-hours worked (FYE2018: 8.21)

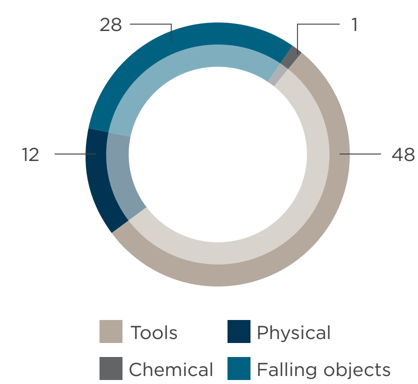
Total Training Hours

The Group recorded **13,067** of training hours (FYE2018: 8,454 hours)

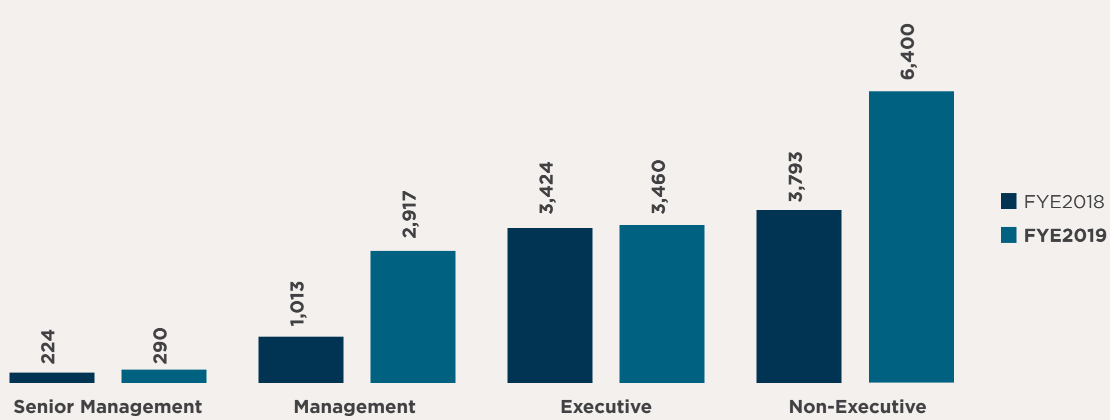
Total No. of Recorded Injuries



Total Injuries By Type



Training Hours Breakdown by Position

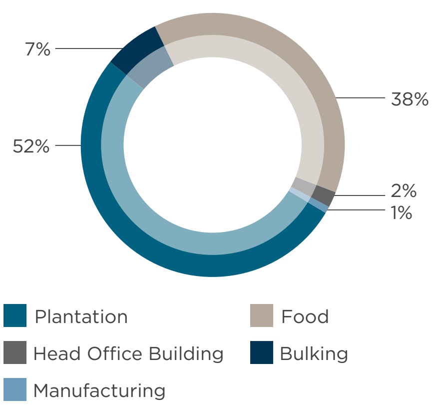


SUSTAINABILITY PERFORMANCE METRICS

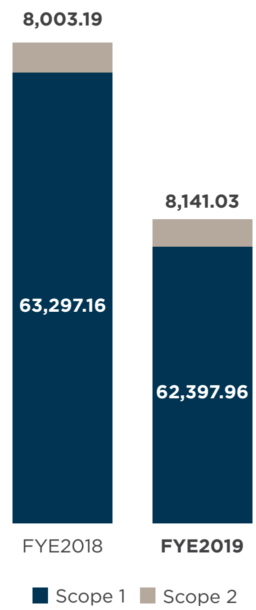
839,941.76m³

Total water consumed by the Group
(FYE2018: 734,432 m³)

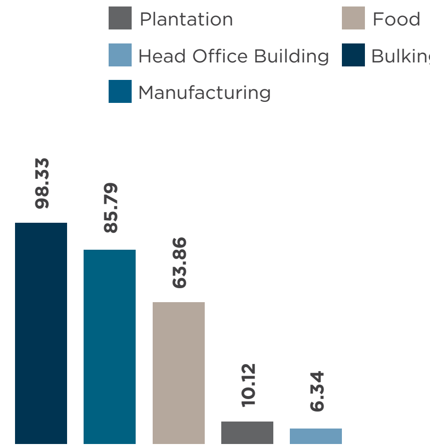
Breakdown Of Water Consumption By Division (M³)



Total Group CO_2 eq



Total Energy Consumption (TJ)



264.44 Terajoule

Total energy consumed by the Group
(FYE2018: 142.73 Terajoule)

Total Emission Breakdown by Division

Head Office

Our greenhouse gas emissions	FYE2018*	FYE2019
Scope 1 – Direct emission	46.40 tCO_2eq/litre*	47.64 tCO_2eq/litre
Scope 2 – Indirect emission	1,386.25 tCO_2eq/kWh*	1,318.08 tCO_2eq/kWh
Total emissions	1,432.64 tCO_2eq	1,365.72 tCO_2eq
Emission intensity by square feet	0.0114 tCO_2eq per square feet	0.0111 tCO_2eq per square feet

**restated*

Manufacturing

Our greenhouse gas emissions	FYE2018	FYE2019
Scope 1 – Direct emission	89.28 tCO_2eq/litre	19.95 tCO_2eq/litre
Scope 2 – Indirect emission	2,641.83 tCO_2eq/kWh	2,403.43 tCO_2eq/kWh
Total emissions	2,731.11 tCO_2eq	2,423.38 tCO_2eq
Emission intensity by operating hour	0.6184 tCO_2eq per operating hour*	0.7225 tCO_2eq per operating hour

**restated*

SUSTAINABILITY PERFORMANCE METRICS

Plantation

Our greenhouse gas emissions	FYE2018*	FYE2019
Scope 1 – Direct emission	54,064.47 tCO_2eq/litre	51,921.82 tCO_2eq/litre
Scope 2 – Indirect emission	146.28 tCO_2eq/kWh	150.53 tCO_2eq/kWh
Total emissions	54,210.75 tCO_2eq	52,072.34 tCO_2eq
Emission intensity by FFB Production	0.2178 tCO_2eq per MT FFB production	0.2412 tCO_2eq per MT FFB production

**restated*

Bulking

Our greenhouse gas emissions	FYE2018	FYE2019
Scope 1 – Direct emission	5,819.75 tCO_2eq/litre	6,779.99 tCO_2eq/litre
Scope 2 – Indirect emission	1,050.01 tCO_2eq/kWh	1,482.43 tCO_2eq/kWh
Total emissions	6,869.76 tCO_2eq	8,262.42 tCO_2eq
Emission intensity by Product Storage	0.0072 tCO_2eq per MT product storage	0.0081 tCO_2eq per MT product storage

Food

Our greenhouse gas emissions	FYE2018*	FYE2019
Scope 1 – Direct emission	3,277.26 tCO_2eq/litre	3,628.56 tCO_2eq/litre
Scope 2 – Indirect emission	2,778.83 tCO_2eq/kWh	2,786.57 tCO_2eq/kWh
Total emissions	6,056.09 tCO_2eq	6,415.13 tCO_2eq
Emission intensity by Fished Processed	0.6748 tCO_2eq per MT fish processed	0.7050 tCO_2eq per MT fish processed

**restated*

Note : Scope 1 – CO_2 emissions through a diesel engine, transportation, fertilizer, POME and physical operation.
Scope 2 – Purchase of electricity from TNB, SESB, SESCO, PNG power, etc.

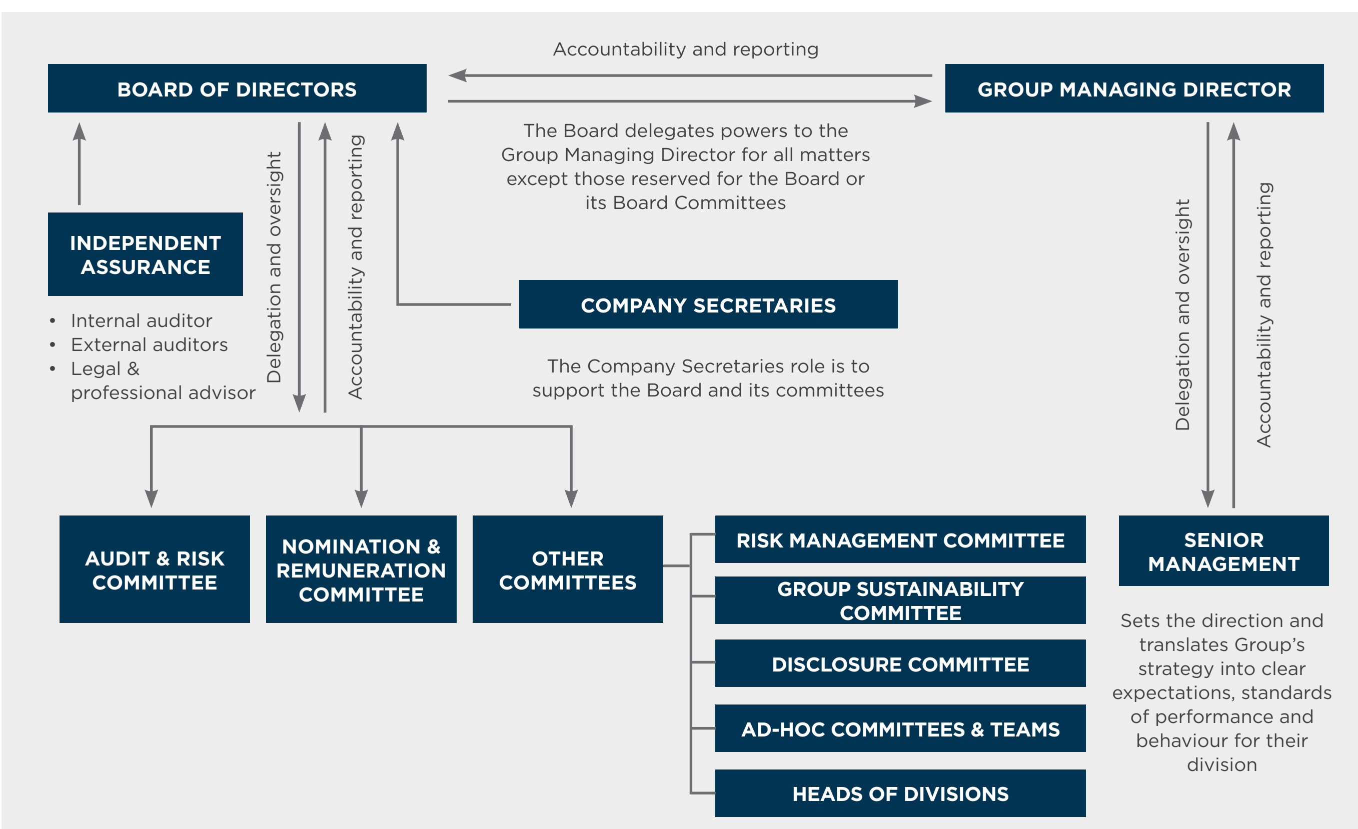
Corporate Governance Overview Statement

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

This 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.fima.com.my.

CORPORATE GOVERNANCE FRAMEWORK

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



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Role and Responsibilities of the Board

The general powers of the Board and the Directors are conferred in the Company's Constitution. The role and responsibilities of the Board, including the matters that are reserved to the Board or its Committees, are formalized in a Board Charter and Committees' Terms of Reference which are available on the Company's website at http://www.fima.com.my/corporate-governance.html.

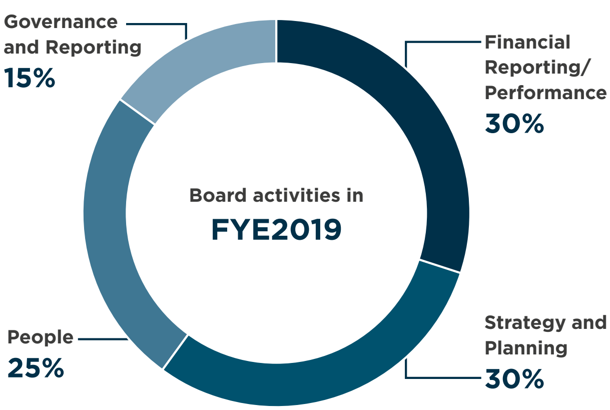
Role and operation of the Board
The Board has ultimate responsibility for the overall leadership of the Group. In this role, it oversees the development of a clear Group strategy, monitor operational and financial performance against agreed targets and objectives and ensures that appropriate controls and systems exist to manage risk.

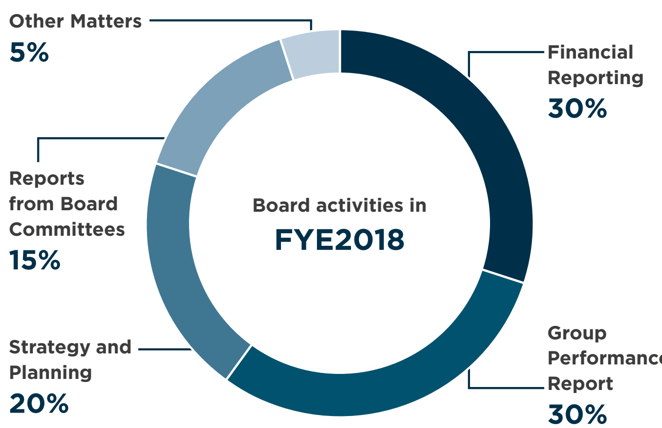
Specific Board matters
The matters reserved for the Board are: • Approving annual financial statements and quarterly financial results
• Contributing to management's development of the Company's strategy and plans, and ultimately approving operating budgets and monitoring performance
• Approving director's appointment to the Board and Board Committees
• Approving major capital expenditure, acquisitions, disposals of significant events and investment proposals
• Dividend recommendation
• Overseeing and monitoring overall system of internal control and risk management
• Overseeing related party transactions

Some of the Board's activities in FYE2019 are described in the table below:

FYE2019	
Financial Reporting/ Performance	• Approved quarterly financial results and audited financial statements. • Reviewed the financial performance of the business operations against approved strategies, plans and budgets. • Reviewed major capital expenditure/acquisition. • Determined dividend amount, nature and timing of dividends to be paid. • Maintained oversight of the Group's financial position.
Strategy and Planning	• Reviewed and approved budget and business plan for FY 2020 and key performance targets. • Reviewed the Group's proposed strategic plans. • Reviewed and discussed trends, challenges impacting the Group and potential opportunities during a 3-day offsite retreat with Management.

FYE2019	
People	• Reviewed performance, reward, composition and succession of Board and senior management. • Considered and approved the recommendations made by the Nomination and Remuneration Committee regarding the new Group salary structure and increment and performance rewards for Group MD and senior management. • Approved the appointment of new Directors to the Board.
Governance and Reporting	• Reviewed and approved the draft statements to be incorporated in the Annual Report. • Reviewed results of Board and Committees effectiveness evaluation. • Reaffirmed Board Charter. • Received reports/updates from the Chairman of Board Committees. • Reviewed and approved the re-appointment of Company's external auditors. • Reviewed and approved the Group's Malaysian Sustainable Palm Oil Policy. • Reviewed and approved the adoption of the Environment, Good Social Practices, Occupational Safety and Health, Quality and Sexual Harassment Policies.





Board Committees

The Board is assisted in the discharge of its duties and responsibilities by the Audit and Risk Committee and the Nomination and Remuneration Committee. The ultimate responsibility however, resides in the Board and it does not abdicate its responsibilities to these Committees. Each Board Committee has defined Terms of Reference, which are available at the Company's website.

AUDIT AND RISK COMMITTEE

The Audit Committee has been renamed the Audit and Risk Committee with effect from 30 May 2019. The Audit and Risk Committee continues to play a key role in the governance over the Group's financial reporting, risk management, control and assurance processes and the external and internal audit.

Chairman
Azizan bin Mohd Noor

Members
Dato' Rosman bin Abdullah
Rozana Zeti binti Basir
Datuk Anuar bin Ahmad (Appointed: 26 June 2019)

Key objectives
Providing oversight of the Group's system of internal control, business risk management processes and related compliance activities, effective governance over the appropriateness of the Group's financial reporting including the adequacy of disclosures and monitoring the performance of both the internal audit function and the external auditors, Messrs. Hanafiah Raslan & Mohamad.

The terms of reference of the Audit and Risk Committee is available on http://www.fima.com.my/corporate-governance.html.

The details of the Audit and Risk Committee activities during the financial year are disclosed in the Audit and Risk Committee Report of this Annual Report.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee ("NRC") continues its work of ensuring that the Board composition is right and that the governance is effective. NRC's work also included monitoring and considering the level and structure of remuneration for the Executive/Non-Executive Directors and senior management.

Chairman
Dato' Rosman bin Abdullah

Members
Azizan bin Mohd Noor
Rozilawati binti Haji Basir

Key objectives
To make sure the Board comprises individuals with the necessary skills, knowledge and experience to ensure that it is effective in discharging its responsibilities and to have oversight of all matters relating to remuneration structure of the Directors and senior management.

FYE2019 highlights
- Assessed the composition, structure and size of the Board and its Committees, including the independence of the Company's Independent Directors and their tenure in office.
- Delivered recommendations to the Board for appointment of Dato' Idris bin Kechot and Datuk Anuar bin Ahmad as Independent Non-Executive Directors following an extensive search and review process.
- Reviewed the performance evaluation of the Board, its Committees and individual Directors and making appropriate recommendations to the Board.
- Reviewed the fees and allowances payable to the Non-Executive Directors.
- Re-election and re-appointment of Directors at the Company's AGM.
- Delivered recommendations to the Board on the proposed annual increment and performance reward of the Group MD and senior management.
- Monitored and considered the level of remuneration for the Group's employees.
- Reviewed and oversaw the preparation of a new salary structure for Group employees and making the appropriate recommendations to the Board.
- Considered the outcome of the review of the Group MD's remuneration package undertaken by an external consultant and making the appropriate recommendations to the Board.

The terms of reference of the NRC is available on http://www.fima.com.my/corporate-governance.html.

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 MANAGEMENT COMMITTEE ("RMC")

- RMC 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.
- RMC is composed of Board representatives from KFima and Fima Corporation Berhad ("FimaCorp") (the Group's listed subsidiary) and FimaCorp's Chief Operating Officer.
- RMC is supported by the Risk Management Unit ("RMU") which is made up of executives/ management of the respective business units. The RMU is responsible for managing, mitigating and monitoring strategic and operational risks at company/divisional level.

DISCLOSURE COMMITTEE

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

GROUP SUSTAINABILITY COMMITTEE ("GSC")

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

AD-HOC COMMITTEES AND TEAMS

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

HEADS OF DIVISIONS ("HOD")

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

Meetings and Time Commitment

The Board meets regularly at least four (4) times a year at quarterly intervals and holds additional meetings as and when the Board thinks appropriate. All Directors are expected to allocate sufficient time to their role on the Board and Committees on which they serve in order to discharge their responsibilities effectively. Details of Board and Committee attendance at FYE2019 are disclosed herein.

Throughout FYE2019, Directors also participated in the consideration and approval of matters of the Company by way of written resolutions circulated to them. Supporting written materials were provided in the circulation and verbal briefings were given by the Group MD or the Company Secretaries when required.

Directors	Board	Audit & Risk	Nomination & Remuneration
Number Held	**6**	**4**	**3**
Dato' Rosman bin Abdullah	6	4	3
Dato' Roslan bin Hamir	6	N/A	N/A
Azizan bin Mohd Noor	6	4	3
Rozana Zeti binti Basir	6	4	N/A
Rozilawati binti Haji Basir	6	N/A	3

In addition to time spent at Board and Committee meetings, the Directors attended a 3-day Joint Board Retreat with the Group's senior management from 8 March until 10 March 2019 to review, discuss, debate on the respective divisions performance and assess business plans for the years ahead. This off-site session was conducted jointly with the Board of FimaCorp, the Company's listed subsidiary.

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

Training and Development

In accordance with Paragraph 15.08(3)(b) of the Bursa Listing Requirements, the Directors had attended various external programmes in FYE2019, which include the following:

Directors	Training Attended	Date Held
Dato' Roslan bin Hamir	• The 17th High Security Printing Asia Conference in Hanoi, Vietnam.	3 –5 Dec 2018
	• Sustainability Workshop on Materiality and Stakeholder Engagement organized by Group Corporate Services, Kumpulan Fima Berhad (in-house).	15 – 16 Jan 2019
	• Board Dynamics - What are the key essential requirements organized by Malaysian Institute of Corporate Governance.	27 Mar 2019
Dato' Rosman bin Abdullah	• 'Introduction to Corporate Liability Provision: What it is, how will my Company be affected, and what do I need to put in place by way of safeguards?' organized by Malaysian Institute of Corporate Governance.	6 Sept 2018
	• Anti-Corruption Summit 2018 "Good Governance and Integrity for Sustainable Business Growth" organized by Aram Global Sdn. Bhd..	30 Oct 2018
	• Power Talk & Directors Dialogue 'Effective Boards in a VUCA World' organized by Institute of Corporate Directors Malaysia.	31 Oct 2018

Directors	Training Attended	Date Held
Azizan bin Mohd Noor	• Seminar on Directors' Remuneration for GLICs, GLCs & Government Agencies 2018 organized by Aram Global Sdn. Bhd..	19 Sept 2018
	• Anti-Corruption Summit 2018 "Good Governance and Integrity for Sustainable Business Growth" organized by Aram Global Sdn. Bhd..	30 Oct 2018
	• Governance Symposium 2019 - Building a governance eco-system organized by Malaysian Institute of Accountants.	7 Mar 2019
Rozana Zeti binti Basir	• Sustainability Engagement Series for Directors/Chief Executive Officers organized by Bursa Malaysia Berhad.	6 Sept 2018
	• Would a business judgement rule help directors sleep better at night organized by Institute of Corporate Directors Malaysia.	17 Dec 2018
	• Business transformation - Drive impactful performance results organized by Malaysian Institute of Corporate Governance.	6 Mar 2019
	• Board Dynamics - What are the key essential requirements organized by Malaysian Institute of Corporate Governance.	27 Mar 2019
Rozilawati binti Haji Basir	• Companies Act 2016 Charges-Registration, Compliance & Practice organized by Suruhanjaya Syarikat Malaysia.	19 Mar 2019

Note: Dato' Idris bin Kechot and Datuk Anuar bin Ahmad joined the Board on 3 May 2019.

The Company has an on-going budget for all Directors to attend appropriate courses, conferences and seminars for them to stay abreast of relevant business and legislative developments and outlooks.

Role of the Chairman and the Group Managing Director

To ensure balance of authority, increase accountability and a greater capacity for independent decision-making, the Board Charter has clearly defined that the roles of the Chairman and the Group MD are separate. The Board Charter also sets out the roles and responsibilities of the Chairman and the Group MD, which can be viewed on the 'Investors' page of the Company's website.

On 26 June 2019, the Board appointed Dato' Idris bin Kechot as Chairman of the Board having earlier been appointed as Independent Non-Executive Director on

KEY RESPONSIBILITIES OF CHAIRMAN AND GROUP MD

CHAIRMAN (INED)

- Provides leadership to the Board.
- Monitor Board effectiveness.
- Fosters constructive relationships among Directors.
- Act as Company representative.

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

GROUP MD

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

3 May 2019. The Group MD, Dato' Roslan bin Hamir is responsible to the Board for management, development and performance of the Group's businesses for those matters for which he has been delegated authority from the Board.

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 and meet with the Management to facilitate a better understanding of the Group's business operations.

Directors, after consultation with the Chairman, may seek independent advice in furtherance of their duties at the Company's expense. Directors also have access to members of senior management at any time to request relevant information.

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

Company Secretaries

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

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

The Company Secretaries' profiles are available under Our Key Senior Management 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 also sets out the roles and responsibilities of the Board Committees, individual Directors, Chairman, Group MD as well as Senior Independent Director. The Board Charter also defines the relationship and interaction between the Board and Management.

The Board had on 30 May 2019, revised its Board Charter to include provisions on tenure of appointment and re-appointment Directors, dividend policy and the Group Sustainability Committee. The revised Board Charter is available in the 'Investors' section of the Company's website.

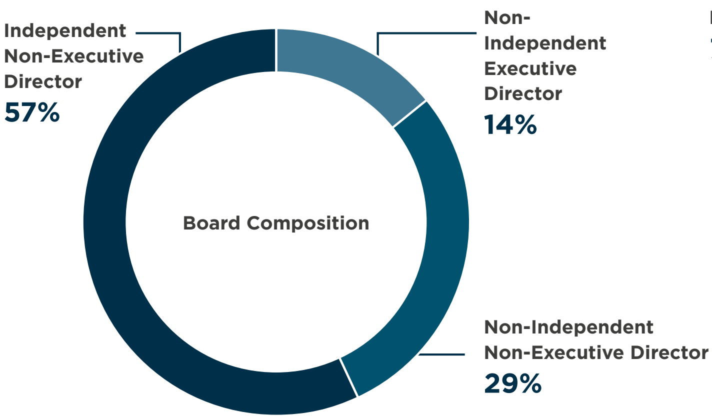
Other Policies

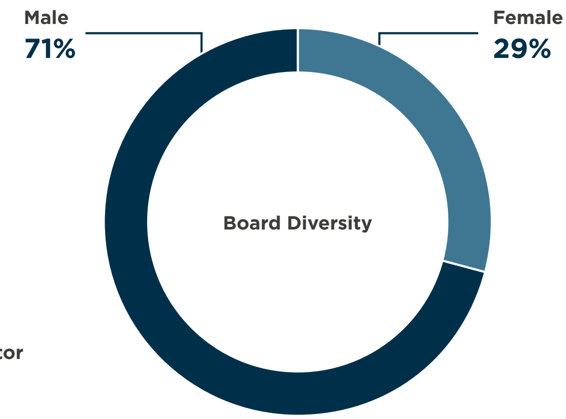
In addition to the Board Charter, there are a range of policies which define the Company's commitment to good corporate governance and responsible business practices. Among them are Whistle-Blowing Policy, Corporate Disclosure Policy, Environmental Policy and Malaysian Sustainable Palm Oil Policy. The Company has also established its dividend commitment through a dividend policy which was approved by the Board on 30 May 2019 whereby the Company aims to distribute to its shareholders at least 40% of the consolidated profit after taxation and non-controlling interest for the relevant financial year, subject to financial and internal parameters, external factors or any other factors that may be considered relevant to the Board. These and other policies are available on the Company's website under the 'Investors' section.

The Board is guided by company laws and the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia in discharging its responsibilities. The Group's Whistle-Blowing Policy aims to encourage employees or other stakeholders to raise genuine concerns about possible improprieties in matters relating to financial reporting, compliance and other malpractices or misconduct, in an appropriate manner and without fear of reprisals or retaliation. All whistle-blowing reports are addressed to the Group MD or Chairman of the Audit and Risk Committee.

II. BOARD COMPOSITION

As at the date of this statement, the Board consisted of seven (7) Directors, including four (4) Independent Non-Executive Directors and two (2) female Directors. The Board is satisfied that the current composition of the Board takes into account the size of the Group, the optimal mix of knowledge, skills, experience, gender diversity, independence, the requirement in numbers for its Committees and regulatory requirements.





APPOINTMENTS SINCE 1 APRIL 2019

Dato' Idris bin Kechot
Independent Non-Executive Director
Appointed: 3 May 2019

Datuk Anuar bin Ahmad
Independent Non-Executive Director
Appointed: 3 May 2019

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

Appointment process

Since the start of FYE2019, the NRC's focus has been to refresh the composition of the Board; search for suitable candidates to assume the role of Chairman and Independent Non-Executive Directors to supplement the independence and knowledge of the existing Board and to ensure appropriate succession planning is in place, taking into account the Group's strategic direction.

The NRC considers the following factors when selecting new Directors and when recommending Directors to the Board for appointment:

- the aim of having a majority of Independent Directors on the Board and of having an Independent Non-Executive Chairman;
- the prospective candidates have appropriate range of skills, expertise, experience and diversity to discharge the Board's mandate;
- the potential conflict of interests; and
- the ability to devote sufficient time to meet his/her commitments as a Director of the Company as well as the personality "fit" with the Board and the culture of the Group.

Details of the different stages of the appointment process that the NRC followed are set out below:

STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
List of prospective new candidates were provided to the NRC.	NRC reviewed and evaluated the candidates by taking into account relevant factors such as experience, skills, diversity, conflict of interest, time commitment as well as the personality fit with the existing Board and the culture of the Group. NRC shortlists candidates.	NRC Chairman and Group MD met up with the shortlisted.	NRC formalized their recommendations to the Board on the selected candidates.	Board considered and approved NRC's recommendations. The appointment of new Directors took effect upon their acceptance of the letter of appointment from the Company.

During the year, the NRC held three (3) meetings, including a Joint NRC Meeting with its listed subsidiary, FimaCorp, and extensively discussed the merits of the prospective candidates. On 27 February 2019, the NRC recommended the appointment of two (2) Non-Executive Directors to the Board. The Board had at its meeting on 27 February 2019, concurred with the NRC's recommendations which culminated in the appointment of Dato' Idris bin Kechot and Datuk Anuar bin Ahmad as Independent Non-Executive Directors of the Company effective 3 May 2019.

The new Directors were 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. In accordance with the Company's Constitution, they are subject to the re-appointment by the Company's shareholders at the forthcoming AGM.

Profiles of Dato' Idris bin Kechot and Datuk Anuar bin Ahmad can be found on Our Board of Directors section of this Annual Report.

Independence of Directors

Azizan bin Mohd Noor **Appointed:** 2 April 2003	**Dato' Idris bin Kechot** **Appointed:** 3 May 2019
Dato' Rosman bin Abdullah **Appointed:** 5 May 2004	**Datuk Anuar bin Ahmad** **Appointed:** 3 May 2019

The Non-Executive Directors are appointed to offer a wide range of skills and experience which enable them to advise, support and constructively challenge Management, to provide independent judgement on the Board's discussions and to help with the development of the Company's strategy.

The Board, through NRC, reviewed the independence of its Independent Non-Executive Directors as part of its annual evaluation of Board effectiveness. The Board is committed to ensuring the Board comprises a majority of Independent Non-Executive Directors.

Notwithstanding the fact that Encik Azizan bin Mohd Noor and Dato' Rosman bin Abdullah have served on the Board as Independent Non-Executive Directors for a cumulative term of more than nine (9) years, the Board, having considered the matter thoroughly, is of the opinion that Encik Azizan bin Mohd Noor and Dato' Rosman bin Abdullah remain independent, in line with the criteria as defined in the Bursa Listing Requirements and are free from any relationship or circumstances that could affect, or appear to affect, their independent judgement. The Board is satisfied that the lengths of their tenure have no impact on their respective levels of independence or the effectiveness of their contributions.

Both Encik Azizan bin Mohd Noor and Dato' Rosman bin Abdullah have provided written declaration to the NRC and the Board confirming that they continue to fulfil the criteria of independence in line with the Bursa Listing Requirements. 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.

Further, the Board Charter stipulates that if the Board intends to retain an Independent Non-Executive Director beyond nine (9) years, shareholders' approval has to be sought.

Independence Assessment

Before and on appointment

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

Ongoing process

- Independent non-executive director is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence.
- All directors have 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 independence having regard to the criteria of independence as set out in the Bursa Listing Requirements.
- NRC assesses and reviews the independence of independent non-executive directors annually.

Re-election and Re-appointment of Directors

Pursuant to the Company's Constitution, Dato' Idris bin Kechot and Datuk Anuar bin Ahmad, who were appointed as an addition to the existing Board shall hold office as Independent Non-Executive Directors only until the Company's forthcoming AGM to be held on 28 August 2019 and shall then be eligible for re-election at the said AGM. The term of office of Non-Executive Directors is not more than three (3) years.

The Constitution of the Company further provides for rotation of Directors whereby one third (1/3) or more of the Directors are to retire at every AGM of the Company and that all Directors must retire at least once in three (3) years and shall be eligible for re-election. Further the re-appointment of Encik Azizan bin Mohd Noor and Dato' Rosman bin Abdullah, the Company's Independent Directors, who have served the Board for more than nine (9) years, will be subject to separate resolutions to be approved by the shareholders.

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

Performance Evaluation

An annual effectiveness review is conducted to evaluate the performance of the Board, Board Committees and individual Directors. The review is an important opportunity to be able to recognize individual and collective strengths and weaknesses, which prompt required changes and are also taken into account during the Board succession process.

2017	2018	2019
Independent, externally facilitated review	Internal performance review	Internal performance review

For FYE2019, the evaluation was carried out internally in April 2019 through a questionnaire prepared for the Board, Board Committees and individual Directors. The results of these evaluations have been reviewed by the NRC in May 2019 and the outcomes and recommended actions were thereafter tabled and discussed by the Board and improvement actions were agreed based on such discussion. The overall conclusion was that the Board worked well and continued to function in an open and collaborative way with a high level of trust and respect.

Key areas covered in the questionnaire are:

SECTION 1

BOARD PERFORMANCE ASSESSMENT

- Structure and Governance Processes
- Risk Management
- Relationship with the Group MD
- Chairman and Company Secretaries/Chief Financial Officer
- Sustainability and Corporate Responsibility

SECTION 2

COMMITTEE EVALUATION

- Audit Committee
- Nomination and Remuneration Committee
- Group Sustainability Committee

SECTION 3

ISSUES AND PRIORITIES

- Priority of the Board in the next year
- The Company or Management can do to make the Board more effective
- The Board's most significant strength/weaknesses

SECTION 4

PERSONAL PERFORMANCE ASSESSMENT

- Governing attributes
- Personal attributes

EVALUATION PROCESS

Stage 1
Completion of questionnaires on the effectiveness of the Board, Committees and individual Director

Stage 2
Collation of results and preparation of a detailed report on the findings and actions

Stage 3
Board evaluation report discussed in the NRC and the Board meetings

Stage 4
Key areas identified and action plan prepared and approved by 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 responsibilities of the Directors.

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

The aggregate amount of remuneration paid to the Directors for FYE2019 is set out below:

	Executive Director	Non-Executive Directors			
	Dato' Roslan bin Hamir	Azizan bin Mohd Noor	Rozana Zeti binti Basir	Dato' Rosman bin Abdullah	Rozilawati binti Haji Basir
	RM'000				
Company					
Director's fees	N/A	75	68	68	60
Meeting allowance	N/A	28	22	28	14
Salaries	496	-	-	-	-
Bonus	354	-	-	-	-
Benefits in kind	26	45	-	52	-
Pension costs - defined contribution plan	162	-	-	-	-
TOTAL	1,038	148	90	148	74
Subsidiaries					
Director's fees	N/A	18	-	-	-
Meeting allowance	N/A	2	-	-	-
Salaries	743	-	-	-	-
Bonus	531	-	-	-	-
Benefits in kind	74	-	-	-	-
Pension costs - defined contribution plan	244	-	-	-	-
TOTAL	1,592	20	-	-	-

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK COMMITTEE

The Committee which has been renamed as Audit and Risk Committee on 30 May 2019, is an important element of the governance structure. It is composed of four (4) members of which three (3) members are Independent Non-Executive Directors. The Committee is chaired by Encik Azizan bin Mohd Noor and the members are Dato' Rosman bin Abdullah, Puan Rozana Zeti binti Basir and Datuk Anuar bin Ahmad (who was appointed on 26 June 2019). The experience and qualifications of members of the Committee are disclosed in the Our Board of Directors section of this Annual Report. The Committee has a written Terms of Reference which is available 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 for the FYE2019 are as follows:

	Audit Fees (RM'000)		Non-Audit Fees (RM'000)	
	FYE2019	FYE2018	FYE2019	FYE2018
Company	124	114	10	9
Subsidiaries	808	719	219	224
TOTAL	932	833	229	233

Information about the Committee, including its work in FYE2019 are set out in the Audit and Risk Committee Report contained in this Annual Report.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

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

Related Party Transactions

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

Details of the proposed renewal of shareholders' mandate for recurrent related party transaction is set out in the Circular/Statement to Shareholders dated 29 July 2019.

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

I. COMMUNICATION WITH STAKEHOLDERS

Shareholders and other stakeholders are informed of all material matters affecting the Company through Bursa announcements including the Company's quarterly financial results. The Company also makes extensive use of the Company's corporate website to deliver up-to-date information. It houses the Company's corporate profile, individual profiles of Directors and senior management, financial results, annual reports, corporate governance related policies and the Company's operations and major subsidiaries.

II. CONDUCT OF GENERAL MEETINGS

The Board views the Company's general meetings as a valuable opportunity for shareholders to exchange views and engage in active dialogue with the Board. At the Company's 46th AGM held on 30 August 2018, all Directors in office on the meeting date, including the Chair of Board Committees, attended the meeting along with key senior management and the external auditors.

The AGM notice includes details of the resolutions proposed along with any relevant background information or recommendations. The Notice of 46th AGM of the Company was delivered to the shareholders on 31 July 2018 and was also published in the local English newspapers and made available on the Company's website. The voting at the 46th AGM was conducted through electronic voting system. The proceedings at the AGM were recorded in the minutes of meeting and disclosed to shareholders through the Company's website.

This Corporate Governance Overview Statement was approved by the Board of Directors on 26 June 2019.

The Audit and **Risk Committee Report**

1. MEMBERS OF THE AUDIT AND RISK COMMITTEE

The members of the Audit and Risk Committee comprise of:

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

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

Puan Rozana Zeti binti Basir (Member)
Non-Independent Non-Executive Director

Datuk Anuar bin Ahmad (Member)
(Appointed on 26 June 2019)
Independent Non-Executive Director

The main responsibilities of the Audit and Risk Committee are to assist the Board in discharging its statutory and other responsibilities relating to internal controls, financial and accounting matters, compliance, business and financial risk management.

The Audit and Risk Committee shall be appointed by the Board amongst the Directors of the Company and shall consist of not less than three (3) members comprising of Non-Executive Directors a majority of whom are Independent Directors. A quorum for a meeting shall be at least two (2) members, both being Independent Directors. The current composition of the Audit and Risk Committee and the qualifications of its members comply with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa").

2. TERMS OF REFERENCE

In fulfilling its duties and responsibilities, the Audit and Risk Committee is guided by the Terms of Reference which is available on the Company's website at www.fima.com.my. The Audit and Risk Committee is authorized to seek information it requires from any employee and all employees are directed to cooperate with any request made by the Audit and Risk Committee. The Audit and Risk Committee is also authorized by the Board to obtain independent professional advice if necessary in discharging their functions.

3. MEETINGS

The Audit and Risk Committee held 4 meetings during the financial year ended ("FYE") 31 March 2019 and all the members attended those meetings.

Name of Committee Members	No. of Meetings Attended
Encik Azizan bin Mohd Noor	4/4
Dato' Rosman bin Abdullah	4/4
Puan Rozana Zeti binti Basir	4/4

By invitation, the Company's Group Managing Director ("Group MD") and Chief Financial Officer ("CFO") attended the meetings to facilitate deliberations as well as to provide clarification on audit issues. The Head of Group Internal Audit ("GIA") also attended the meetings to present audit reports. The external auditors were invited to the meetings to discuss their Key Audit Findings/Matters, Management Letters, Audit Planning Memorandum and other matters deemed relevant. The Audit and Risk Committee also met the external auditors without management presence on 30 May 2019, to discuss key issues within their sphere of interest and responsibility.

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

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

4. SUMMARY OF ACTIVITIES OF THE AUDIT AND RISK COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2019

4.1 During the FYE2019, the Audit and Risk Committee carried out its duties as set out in its Terms of Reference. A summary of work performed by the Audit and Risk Committee are as follows:

(a) Financial Reporting:

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

(b) External Audit:

- Reviewed with the external auditors their audit plan, strategy and scope of the statutory audits of the Group accounts for the FYE2019 together with the external auditors. The audit plan outlines their scope of work and proposed fees for the statutory audit, assurance-related review and review of the Statement on Risk Management and Internal Control.
- Reviewed the major issues that arose during the course of the audit and their resolution;
- Reviewed the key accounting and audit judgements.
- Reviewed the recommendations made by the external auditors in their management letters and the adequacy of management's response.
- Assessed the effectiveness, the qualification and performance of the external auditors, the quality and the auditors' communication with the Audit and Risk Committee including their independence via a detailed questionnaires completed by the Audit and Risk Committee members as well as the feedback from the business units evaluating the performance of each assigned audit team and provided the recommendation on their re-appointment and remuneration to the Board.

The external auditors ie; Messrs. Hanafiah Raslan & Mohamad have provided written confirmation to the Audit and Risk Committee on 27 February 2019 that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit and Risk Committee after performing an effectiveness review, is satisfied with the external auditors' effectiveness and independence. However, for financial year ending 31 March 2020, the Board decided to appoint Messrs. Ernst & Young in place of retiring Messrs. Hanafiah Raslan & Mohamad and will be processing the appointment at the Company's 47th Annual General Meeting, which to be held on 28 August 2019.

(c) Internal Audit:

- Reviewed and approved the annual Internal Audit Plan for the FYE2019 as proposed by GIA, to ensure the adequacy of resources, coverage and inclusion of risk areas in the scope of review.
- Reviewed and deliberated on audit reports, follow-up reports, audit recommendations and Management responses, prepared by the GIA at Audit and Risk Committee's quarterly meetings.

- Reviewed the corrective actions taken by Management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis.
- Reviewed the nature and extent of the non-audit activities performed by GIA.
- Reviewed the structure of GIA and adequacy of its resources and budget.
- Reviewed the Audit and Risk Committee Report and Statement on Risk Management and Internal Control and recommended to the Board for approval prior to the inclusion of the same in the Company's Annual Report.
- Reviewed the Internal Audit Charter and Audit and Risk Committee Terms of Reference.
- Reviewed and approved the proposed revisions to the Internal Audit Standard Operating Procedures ("SOP").
- Assessed the effectiveness of the internal auditors via a detailed questionnaires completed by each Audit and Risk Committee member. The evaluation encompassed an assessment of the qualifications and performance of the internal auditors, the size and strength of internal audit team, the quality of the internal audit plan and audit reports and the auditor's communications with the Audit and Risk Committee and the Company, and the internal auditors' independence, objectivity and professional skepticism.
- Reviewed the results of the annual assessment of the effectiveness of the internal auditors to ensure it has the required expertise and professionalism to discharge its duties.

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

- Reviewed RRPT entered into by the Company with related parties in accordance with the shareholders' mandate obtained to ensure that they are at arm's length and within the mandated amount and other RRPT that are outside the shareholders' mandate.
- Reviewed and recommended to the Board the Circular to Shareholders relating to renewal of shareholders' mandate for existing RRPT of a revenue or trading nature.

(e) Risk Management and Internal Control:

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

4.2 During the FYE2019, the Audit and Risk Committee members attended various training programs to keep them abreast of new development pertaining to legislation, regulations, current commercial issues and risks in order to effectively discharge their duties. Details of training programs attended by Audit and Risk Committee members are set out in the Statement on Corporate Governance section of this Annual Report.

5. EVALUATION OF THE AUDIT AND RISK COMMITTEE

For the FYE2019, the annual assessment and evaluation on the performance of the Audit and Risk Committee was conducted in-house by the Company Secretaries. The evaluation process includes the Board evaluation on the overall Audit and Risk Committee performance and the Committee's assessment of its own performance. The evaluation included a review of detailed questionnaires completed by each Director and member of the Audit and Risk Committee, based on the following key areas:

(a) Composition of Audit and Risk Committee;
(b) To determine whether the Audit and Risk Committee members have sufficient expertise, support, time and access to key staff and information in order to enable them discharge their monitoring and oversight roles effectively; and
(c) Frequency of the Committee meetings are adequate for effective decision making.

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

Statement on Risk Management and Internal Control

1. INTRODUCTION

The Board acknowledges that the practice of good corporate governance is an on-going process and not just an annual matter to be covered as compliance in the Annual Report. The Board is committed to practise the highest standards of corporate governance and observing best practices throughout the Group. The Board's Statement on Risk Management and Internal Control is in compliance with Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("Bursa") Main Market Listing Requirements ("Listing Requirements") and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

2. RESPONSIBILITY

The Board recognises their responsibility for the Group's system of internal control, which is designed to identify and manage the principal risks facing the business in pursuit of its objectives, to review its adequacy and integrity and to ensure good corporate governance. The Management is accountable to the Board for monitoring the Group's system of internal control and for providing assurance to the Board that it has done so.

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

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

3. INTERNAL CONTROL

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

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

3.2 A meeting of Heads of Divisions which is chaired by Dato' Roslan bin Hamir is held monthly to deliberate on the KFima Group's financial performance, internal audit reports, business development, legal/litigation, operational, and corporate issues. The Group MD will update the Board of any significant matters that require the Board's immediate attention.

3.3 The Group MD actively participates and involves in the day-to-day running of the major businesses and regular discussions with the senior management.

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

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

3.6 The compliance function, which includes the Audit and Risk Committee and internal audit function, assists the Board to oversee the management of risks and review the effectiveness of internal controls. The Committee reviews reports of the Group Internal Audit Department ("GIA") and also conducts annual assessment on the adequacy of the GIA's scope of work;

3.7 The Audit and Risk Committee 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. Minutes of the Audit and Risk Committee meetings are tabled to the Board.

3.8 Review and award of major contracts by the project committees and teams, subject always to the delegated authority limits set by the Board. A minimum of three quotations is called for and tenders are awarded based on criteria such as quality, track record and speed of delivery.

3.9 The Risk Management Committee ("RMC") convenes meeting annually to review and recommend the risk management policies, strategies, key risk profiles and risk mitigation actions for the Group and reports to the Audit and Risk Committee.

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

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

4. INTERNAL AUDIT FUNCTIONS

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

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

The GIA evaluates the following:

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

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

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

During the FYE2019, eighteen (18) internal audit reports were issued on various operating units of the Group covering reviews on control environment, risk management, revenue assurance, procurement, finance, human resource, occupational safety and health and regulatory compliances and operations.

The total costs incurred for maintaining the GIA function for FYE2019 is RM505,205 (FYE2018: RM417,000), comprising personnel costs, establishment expenses, admin and general expenses.

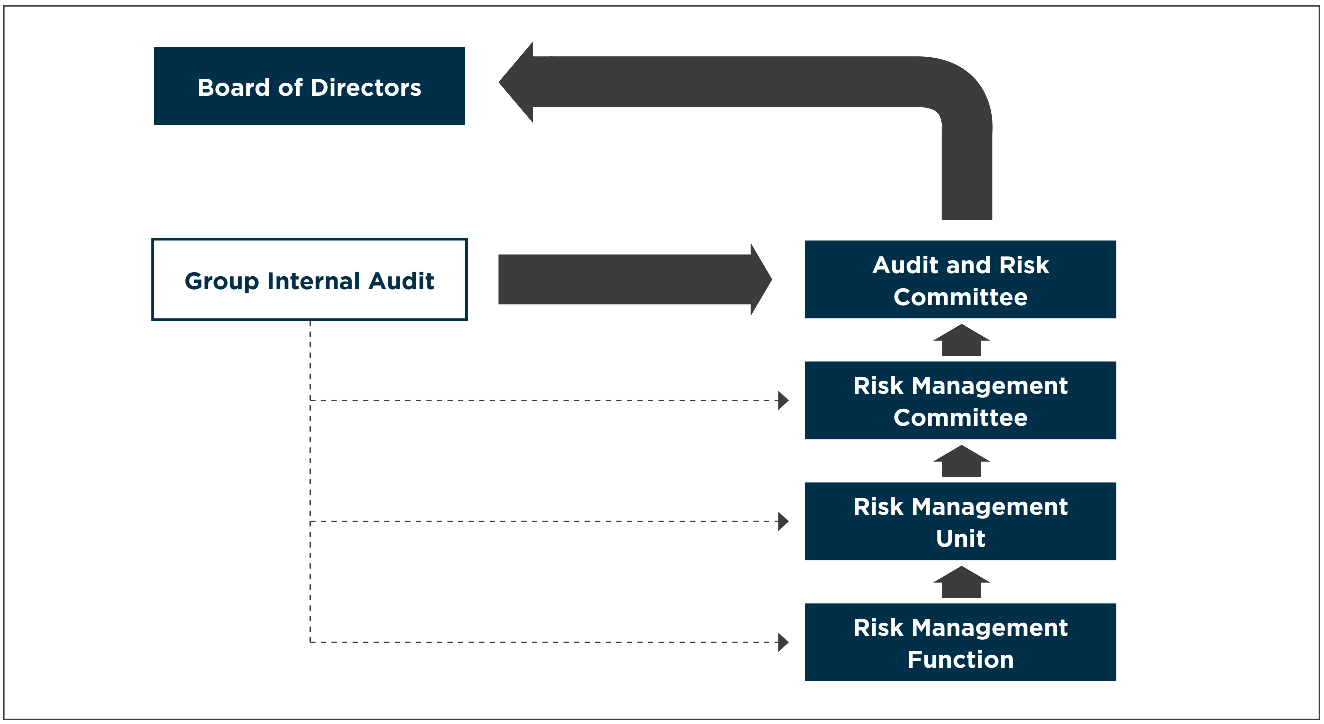
5. ENTERPRISE RISK MANAGEMENT ("ERM")

Risk management is regarded by the Board as an important aspect of the Group's diverse and growing operations with the objective of maintaining a sound internal control system. To this end, the Group has established the appropriate risk management infrastructure to ensure that the Group's assets are well-protected and shareholders' value enhanced.

The Audit and Risk Committee and the Board is supported by a Risk Management Committee ("RMC"). The RMC identifies and communicates to the Audit and Risk Committee and the Board the present and potential critical risks the Group faces, their changes and the Management action plans to manage these risks. The RMC convenes meeting on a yearly basis to review the key risk profiles and submit a summary reporting to the Audit and Risk Committee.

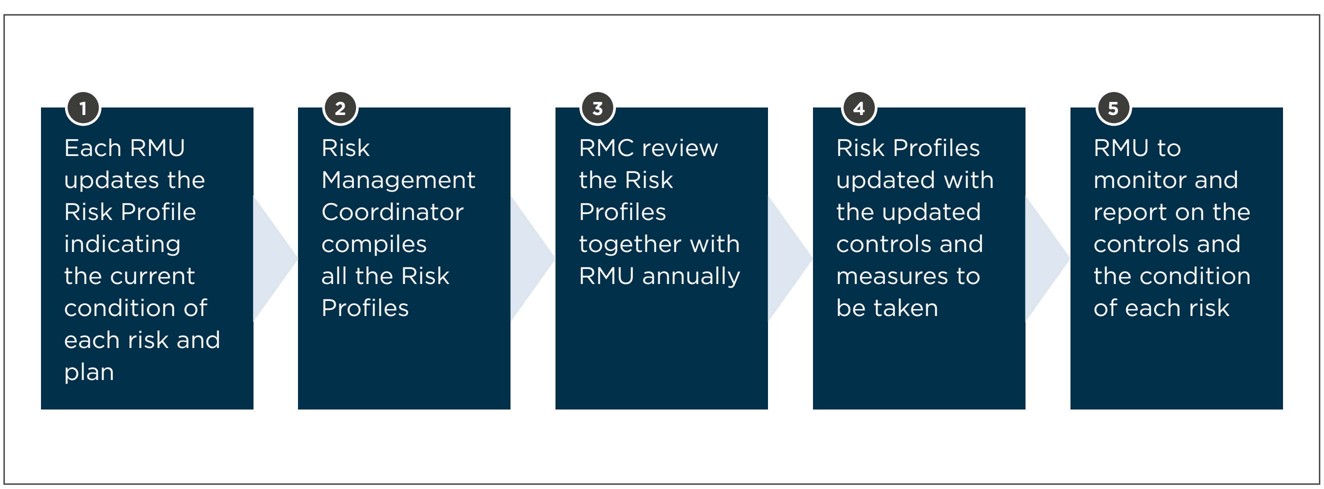
The RMC is entrusted with the responsibility of implementing and maintaining the ERM framework to achieve the following objectives:

(a) Communicate the vision, role, direction and priorities to all employees and key stakeholders;
(b) Identify, assess, treat, report and monitor significant risks in an effective manner;
(c) Enable systematic risk review and reporting on key risks, existing control measures and any proposed action plans; and
(d) Create a risk-aware culture and building the necessary knowledge for risk management at every level of Management.



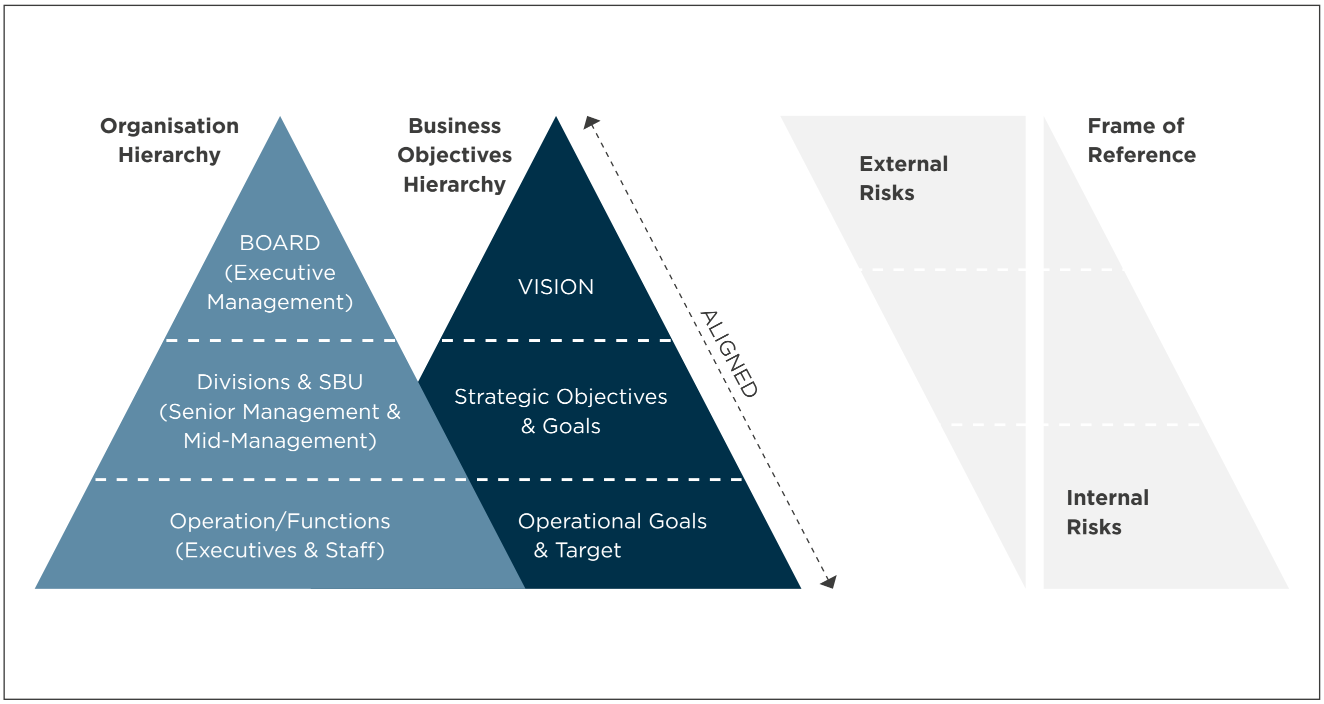
In line with the achievement of the above objectives, the RMC has undertaken the following activities:

(a) Reviewed the extent of the controls and measures which have been put in place by each Risk Management Unit ("RMU") to ensure the risks are managed to an acceptable level. Below are the steps of Enterprise Risk Management conducted within the Group:



(b) Heightening risk awareness culture in the business processes through risk owners' accountability and sign-off for action plans and continuous monitoring;
(c) Compilation of the business units' risk profiles in relation to the Group risk parameters, the top risks from each business segment and reported to the RMC for review, deliberation and approval; and
(d) Fostering a culture of continuous improvement in risk management through risk review meetings; and provide a system to manage the central accumulation of risk profiles data with risk significance rating for the profiles as a tool for prioritising risk action plans.

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



The ERM framework adopted by the Group encompasses the risk assessment process, organisational oversight and reporting function to instil the appropriate discipline and control around continuously improving risk management capabilities. Risk assessment, monitoring and review of the various risks faced by the Group are a continuous process within the key operating units with the RMC playing a pivotal oversight function.

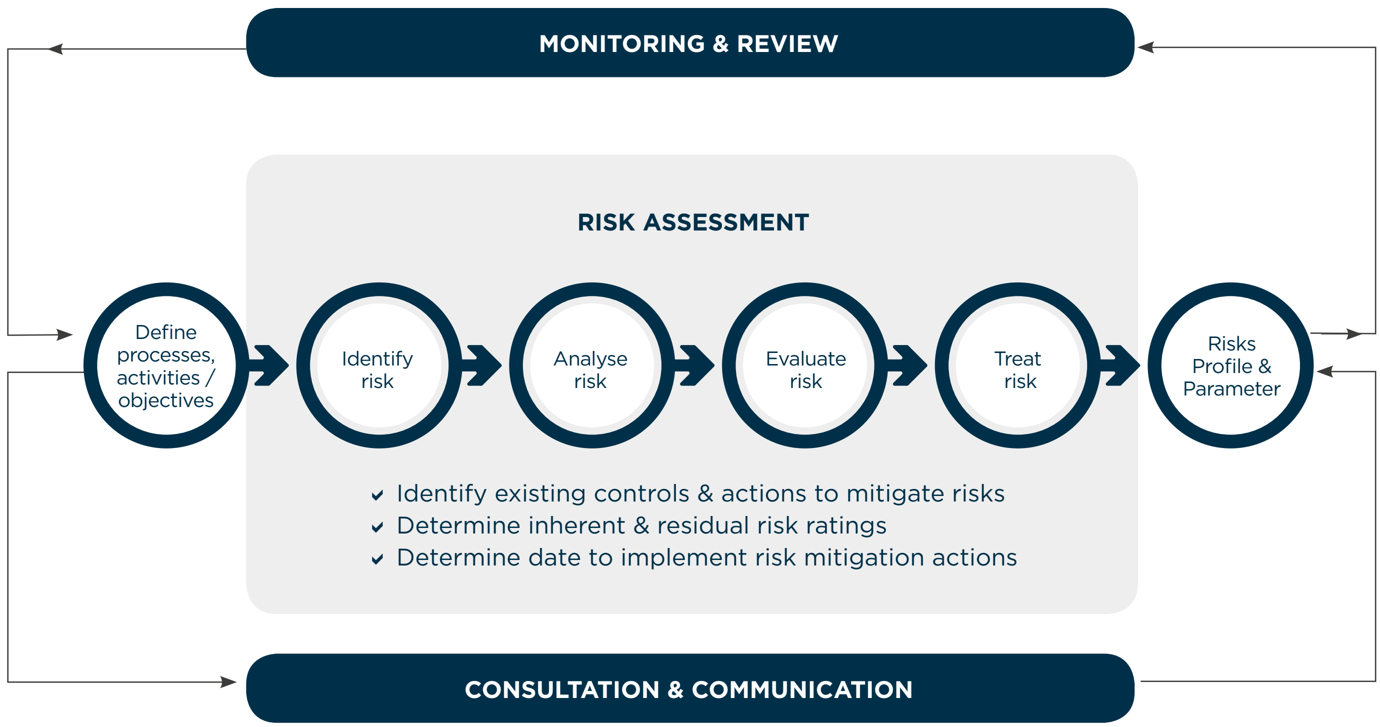
The ERM assessment was conducted through a combination of workshops and interviews involving the senior management and the key enterprise risks faced by the Group's business units are then reported to the Audit and Risk Committee on every quarter. The workshops and interviews conducted have generated the following reports:

(a) Detailed Risk Register
(b) Risk Parameters
(c) ERM Report

These reports were summarised as risk profile and provide the basis for the following:

(a) Business action plans and improvement strategies;
(b) Developing cost effective control strategies; and
(c) Prioritisation of areas for operational audit.

All subsidiaries within the Group will update and present their risk profiles to the RMC on an annual basis for the RMC's review and approval.



The top five (5) risk factors of the Group after considering its likelihood and impact from both financial and non-financial standpoints are as follows:

Broad risk area	Sub-broad risk	Key mitigation measures
1. Business and operational sustainability Local and global competition, economic slowdown factors and invasion/demonstration by the local community due to conflict or cultural belief adversely impact the business operations.	Losing market share, business interruption, products pricing and marketing.	• Monitoring of market/ economic conditions. • Strategic business plan based on market conditions. • Key marketing strategy for each division. • Consistently participate in the local meetings conducted by the community or authority to ensure the company or community (vice-versa) is well updated and informed about any changes or new information or development.
2. Environment Local and global weather patterns, natural disasters, diseases or crop pests and stringent environmental and conservation regulations.	Affect the production due to a lower supply of materials, production efficiency and product quality.	• Constructed a flood mitigation system at the flood prone areas. • Establishing a safe wildlife corridor for animals to ensure they do not wander off into communal/ estate areas. • Continuous manuring and pest and disease preventive and corrective programmes.

Broad risk area	Sub-broad risk	Key mitigation measures
3. Financial Volatile exchange rates for import and export.	Foreign exchange.	• Foreign currency bank accounts. • Foreign exchange hedging.
4. Compliance Internal and external regulatory requirements.	Regulatory.	• Constant monitoring for each department, division and Group. • Regular review in operational audit programme. • Continuous updating of new regulatory requirement.
5. Safety, Health and Environment Accident occurs to employees or customers arising from non-compliance with policies and procedures leading to injury or casualty.	Non-compliance of occupational, safety, health and environment ("OSHA").	• The Safety, Health & Environment and Emergency Response Policies & Procedures have been established and implemented at divisional level. • Periodic compliance performance checking, monitoring and reporting. • Regular safety training dialogues and dedicated SHE Committee/ Department.
6. Political Investment's returns could suffer as a result of political changes or instability in a country.	Major and unpredictable changes in government policies and regulations affecting the business.	• Proactively engage with Government bodies and authorities to strengthen the work relationship and to be well informed and updated, on any changes in regulations and policies of the country.

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

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

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

6. WHISTLEBLOWING POLICY

To reinforce the culture of good business ethics, the Group has also introduced a whistleblowing framework and policy to provide an avenue for stakeholders and employees to raise genuine concerns internally or report any suspected breach or wrongdoing, which includes fraud, misappropriation of assets, breach of any law or regulation, including the Group's policies and procedures, to the Group MD and/or Chairman of Audit and Risk Committee without fear of reprisals.

Procedure

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

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

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

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

The above mechanism protects employees and stakeholders who contemplate to "blow the whistle" against victimization or harassment. The confidentiality of all matters raised and the identity of the whistleblower are protected under the policy. As of FYE2019, there is no case reported under whistleblowing.

7. 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 2019 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 26 June 2019.

AZIZAN BIN MOHD NOOR
Chairman of Audit and Risk Committee

Additional Disclosure

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

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

RRPT of the Company for the FYE2019 were as follows:-

Name of Companies	Related Parties	Nature of RRPT	Interested Major Shareholder, Directors and Persons Connected to them of KFima	Estimated Annual Value Disclosed in the Preceding Year's Circular RM'000	Actual Value of Transactions during the Financial Year RM'000
KFima [1] IFC [2]	KFima/IFC	Sale of frozen fish **Seller:** KFima **Buyer:** IFC	**Major Shareholder** BHR **Directors** Dato' Roslan bin Hamir [3] Rozana Zeti binti Basir [4] Rozilawati binti Haji Basir [5] **Persons Connected** Persons Connected to BHR (refer to Table A)	45,000	10,593

Notes:

(1) *KFima holds 95.57% effective interest in IFC, by virtue of its 77.85% direct investment and 17.72% indirect investment through Endell Pte Ltd (a company incorporated in the Republic of Singapore), an 80.00% owned subsidiary of Fima Overseas Holdings Sdn. Bhd. which in turn is a wholly-owned subsidiary of KFima;*

(2) *IFC's principal activities are in the manufacturing and distribution of canned fish;*

(3) *Dato' Roslan bin Hamir is the Group MD of KFima and Director of IFC and has direct and indirect shareholdings in KFima;*

(4) *Rozana Zeti binti Basir is a Non-Independent Non-Executive Director of KFima and has direct and indirect shareholdings in KFima; and*

(5) *Rozilawati binti Haji Basir is a Non-Independent Non-Executive Director of KFima and has indirect shareholding in KFima.*

TABLE A

Name	Direct Interest No. of Shares	%	Indirect Interest No. of Shares	%
Directors				
Dato' Roslan bin Hamir	320,000	0.11	(1) 1,291,000	0.46
Rozana Zeti binti Basir	250,000	0.09	(5) 168,779,400	59.98
Rozilawati binti Haji Basir	-	-	(4)(5) 169,029,400	60.07
Major Shareholder				
BHR	147,252,300	52.33	(2)(4) 1,561,900	0.56
Persons Connected to Directors and/or Major Shareholder of KFima other than disclosed above				
Persons Connected to BHR				
Puan Sri Datin Hamidah binti Abdul Rahman	365,000	0.13	(3) 168,664,400	59.94
Roshayati binti Basir	685,900	0.24	(5) 168,343,500	59.83
Rozilawati binti Haji Basir	-	-	(4)(5) 169,029,400	60.07
Rozana Zeti binti Basir	250,000	0.09	(5) 168,779,400	59.98
Ahmad Riza bin Basir	-	-	(5) 169,029,400	60.07
Zailini binti Zainal Abidin	-	-	(6) 169,029,400	60.07

Notes:

(1) Dato' Roslan bin Hamir's indirect shareholding in the Company is held under Maybank Nominees (Tempatan) Sdn. Bhd..

(2) Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir and Rozana Zeti binti Basir's direct shareholdings, respectively, in the Company. Deemed interested by virtue of their shareholdings in BHR of more than 20%.

(3) Puan Sri Datin Hamidah binti Abdul Rahman is the mother of Roshayati binti Basir, Rozilawati binti Haji Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir. Deemed interested by virtue of her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.

(4) Rozilawati binti Haji Basir's indirect shareholdings in the Company are held under M&A Nominees (Tempatan) Sdn. Bhd. (61,000 ordinary shares) and Cimsec Nominees (Tempatan) Sdn. Bhd. (200,000 ordinary shares).

(5) Deemed interested by virtue that:

(i) Puan Sri Datin Hamidah binti Abdul Rahman is the mother of Roshayati binti Basir, Rozilawati binti Haji Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir and her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.

(ii) Roshayati binti Basir, Rozilawati binti Haji Basir and Rozana Zeti binti Basir are sisters and their shareholdings in BHR of more than 20%.

(iii) Ahmad Riza bin Basir is the son of Puan Sri Datin Hamidah binti Abdul Rahman and brother of Roshayati binti Basir, Rozilawati binti Haji Basir and Rozana Zeti binti Basir and:

a) His indirect shareholdings in the Company which are held through M&A Nominees (Tempatan) Sdn. Bhd. of 360,000 (or 0.13%) and Subur Rahmat Sdn. Bhd. (SRSB) pursuant to Section 8 of the Act. SRSB holds 11,509,200 (or 4.09%) and 8,706,000 (or 3.09%) direct and indirect interests, respectively in KFima.

b) His wife, Zailini binti Zainal Abidin's shareholding in SRSB pursuant to Section 8 of the Act and her indirect shareholding in KFima.

(6) Zailini binti Zainal Abidin is deemed interested by virtue of her shareholding in SRSB pursuant to Section 8 of the Act; and wife of Ahmad Riza bin Basir.

Statement of **Directors' Responsibilities**

In Relation to the Audited Financial Statements

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

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

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

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

This Statement is made in accordance with the resolution of the Board dated 26 June 2019.

Financial Statements

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries and the associates are described in Notes 41 and 42 respectively to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	85,208	53,004
Profit attributable to:		
Equity holders of the Company	59,840	53,004
Non-controlling interests	25,368	-
	85,208	53,004

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

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

DIVIDENDS

The amount of dividend paid by the Company since 31 March 2018 was as follows:

	RM'000
In respect of the financial year ended 31 March 2018 as reported in the directors' report for that year:	
Single-tier final dividend of 9.0 sen, paid on 5 October 2018	25,353

DIVIDENDS (CONT'D.)

At the forthcoming Annual General Meeting of the Company, a final single-tier dividend in respect of the financial year ended 31 March 2019, of 9.0 sen per ordinary share on 282,231,600 ordinary shares amounting to a dividend payable of approximately RM25,332,000 will be proposed for shareholders' approval.

The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2020.

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' Roslan bin Hamir *	(Group Managing Director)
Azizan bin Mohd Noor *	
Rozana Zeti binti Basir *	
Dato' Rosman bin Abdullah	
Rozilawati binti Haji Basir	
Dato' Idris bin Kechot	(Appointed on 3 May 2019)
Datuk Anuar bin Ahmad	(Appointed on 3 May 2019)

* Directors of the Company and subsidiaries

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

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

DIRECTORS (CONT'D.)

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

Mahmud bin Ibrahim	
Mazlan bin Daud	
Mohd Adizuraimin bin Mohd Affandi	
Mohamad Jamil bin Zolkifly	
Mohd Rizal bin Mat Nor	
Mohd Yusof bin Pandak Yatim	
Moses Murray	
Muhammad Ramli	
Nazaruddin bin Mohd Hadri	
Nik Mahmood bin Nik Hassan	
Rezal Zain bin Abdul Rashid	
Dr. Roshayati binti Basir	
Yahya bin Ibrahim	(Alternate Director to Dato' Ahmad bin Ibrahim)
Rosely bin Kusip	(Appointed on 14 March 2019)
Datuk Bazlan bin Osman	(Appointed on 5 April 2019)
Datuk Alias bin Ali	(Retired on 30 August 2018)

In accordance with Article 102 of the Company's Constitution, Dato' Roslan bin Hamir and Cik Rozilawati binti Haji Basir shall retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than as disclosed in Note 36 to the financial statements.

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

	Group RM'000	Company RM'000
Directors' remuneration	5,255	1,401

DIRECTORS' BENEFITS (CONT'D.)

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 RM10 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 RM26,000.

DIRECTORS' INTERESTS

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

	Number of ordinary shares				
	1 April 2018	**Bought**	**Sold**	**Transferred**	**31 March 2019**
The Company					
Direct interest					
Directors of the Company					
Dato' Roslan bin Hamir	320,000	-	-	-	320,000
Dato' Rosman bin Abdullah	200,000	-	(200,000)	-	-
Rozana Zeti binti Basir	250,000	-	-	-	250,000
Rozilawati binti Haji Basir	200,000	-	-	(200,000)	-
Directors of the subsidiaries					
Rezal Zain bin Abdul Rashid	10,000	-	-	-	10,000
Dr. Roshayati binti Basir	643,900	42,000	-	-	685,900
Mohd Yusof bin Pandak Yatim	430,000	-	-	-	430,000
Nazaruddin bin Mohd Hadri	399,500	-	-	-	399,500
Jasmin binti Hood	50,000	-	-	-	50,000
Mohd Rizal bin Mat Nor	155,000	-	-	-	155,000
Mahbob bin Abdullah	10,000	-	-	-	10,000
Dato' Adnan bin Shamsuddin	10,000	-	-	-	10,000

DIRECTORS' INTERESTS (CONT'D.)

	Number of ordinary shares			
	1 April 2018	**Bought**	**Transferred**	**31 March 2019**
The Company				
Indirect interest				
Directors of the Company				
Dato' Roslan bin Hamir (1)	1,291,000	-	-	1,291,000
Rozana Zeti binti Basir (2)	168,111,900	667,500	-	168,779,400
Rozilawati binti Haji Basir (2)(3)	168,161,900	667,500	200,000	169,029,400
Directors of the subsidiaries				
Dr. Roshayati binti Basir (4)	167,718,000	625,500	-	168,343,500
Dzakwan bin Mansori (5)	440,000	-	-	440,000
Subsidiary - Fima Corporation Berhad				
Direct interest				
Directors of the subsidiaries				
Rezal Zain bin Abdul Rashid	5,000	-	-	5,000
Dr. Roshayati binti Basir	167,600	-	-	167,600
Nazaruddin bin Mohd Hadri	178,500	-	-	178,500
Indirect interest				
Directors of the Company				
Dato' Roslan bin Hamir (6)	601,800	-	-	601,800
Rozana Zeti binti Basir (7)	150,551,258	-	-	150,551,258
Rozilawati binti Haji Basir (7)	150,551,258	-	-	150,551,258
Director of the subsidiaries				
Dr Roshayati binti Basir (8)	150,383,658	-	-	150,383,658
BHR Enterprise Sdn. Bhd. - Holding company				
Direct interest				
Rozana Zeti binti Basir	19,060,163	-	-	19,060,163
Rozilawati binti Haji Basir	19,060,163	-	-	19,060,163
Indirect interest				
Rozana Zeti binti Basir (9)	38,120,326	-	-	38,120,326
Rozilawati binti Haji Basir (10)	38,120,326	-	-	38,120,326

DIRECTORS' INTERESTS (CONT'D.)

	Number of preference shares			
	1 April 2018	**Bought**	**Sold**	**31 March 2019**
BHR Enterprise Sdn. Bhd. - Holding company				
Indirect interest				
Rozana Zeti binti Basir [11]	4	-	-	4
Rozilawati binti Haji Basir [11]	4	-	-	4

	Number of ordinary shares			
	1 April 2018	**Bought**	**Sold**	**31 March 2019**
Nationwide Express Holding Berhad - Related company				
Indirect interest				
Rozana Zeti binti Basir [12]	72,761,870	-	-	72,761,870
Rozilawati binti Haji Basir [12]	72,761,870	-	-	72,761,870

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

(2) Rozana Zeti binti Basir ("Rozana Zeti") and Rozilawati binti Haji Basir ("Rozilawati") are deemed interested by virtue of the following:

(i) Their shareholdings in BHR Enterprise Sdn. Bhd. ("BHR") of more than 20%. BHR is the major shareholder of the Company;

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

(iii) Their sister, Dr. Roshayati binti Basir's ("Roshayati") direct shareholding in the Company and her shareholding in BHR of more than 20%; and

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

(3) Deemed interested by virtue of Rozilawati's indirect shareholdings in the Company. The 61,000 ordinary shares and 200,000 ordinary shares are held under M&A Nominees (Tempatan) Sdn. Bhd. and Cimsec Nominees (Tempatan) Sdn. Bhd. respectively. Rozilawati is the sister of Rozana Zeti.

(4) Roshayati is deemed interested by virtue of the following:

(i) Her shareholdings in BHR Enterprise Sdn. Bhd. ("BHR") of more than 20%. BHR is the major shareholder of the Company;

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

DIRECTORS' INTERESTS (CONT'D.)

(iii) Her sister, Rozana Zeti's direct shareholding in the Company and her shareholding in BHR of more than 20%;

(iv) Her sister, Rozilawati's direct and indirect shareholdings in the Company. The indirect shares are held under M&A Nominees (Tempatan) Sdn. Bhd.; and

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

(5) 440,000 shares are held under Maybank Nominees (Tempatan) Sdn. Bhd..

(6) 601,800 shares are held under Maybank Nominees (Tempatan) Sdn. Bhd..

(7) Rozana Zeti and Rozilawati deemed interested in Fima Corporation Berhad ("FCB") by virtue of:

(i) Fima Metal Box Holdings Sdn. Bhd.'s ("Fima Metal Box") direct shareholding in FCB. Fima Metal Box is a wholly-owned subsidiary of the Company and is a major shareholder of FCB;

(ii) BHR direct shareholding of interest in FCB; and

(iii) Their sister, Roshayati and their mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholdings in FCB.

(8) Roshayati is deemed interested in FCB by virtue of the following:

(i) Her shareholding in BHR, the ultimate holding company of FCB of more than 20%. BHR holds 53.9% equity interest in FCB;

(ii) Her mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholdings in FCB; and

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

(9) Deemed interested by virtue of Rozilawati and Roshayati's direct shareholdings in BHR. Rozilawati and Roshayati are sisters of Rozana Zeti.

(10) Deemed interested by virtue of Rozana Zeti and Roshayati's direct shareholdings in BHR. Rozana Zeti and Roshayati are sisters of Rozilawati.

(11) Rozana Zeti and Rozilawati are deemed interested by virtue of their mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding of preference shares in BHR.

(12) Rozana Zeti and Rozilawati are deemed interested by virtue of the following:

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

(ii) Their mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding in NEHB; and

(iii) Rozilawati's indirect shareholding of 3,806,512 held under M&A Nominees (Tempatan) Sdn. Bhd..

DIRECTORS' INTERESTS (CONT'D.)

Rozilawati and Rozana Zeti, by virtue of their interests in shares of the Company, are also deemed to be interested in shares of all the subsidiaries of the Company to the extent that the Company has an interest.

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

TREASURY SHARES

During the financial year, the Company repurchased 466,100 of its issued ordinary shares.

As at 31 March 2019, the Company held as treasury shares a total of 762,400 of its 282,231,600 issued ordinary shares. Such treasury shares are held at a carrying amount of approximately RM1,143,000. Further details are disclosed in Note 26 to the financial statements.

HOLDING COMPANY

The holding company is BHR Enterprise Sdn. Bhd., which is incorporated in Malaysia.

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 doubtful debts 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 allowance for doubtful debts of the Group and of the Company inadequate to any substantial extent; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (CONT'D.)

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet its obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Hanafiah Raslan & Mohamad, retire and are not seeking for re-appointment.

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

	Group RM'000	Company RM'000
Hanafiah Raslan & Mohamad	831	134
Other auditors	330	-
	1,161	134

No payment has been made to indemnify Hanafiah Raslan & Mohamad during or since the financial year.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 June 2019.

Azizan bin Mohd Noor

Dato' Roslan bin Hamir

Statement by **Directors**

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

We, Azizan bin Mohd Noor and Dato' Roslan bin Hamir, being two of the directors of Kumpulan Fima Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 112 to 205 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 2019 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 26 June 2019.

Azizan bin Mohd Noor

Dato' Roslan bin Hamir

Statutory **Declaration**

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

I, Fadzil bin Azaha, being the officer primarily responsible for the financial management of Kumpulan Fima Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 112 to 205 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 at Kuala Lumpur
in the Federal Territory
on 26 June 2019.

Fadzil bin Azaha
CA 20995

Before me,

Commissioner for Oaths

Independent **Auditors' Report**

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

Report on the financial statements

Opinion

We have audited the financial statements of Kumpulan Fima Berhad, which comprise the statements of financial position as at 31 March 2019 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 112 to 205.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019, 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 Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matter for the financial statements of the Group is described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Key Audit Matters (cont'd.)

Revenue recognition
(Refer to Note 3 to the financial statements)

Revenue from production of security documents, net sale of oil palm products and sales of food products recognised by the Group amounted to approximately RM134.8 million, RM118.4 million and RM130.3 million respectively. Given its magnitude and significant volume of transactions involved, revenue recognition is identified as an area of focus in our audit.

As part of our audit, we performed the following procedures to address the possible cause of revenue misstatement, particularly in respect of the timing and amount of revenue recognised:

(a) Obtained an understanding of the Group's relevant internal controls and tested the controls over timing and amount of revenue recognised;

(b) Inspected the terms of significant sales contracts to determine the point of transfer of control to customers;

(c) Inspected documents evidencing the delivery of goods to customers; and

(d) Tested the recording of sales transactions close to the year end to establish whether the transactions were recorded in the correct accounting period.

Review of inventory costing
(Refer to Note 19 to the financial statements)

Included in the Group's inventories as at 31 March 2019 is work-in-progress amounting to approximately RM33 million and finished goods amounting to approximately RM20 million derived from the Group's manufacturing and food segment respectively. The Group uses standard costing in measuring its finished goods, which includes an element of estimation in the allocation of overhead costs. We considered this to be a key audit matter given the level of judgements involved in determining the cost of inventories and the magnitude of the balances.

As part of our audit, we performed the following:

(a) Obtained an understanding of management's process in the application of standard costing in measuring its work-in-progress, including the allocation of overhead costs;

(b) We tested the costing on samples of work-in-progress by examining and recomputing the elements which made up the standard cost;

(c) Assessed the general and logical access controls surrounding the data input process of the inventory system and the accounting system by involving our IT audit professionals; and

(d) For finished goods, we considered the work of our component auditor in determining the cost of inventories of focusing on areas similar to (a),(b) and (c) above.

Independent **Auditors' Report**
to the members of Kumpulan Fima Berhad (Incorporated in Malaysia)

Key Audit Matters (cont'd.)

Impairment of goodwill
(Refer to Note 18 to the financial statements)

As at 31 March 2019, the carrying amount of goodwill recognised by the Group amounted to approximately RM12.7 million.

In accordance with MFRS 136: Impairment of Assets, the Group is required to perform annual impairment test of cash generating units ("CGUs") or groups of CGUs to which goodwill has been allocated. The Group has allocated the goodwill to CGU or group of CGUs according to bulking and plantation business segment.

The Group estimated the recoverable amounts of its CGUs or groups of CGUs to which the goodwill are allocated based value-in-use ("VIU") method. The recoverable amount based on VIU of CGUs or groups of CGUs involves estimating the future cash inflows and outflows that will be derived from the CGUs or groups of CGUs, and discounting them at appropriate rates. The amount and timing of cash flows in the projection are dependent on the key assumptions made, which in turn are affected by expected future market and economic conditions. The key assumptions made in relation to the goodwill on consolidation is disclosed in Note 18(b) to the financial statements.

Given the significant judgement involved in the estimation of the VIU and substantial audit effort required in the assessment of possible variations in the basis and assumptions used by the Group in deriving the recoverable amounts of the respective CGUs or groups of CGUs, we identified impairment of goodwill to be an area of audit focus.

As part of our audit, we performed the following procedures:

(a) Obtained understanding of the methodologies used by the Group in performing the impairment assessment;

(b) Evaluated key assumptions used in the preparation of the cash flow forecasts against historical evidence, existing contracts, expectations on future contracts and revenue growth;

(c) Evaluated the appropriateness of the discount rates used to determine the present value of the cash flows; and

(d) Assessed the presentation and disclosures in the financial statements including significant accounting policies.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent **Auditors' Report**
to the members of Kumpulan Fima Berhad (Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon (cont'd.)

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that 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 to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding on internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Independent **Auditors' Report**

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

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (cont'd.)

- 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 director, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonable be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for current year and are therefore the key audit matters. We describe these matters in auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 41 to the financial statements.

Independent **Auditors' Report**
to the members of Kumpulan Fima Berhad (Incorporated in Malaysia)

Other matters

As stated in Note 2.1 to the financial statements, the Group and the Company adopted MFRS and IFRS on 1 January 2018 with a transition date of 1 April 2017. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statement of financial position of the Group and the Company as at 31 March 2018 and 1 April 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the Company for the year ended 31 March 2018 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and the Company for the year ended 31 March 2019, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 April 2017 do not contain misstatements that materially affect the financial position as at 31 March 2019 and financial performance and cash flows for the year then ended.

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.

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Najihah binti Khalid
No. 03249/10/2020 J
Chartered Accountant

Kuala Lumpur, Malaysia
26 June 2019

Statements of Comprehensive Income

For the year ended 31 March 2019

	Note	Group 2019 RM'000	Group 2018 RM'000 (Restated)	Company 2019 RM'000	Company 2018 RM'000
Revenue	3	469,473	482,460	62,611	58,216
Cost of sales	4	(278,854)	(294,867)	(10,551)	(15,908)
Gross profit		190,619	187,593	52,060	42,308
Other income	5	9,762	12,276	14,778	11,696
Other items of expense					
Administrative expenses		(76,760)	(86,244)	(10,374)	(9,747)
Selling and marketing expenses		(12,283)	(12,969)	-	-
Other operating income/(expenses)		4,542	(20,546)	-	-
		(84,501)	(119,759)	(10,374)	(9,747)
Finance costs	8	(1,925)	(1,500)	(1,748)	(1,560)
Share of results of associates		930	(475)	-	-
Profit before tax	9	114,885	78,135	54,716	42,697
Income tax expense	10	(29,677)	(31,500)	(1,712)	(1,718)
Profit net of tax		85,208	46,635	53,004	40,979
Other comprehensive income/(expense), net of tax:					
Item that will be subsequently reclassified to profit or loss:					
Foreign exchange translation		14,857	(27,324)	-	-
Remeasurement of defined benefit liability		82	(36)	-	-
Total comprehensive income for the year		100,147	19,275	53,004	40,979
Profit attributable to:					
Equity holders of the Company		59,840	29,872	53,004	40,979
Non-controlling interests		25,368	16,763	-	-
Profit for the year		85,208	46,635	53,004	40,979
Total comprehensive income attributable to:					
Equity holders of the Company		74,127	7,798	53,004	40,979
Non-controlling interests		26,020	11,477	-	-
Total comprehensive income for the year		100,147	19,275	53,004	40,979
Earnings per share attributable to equity holders of the Company (sen per share):					
Basic	11	21.25	10.59		
Diluted	11	21.25	10.59		

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

Statements of **Financial Position**

As at 31 March 2019

Group	Note	31 March 2019 RM'000	31 March 2018 RM'000 (Restated)	As at 1 April 2017 RM'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	13	548,078	508,759	475,327
Investment properties	14	65,191	66,829	68,464
Investments in associates	17	31,274	43,647	46,516
Goodwill on consolidation	18	12,710	12,710	12,710
Deferred tax assets	30	11,207	9,206	6,966
		668,460	641,151	609,983
Current assets				
Inventories	19	104,669	77,424	82,812
Biological assets	15	4,504	5,102	6,289
Trade receivables	20	129,159	139,960	108,149
Other receivables	21	36,789	20,941	32,552
Short term cash investments	23	148,122	51,886	-
Cash and bank balances	24	142,196	235,297	390,780
		565,439	530,610	620,582
Total assets		1,233,899	1,171,761	1,230,565
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	25	311,670	311,670	311,670
Treasury shares	26	(1,143)	(440)	-
Other reserves	27	59,063	44,858	66,896
Retained earnings	34	433,562	398,993	394,224
		803,152	755,081	772,790
Non-controlling interests		253,807	244,844	258,368
Total equity		1,056,959	999,925	1,031,158

Statements of **Financial Position**
As at 31 March 2019

Group	Note	31 March 2019 RM'000	31 March 2018 RM'000 (Restated)	As at 1 April 2017 RM'000 (Restated)
Non-current liabilities				
Finance lease obligations	28	14,868	15,588	16,176
Retirement benefit obligations	29	1,831	1,813	1,837
Deferred tax liabilities	30	42,031	38,364	34,460
		58,730	55,765	52,473
Current liabilities				
Finance lease obligations	28	643	611	624
Short term borrowings	31	34,506	33,419	14,516
Trade and other payables	32	64,360	65,820	112,459
Provisions	33	11,312	12,081	16,947
Tax payable		7,389	4,140	2,388
		118,210	116,071	146,934
Total liabilities		176,940	171,836	199,407
Total equity and liabilities		1,233,899	1,171,761	1,230,565
Net assets per share (RM)		2.85	2.68	2.74

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

Statements of **Financial Position**
As at 31 March 2019

Company	Note	31 March 2019 RM'000	31 March 2018 RM'000 (Restated)	As at 1 April 2017 RM'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	13	41,148	41,485	41,916
Investment properties	14	3,058	3,096	3,133
Investments in subsidiaries	16	197,872	188,658	188,658
Investments in associates	17	2,251	2,251	2,251
		244,329	235,490	235,958
Current assets				
Trade receivables	20	-	-	19
Other receivables	21	1,400	1,756	1,100
Due from subsidiaries	22	248,909	237,615	216,315
Short term cash investments	23	-	8,003	-
Cash and bank balances	24	17,179	11,578	6,706
		267,488	258,952	224,140
Total assets		511,817	494,442	460,098
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	25	311,670	311,670	311,670
Treasury shares	26	(1,143)	(440)	-
Retained earnings	34	151,857	124,206	108,628
Total equity		462,384	435,436	420,298
Non-current liabilities				
Deferred tax liabilities	30	5,857	6,066	6,279
Current liabilities				
Short term borrowings	31	34,506	33,419	14,516
Trade and other payables	32	2,252	1,833	1,432
Due to subsidiaries	22	6,818	17,688	17,573
		43,576	52,940	33,521
Total liabilities		49,433	59,006	39,800
Total equity and liabilities		511,817	494,442	460,098
Net assets per share (RM)		1.64	1.54	1.49

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

Statements of **Changes in Equity**

For the year ended 31 March 2019

Group	Note	Total equity RM'000	Equity attributable to equity holders of the Company, total RM'000	Non-distributable: Share capital RM'000	Non-distributable: Treasury shares RM'000
2019					
At 1 April 2018, as previously stated		997,594	753,179	311,670	(440)
Effects from adoption of MFRS		2,331	1,902	-	-
At 1 April 2018, restated		999,925	755,081	311,670	(440)
Profit for the year		85,208	59,840	-	-
Remeasurement of defined benefit liability		82	82	-	-
Foreign currency translation gain		14,857	14,205	-	-
Total comprehensive income for the year		100,147	74,127	-	-
Transactions with equity holders					
Dividends	12	(25,353)	(25,353)	-	-
Dividend paid to minority shareholders of a subsidiary		(15,488)	-	-	-
Purchase of treasury shares		(2,272)	(703)	-	(703)
Total transactions with equity holders		(43,113)	(26,056)	-	(703)
At 31 March 2019		1,056,959	803,152	311,670	(1,143)

Statements of **Changes in Equity**
For the year ended 31 March 2019

Attributable to equity holders of the Company							
Distributable		Non-distributable					
Retained earnings RM'000	Other reserves, total (Note 27) RM'000	Capital reserve RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Capital reserve arising from bonus issue in subsidiary RM'000	Non-controlling interests RM'000
322,333	119,616	437	81,848	(29,128)	66,459	244,415
76,660	(74,758)	-	(81,848)	7,090	-	429
398,993	44,858	437	-	(22,038)	66,459	244,844
59,840	-	-	-	-	-	25,368
82	-	-	-	-	-	-
-	14,205	-	-	14,205	-	652
59,922	14,205	-	-	14,205	-	26,020
(25,353)	-	-	-	-	-	-
-	-	-	-	-	-	(15,488)
-	-	-	-	-	-	(1,569)
(25,353)	-	-	-	-	-	(17,057)
433,562	59,063	437	-	(7,833)	66,459	253,807

Statements of **Changes in Equity**

For the year ended 31 March 2019

Group	Note	Total equity RM'000	Equity attributable to equity holders of the Company, total RM'000	Share capital RM'000 (Non-distributable)	Treasury shares RM'000 (Non-distributable)
2018					
At 1 April 2017, as previously stated		1,026,407	768,703	311,670	-
Effects from adoption of MFRS		4,751	4,087	-	-
At 1 April 2017, restated		1,031,158	772,790	311,670	-
Profit for the year		46,635	29,872	-	-
Remeasurement of defined benefit liability		(36)	(36)	-	-
Foreign currency translation loss		(27,324)	(22,038)	-	-
Total comprehensive income for the year		19,275	7,798	-	-
Transactions with equity holders					
Dividends	12	(25,401)	(25,401)	-	-
Dividend paid to minority shareholders of a subsidiary		(25,128)	-	-	-
Acquisition of subsidiary		1,030	-	-	-
Acquisition of non-controlling interests		(173)	334	-	-
Purchase of treasury shares		(836)	(440)	-	(440)
Total transactions with equity holders		(50,508)	(25,507)	-	(440)
At 31 March 2018		999,925	755,081	311,670	(440)

Statements of **Changes in Equity**
For the year ended 31 March 2019

	Attributable to equity holders of the Company							
	Distributable	Non-distributable						
	Retained earnings RM'000	Other reserves, total (Note 27) RM'000	Capital reserve RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Capital reserve arising from bonus issue in subsidiary RM'000	Non-controlling interests RM'000
	315,379	141,654	437	81,848	(7,090)	66,459	257,704
	78,845	(74,758)	-	(81,848)	7,090	-	664
	394,224	66,896	437	-	-	66,459	258,368
	29,872	-	-	-	-	-	16,763
	(36)	-	-	-	-	-	-
	-	(22,038)	-	-	(22,038)	-	(5,286)
	29,836	(22,038)	-	-	(22,038)	-	11,477
	(25,401)	-	-	-	-	-	-
	-	-	-	-	-	-	(25,128)
	-	-	-	-	-	-	1,030
	334	-	-	-	-	-	(507)
	-	-	-	-	-	-	(396)
	(25,067)	-	-	-	-	-	(25,001)
	398,993	44,858	437	-	(22,038)	66,459	244,844

Statements of **Changes in Equity**

For the year ended 31 March 2019

Company	Note	Total equity RM'000	← Non-distributable Share capital RM'000	Treasury shares RM'000	Asset revaluation reserve RM'000 →	Distributable Retained earnings RM'000
At 1 April 2018, as previously stated		435,436	311,670	(440)	21,065	103,141
Effects from adoption of MFRS		-	-	-	(21,065)	21,065
At 1 April 2018, restated		435,436	311,670	(440)	-	124,206
Total comprehensive income for the year		53,004	-	-	-	53,004
Transactions with equity holders						
Dividends	12	(25,353)	-	-	-	(25,353)
Purchase of treasury shares		(703)	-	(703)	-	-
Total transactions with equity holders		(26,056)	-	(703)	-	(25,353)
At 31 March 2019		462,384	311,670	(1,143)	-	151,857
At 1 April 2017, as previously stated		420,298	311,670	-	21,065	87,563
Effects from adoption of MFRS		-	-	-	(21,065)	21,065
At 1 April 2017, restated		420,298	311,670	-	-	108,628
Total comprehensive income for the year		40,979	-	-	-	40,979
Transactions with equity holders						
Dividends	12	(25,401)	-	-	-	(25,401)
Purchase of treasury shares		(440)	-	(440)	-	-
Total transactions with equity holders		(25,841)	-	(440)	-	(25,401)
At 31 March 2018		435,436	311,670	(440)	-	124,206

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

Statements of **Cash Flows**

For the year ended 31 March 2019

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000 (Restated)	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	114,885	78,135	54,716	42,697
Adjustment for:				
Depreciation				
- Property, plant and equipment	25,417	23,006	666	597
- Investment properties	1,638	1,635	38	37
Fair value changes on biological assets	744	802	-	-
Dividend income	-	-	(51,453)	(41,223)
Impairment loss on:				
- Property, plant and equipment	-	832	-	-
- Trade receivables	1,041	1,602	-	-
- Other receivables	852	368	-	9
Interest expense	1,925	1,500	1,748	1,560
Profit income	(1,067)	(6,696)	(117)	(169)
Interest income	(2,894)	(2,249)	(10,885)	(10,416)
Distribution from short term cash investments	(4,183)	(457)	(276)	(3)
Negative goodwill on acquisition of subsidiaries	-	(275)	-	-
Net gain/(loss) on disposal of property, plant and equipment	(46)	108	(39)	(4)
Net unrealised forex (gain)/loss	(4,232)	8,438	91	-
Provision for retirement benefits	240	289	-	-
Net reversal of provision for warranty	(769)	(4,866)	-	-
Share of results of associates	(930)	475	-	-
Write back of impairment loss on:				
- Trade receivables	(932)	(265)	-	-
- Other receivables	(2,479)	(2,534)	-	-
- Property, plant and equipment	(23,631)	-	-	-
- Amount due from subsidiaries	-	-	(1,855)	-
Write (back)/down of inventories	(810)	2,484	-	-
Operating profit/(loss) before working capital changes	104,769	102,332	(7,366)	(6,915)

Statements of **Cash Flows**
For the year ended 31 March 2019

	Group 2019 RM'000	Group 2018 RM'000 (Restated)	Company 2019 RM'000	Company 2018 RM'000
Cash flows from operating activities (cont'd.)				
Operating profit/(loss) before working capital changes (cont'd.)	104,769	102,332	(7,366)	(6,915)
(Increase)/decrease in inventories	(26,435)	2,904	-	-
Decrease/(increase) in receivables	15	(24,969)	1	(646)
Increase in net amount due from related companies	-	-	(29,466)	(21,185)
(Decrease)/increase in payables	(1,371)	(56,587)	419	401
Cash generated from/(used in) operations	76,978	23,680	(36,412)	(28,345)
Interest paid	(1,925)	(1,500)	(1,748)	(1,560)
Taxes paid	(22,132)	(29,658)	(1,714)	(1,931)
Retirement benefits paid	(141)	(43)	-	-
Net cash generated from/(used in) operating activities	52,780	(7,521)	(39,874)	(31,836)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	72	117	39	4
Acquisition of subsidiaries	-	(4,564)	-	-
Acquisition of non-controlling interest	-	(173)	-	-
Net (placement)/withdrawal of short term cash investments	(96,236)	(51,886)	8,003	(8,003)
Net placement of fixed deposits	-	23,000	-	-
Acquisition of treasury shares	(703)	(440)	(703)	(440)
Purchase of property, plant and equipment	(40,467)	(32,495)	(329)	(166)
Net dividends received	13,303	2,482	51,453	41,223
Profit income received	1,067	6,696	117	169
Interest received	2,894	2,249	10,885	10,416
Distribution received from short term cash investments	4,183	457	276	3
Net cash (used in)/generated from investing activities	(115,887)	(54,557)	69,741	43,206

Statements of **Cash Flows**
For the year ended 31 March 2019

	Group 2019 RM'000	Group 2018 RM'000 (Restated)	Company 2019 RM'000	Company 2018 RM'000
Cash flows from financing activities				
Net drawdown/(repayment) of short term borrowings	1,087	(10,123)	1,087	18,903
Repayment of obligation under finance lease	(865)	(711)	-	-
Dividends paid to equity holders	(25,353)	(25,401)	(25,353)	(25,401)
Dividends paid by a subsidiary to non-controlling interests of a subsidiary	(15,488)	(25,128)	-	-
Net cash used in financing activities	(40,619)	(61,363)	(24,266)	(6,498)
Net (decrease)/increase in cash and cash equivalents	(103,726)	(123,441)	5,601	4,872
Effect of foreign exchange rate changes in cash and cash equivalents	10,625	(9,042)	-	-
Cash and cash equivalents at beginning of year	235,297	367,780	11,578	6,706
Cash and cash equivalents at end of year (Note 24)	142,196	235,297	17,179	11,578

2019	1 April 2018 RM'000	Acquisition of subsidiary RM'000	Paid RM'000	Drawdown RM'000	Interest expense RM'000	31 March 2019 RM'000
Group						
Finance lease obligations	16,199	-	(865)	-	177	15,511
Borrowings	33,419	-	(13,760)	14,847	-	34,506
Company						
Borrowings	33,419	-	(13,760)	14,847	-	34,506

2018	1 April 2017 RM'000	Acquisition of subsidiary RM'000	Paid RM'000	Drawdown RM'000	Interest expense RM'000	31 March 2018 RM'000
Group						
Finance lease obligations	16,800	-	(711)	-	110	16,199
Borrowings	14,516	29,026	(45,093)	34,970	-	33,419
Company						
Borrowings	14,516	-	(16,067)	34,970	-	33,419

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

Notes to the **Financial Statements**

As at 31 March 2019

1. CORPORATE INFORMATION

The principal activities of the Company are those of investment and property holding. The principal activities of the subsidiaries and the associates are described in Notes 41 and 42, respectively.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45, Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur.

The holding company is BHR Enterprise Sdn. Bhd., a company incorporated in Malaysia.

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 ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

These financial statements for the year ended 31 March 2019 are the first the Group and the Company have prepared in accordance with MFRS, including MFRS 1 - First-time Adoption of Malaysian Financial Reporting Standards, MFRS 9 Financial Instruments, MFRS 15 Revenue from Contracts with Customers, MFRS 116 - Property, Plant & Equipment and MFRS 141 - Agriculture. For the periods up to and including the year ended 31 March 2018, the financial statements of the Group and of the Company were prepared in accordance with Financial Reporting Standards ("FRSs") in Malaysia.

Subject to certain transition elections as disclosed in Note 44, the Group and the Company have consistently applied the same accounting policies in their opening MFRS Statements of Financial Position as at 1 April 2017, being the transition date, and throughout all years presented, as if these policies had always been in effect. Comparative information in these financial statements have been restated to give effect to the above changes.

The impact of the transition to MFRS to the Group's and the Company's reported financial position, financial performance and cash flows are disclosed in Note 44.

The financial statements are expressed in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000) except where otherwise indicated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Standards issued but not yet effective

The accounting policies adopted are consistent with those of the previous financial year except as follows:

Description	**Effective for financial periods beginning on or after**
MFRS 16: Leases	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendment to MFRS 119: Employee Benefits Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
IC Interpretation 23: Uncertainty over income tax treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 108: Definition of Material	1 January 2020
The Conceptual Framework for Financial Reporting	1 January 2020
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of initial application except as discussed below:

MFRS 16 Leases

MFRS 16 will replace MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Notes to the **Financial Statements**

As at 31 March 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Standards issued but not yet effective (cont'd.)

MFRS 16 Leases (cont'd.)

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will be split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group is currently assessing the potential effect of MFRS 16 on its financial statements.

2.3 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

A subsidiary company is an entity over which the Group has the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

In the Company's separate financial statements, investments in subsidiary companies are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies as at the reporting date. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(a) Subsidiaries and basis of consolidation (cont'd.)

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

The Company controls an investee if and only if the Company has the following:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) Exposure, or rights, to variable returns from its investment with the investee; and

(iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;

(ii) Potential voting rights held by the Company, other vote holders or other parties;

(iii) Rights arising from other contractual arrangements; and

(iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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.

Losses within a subsidiary company are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiary companies that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. The resulting difference is recognised directly in equity and attributed to owners of the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(a) Subsidiaries and basis of consolidation (cont'd.)

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(a) Subsidiaries and basis of consolidation (cont'd.)

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

Business combinations (cont'd.)

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 2.3(e).

(b) Transaction with non-controlling interests

Non-controlling interests at the reporting date, being the portion of the net assets of subsidiary companies attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiary companies, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between the non-controlling interests and the equity shareholders of the Company.

Losses applicable to the non-controlling interest in a subsidiary company are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats all changes in its ownership interest in a subsidiary company that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(c) Investment in associate companies

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

The Group's investment in associate are accounted for using the equity method. Under the equity method, the investment in associate is measured in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate. Goodwill relating to associate is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in profit or loss.

The financial statements of the associated company are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

In the Company's separate financial statements, investments in associate are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

(d) Revenue recognition

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(d) Revenue recognition (cont'd.)

(i) Sale of Goods

Revenue is recognised at point of time, net of sales taxes and upon transfer of control to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(ii) Rental income

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

(iii) Property management services

Revenue from property management is recognised when services are rendered.

(iv) Dividend income

Dividend income is recognised when the right to receive payment is established.

(v) Receipt in advance

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

(vi) Interest income and profit income

Interest income and profit income are recognised using the effective interest method.

(vii) Management fees

Management fees are recognised when services are rendered.

(e) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(f) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(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 the profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange difference arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency, RM of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;

- Income and expenses for each profit or loss are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(f) Foreign currencies (cont'd.)

(iii) Foreign operations (cont'd.)

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: (cont'd.)

- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

(g) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset, if and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

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

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

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

Freehold land has an unlimited useful life and therefore is not depreciated. Land held on long lease is held on a lease with an unexpired period of 50 years or more. Mature plantations are depreciated on a straight line basis and over its estimated useful life of 25 years, upon commencement of commercial production.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(g) Property, plant and equipment and depreciation (cont'd.)

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

Buildings	2.0% - 10.0%
Leasehold land	Over lease period
Plant and machinery	4.0% - 50.0%
Bearer plant and infrastructure	4.0%
Fish canning facilities	2.0%
Warehouses, storage tanks and pipelines	4.0%
Motor vehicles	10.0% - 33.33%
Office equipment, furniture and fittings	6.66% - 25.0%
Renovations	4.0% - 20.0%
Tools, accessories and computer equipment	20.0% - 33.33%

Assets under construction or capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use. Immature plantations, which in general are mature 36 months after field planting are not depreciated until maturity.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(h) Biological assets

Biological assets comprise produce growing on bearer plants. Biological assets are classified as current assets for bearer plants that are expected to be harvested and sold or used for production on a date not more than 15 days after the reporting date.

Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output (FFB harvest) and market price at reporting date of crude palm oil and palm kernel adjusted for extraction rates less processing, harvesting and transportation costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(i) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of investment properties is provided for on a straight-line basis to write-off the cost of the property to its residual value over its estimated useful life, at the following annual rates:

Freehold building	2%
Leasehold building	2% to 3%
Leasehold land	Over lease period

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the investment property.

Investment properties are derecognised when either they have been disposed off 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.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on the First-In, First-Out ("FIFO") basis. Cost of finished goods and work-in-progress includes direct materials, direct labour, other direct costs and appropriate production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to completion and the estimated costs necessary to make the sale.

(k) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(k) Income taxes (cont'd.)

(i) Current tax (cont'd.)

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(k) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(l) Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(m) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

<u>Foreign subsidiary in Indonesia</u>

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 2019 by PT Milliman Indonesia, an independent actuary report dated 15 April 2019.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(n) Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense on a straight-line basis over the term of the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set-out in Note 2.3(d)(ii).

(o) Impairment of non-financial assets

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

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

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of the asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Notes to the **Financial Statements**
As at 31 March 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(o) Impairment of non-financial assets (cont'd.)

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss.

(p) Cash and cash equivalents

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

(q) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(r) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income ("FVTOCI").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company applied the practical expedient are measured at the transaction price determined under MFRS 15.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(r) Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

The Group and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group or the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Group and of the Company are classified as either:

- Financial assets at amortised cost (debt instruments) ("AC");
- Financial assets at fair value through profit or loss ("FVTPL");
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments); or
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group and the Company's financial assets at amortised cost include trade and other receivables and cash and bank balances.

Notes to the **Financial Statements**
As at 31 March 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(r) Financial assets (cont'd.)

Financial assets at fair value through profit or loss

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

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

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 consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognises 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(r) Financial assets (cont'd.)

Derecognition (cont'd.)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(s) Impairment of financial assets

The Group and the Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(t) Financial liabilities

Initial recognition and measurement

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

Notes to the **Financial Statements**
As at 31 March 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(t) Financial liabilities (cont'd.)

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Other financial liabilities

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(u) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities.

- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 — Valuation techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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.)

2.4 Significant accounting judgements and estimates

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the CGU to which goodwill is allocated. Estimating a value-in-use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 March 2019 was RM12,710,000 (2018: RM12,710,000). Further details are disclosed in Note 18.

(ii) Inventories

In determining the costing of inventories, management's judgement is required in determining the basis of finished goods and work-in-progress valuation which comprise costs of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads based on normal operating capacity. Further details are disclosed in Note 19.

(iii) Classification between investment properties and property, plant and equipment

The Group developed certain criteria in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

The Group has sub-let portion of a building but has decided to classify the entire building as property, plant and equipment as this portion cannot be sold separately and significant portion of the building is held for use in the production or supply of goods or services or for administrative purposes. Further details are disclosed in Note 13 and Note 14.

3. REVENUE

Revenue of the Group and of the Company consists of the following:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue from contracts with customers	464,587	477,236	10,593	16,307
Revenue from other sources				
- Dividend income from subsidiaries	-	-	51,453	41,223
Rental income from investment properties	4,886	5,224	565	686
	469,473	482,460	62,611	58,216

Disaggregation of revenue from contracts with customers:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Manufacturing	134,780	140,780	-	-
Plantation	118,345	153,654	-	-
Sales of food products	130,316	129,267	-	-
Bulking and logistic services	81,146	53,535	-	-
Trading of fish	-	-	10,593	16,307
	464,587	477,236	10,593	16,307
Geographical market				
Malaysia	238,190	216,543	10,593	16,307
Indonesia	102,384	138,020	-	-
Papua New Guinea	124,013	122,673	-	-
	464,587	477,236	10,593	16,307

All revenue are recognised at a point in time as and when the performance obligation are satisfied.

Notes to the **Financial Statements**
As at 31 March 2019

4. COST OF SALES

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Manufacturing	122,202	102,923	-	-
Plantation	38,122	77,902	-	-
Sales of food products	102,396	101,636	-	-
Bulking and logistic services	16,134	12,406	-	-
Trading of fish	-	-	10,551	15,908
	278,854	294,867	10,551	15,908

5. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Write back of impairment loss on amount due from subsidiaries (Note 22)	-	-	1,855	-
Net gain on disposal of property, plant and equipment	46	108	39	4
Profit income	1,067	6,696	117	169
Interest income	2,894	2,249	10,885	10,416
Distribution from short term cash investments	4,183	457	276	3
Management fees	-	-	1,509	914
Negative goodwill on acquisition of subsidiaries	-	275	-	-

6. STAFF COSTS

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Wages and salaries:				
- Company's Executive Director (Note 7)	2,531	2,480	1,012	946
- Others	42,358	40,070	4,327	3,827
Social security costs	404	400	35	29
Pension costs:				
- defined contribution plan	5,395	6,168	849	807
- defined benefit plan (Note 29)	240	289	-	-
Other staff related expenses	8,584	7,487	279	235
	59,512	56,894	6,502	5,844

Included in staff costs of the Group and of the Company is the Managing Director's remuneration amounting to RM2,630,000 (2018: RM2,543,000) and RM1,038,000 (2018: RM946,000) respectively as further disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors of the Company				
Executive:				
Salaries and other emoluments	1,239	1,175	496	472
Bonus	885	956	354	323
Pension costs - defined contribution plan	407	349	162	151
Benefits-in-kind	99	63	26	-
	2,630	2,543	1,038	946
Non-executive:				
Fees	289	360	271	321
Meeting allowance	94	113	92	104
	383	473	363	425
Total	3,013	3,016	1,401	1,371

7. DIRECTORS' REMUNERATION (CONT'D.)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Analysis excluding benefits-in-kind:				
Total executive director's remuneration (Note 6)	2,531	2,480	1,012	946
Total non-executive directors' remuneration	383	473	363	425
Total directors' remuneration	2,914	2,953	1,375	1,371

The number of directors of the Company whose total remuneration during the financial year falls within the following bands is analysed below:

	Number of directors	
	2019	2018
Executive director:		
RM2,600,001 - RM2,650,000	1	-
RM2,500,001 - RM2,550,000	-	1
Non-executive directors:		
RM150,001 - RM200,000	1	-
RM100,001 - RM150,000	1	2
RM50,001 - RM100,000	2	3

8. FINANCE COSTS

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Interest expense on:				
- Borrowings	1,748	1,390	1,748	1,560
- Finance lease	177	110	-	-
	1,925	1,500	1,748	1,560

The total finance costs for the Group and the Company were RM1,925,000 (2018: RM1,500,000) and RM1,748,000 (2018: RM1,560,000) respectively. The Group capitalised interest costs amounting to RM6,333,000 (2018: RM7,027,000) into property, plant and equipment.

9. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Auditors' remuneration:				
- Statutory audit	932	833	124	114
- Other services	229	233	10	9
Depreciation:				
- Property, plant and equipment (Note 13)	25,417	23,006	666	597
- Investment properties (Note 14)	1,638	1,635	38	37
Fair value changes in biological assets (Note 15)	744	802	-	-
Impairment loss on:				
- Property, plant and equipment	-	832	-	-
- Trade receivables (Note 20)	1,041	1,602	-	-
- Other receivables (Note 21)	852	368	-	9
Net foreign exchange loss/(gain):				
- Realised	2,151	846	(171)	(166)
- Unrealised	(4,232)	8,438	91	-
Provision for retirement benefits (Note 29)	240	289	-	-
Net reversal of provision for warranty	(769)	(4,866)	-	-
Rental expense for land and buildings	1,574	1,583	803	812
Write back of impairment loss on:				
- Trade receivables (Note 20)	(932)	(265)	-	-
- Other receivables (Note 21)	(2,479)	(2,534)	-	-
- Property, plant and equipment	(23,631)	-	-	-
- Amount due from subsidiaries (Note 22)	-	-	(1,855)	-
Write (back)/down of inventories	(810)	2,484	-	-

10. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2019 and 2018 are:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current income tax:				
- Malaysian income tax	28,681	29,973	2,132	1,954
- Underprovision in prior years	(643)	(149)	(211)	(23)
	28,038	29,824	1,921	1,931
Deferred tax (Note 30):				
Relating to origination and reversal of temporary differences	843	1,277	(199)	-
Under/(over) provision in prior years	796	399	(10)	(213)
	1,639	1,676	(209)	(213)
Total income tax expense	29,677	31,500	1,712	1,718

Reconciliation between tax expense and accounting profit

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Profit before tax	114,885	78,135	54,716	42,697
Taxation at statutory tax rate of 24% (2018: 24%)	27,572	18,752	13,132	10,248
Effect of income not subject to tax	(6,147)	(63)	(12,349)	(10,499)
Effect of tax rates in foreign jurisdiction	415	3,029	-	-
Effect of partial tax exemption	(17)	(41)	-	-
Effect of expenses not deductible for tax purposes	6,492	6,351	1,150	2,205
Effect of utilisation of previously unrecognised deferred tax	-	(244)	-	-

10. INCOME TAX EXPENSE (CONT'D.)

Reconciliation between tax expense and accounting profit (cont'd.)

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: (cont'd.)

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Effect of share results of associates	(896)	(407)	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	2,105	3,693	-	-
Overprovision of income tax expense in prior years	(643)	(149)	(211)	(23)
Under/(over) provision of deferred tax in prior years	796	399	(10)	(213)
	29,677	31,500	1,712	1,718

Domestic current income tax is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. During the current financial year, the income tax rate applicable to the subsidiaries in Indonesia and Papua New Guinea were 25% (2018: 25%) and 30% (2018: 30%), respectively.

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year, net of tax, attributable to owners of the parent 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:

	Group	
	2019 RM'000	2018 RM'000
Profit net of tax attributable to equity holders of the Company used in the computation of basic/diluted earnings per share	59,840	29,872

11. EARNINGS PER SHARE (CONT'D.)

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: (cont'd.)

	Number of shares	
	2019	**2018**
	'000	**'000**
Weighted average number of ordinary shares for basic earnings per share computation	281,630	282,199

	Group	
	2019	**2018**
	sen	**sen**
Basic/diluted earnings per share for the year (sen)	21.25	10.59

12. DIVIDENDS

	Amount		Net dividends per share	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**sen**	**sen**
Recognised during the year:				
Final dividend for 2017: 9.0 sen single tier ordinary shares paid on 25 September 2017	-	25,401	-	9.0
Final dividend for 2018: 9.0 sen single tier ordinary shares paid on 5 October 2018	25,353	-	9.0	-
	25,353	25,401	9.0	9.0

At the forthcoming Annual General Meeting of the Company, the directors recommend the payment of a final single-tier dividend of 9.0 sen per share amounting to dividend payable of approximately RM25,332,000 for financial year ended 31 March 2019.

The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 March 2020.

13. PROPERTY, PLANT AND EQUIPMENT

Group

At 31 March 2019 **At cost**	**Freehold land** **RM'000**	**Leasehold land** **RM'000**	**Buildings** **RM'000**	**Bearer plant and infrastructure** **RM'000**	**Construction work-in-progress** **RM'000**	**Other assets*** **RM'000**	**Total** **RM'000**
At 1 April 2018	66,304	211,509	40,252	258,488	10,088	387,598	974,239
Additions	-	617	607	21,877	5,172	12,194	40,467
Disposals	-	-	(9)	-	-	(2,624)	(2,633)
Write off	-	-	-	-	-	(977)	(977)
Reclassification	-	-	2,525	-	(4,729)	2,204	-
Translation difference	-	4	347	1,117	60	871	2,399
At 31 March 2019	66,304	212,130	43,722	281,482	10,591	399,266	1,013,495
Accumulated depreciation and impairment losses							
At 1 April 2018	-	37,381	31,137	80,694	-	316,268	465,480
Depreciation charge for the year	-	4,407	2,586	5,866	-	12,558	25,417
Disposals	-	-	(2)	-	-	(2,605)	(2,607)
Write back of impairment loss	-	(10,415)	(2,387)	(10,687)	-	(142)	(23,631)
Write off	-	-	-	-	-	(977)	(977)
Translation difference	-	-	187	748	-	800	1,735
At 31 March 2019	-	31,373	31,521	76,621	-	325,902	465,417
Analysed as:							
Accumulated depreciation	-	27,427	27,788	62,529	-	325,684	443,428
Accumulated impairment losses	-	3,946	3,733	14,092	-	218	21,989
	-	31,373	31,521	76,621	-	325,902	465,417
Net carrying amount							
At 31 March 2019	66,304	180,757	12,201	204,861	10,591	73,364	548,078

Notes to the **Financial Statements**
As at 31 March 2019

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group

At 31 March 2018 (Restated) At cost	**Freehold land RM'000**	**Leasehold land RM'000**	**Buildings RM'000**	**Bearer plant and infrastructure RM'000**	**Construction work-in-progress RM'000**	**Other assets* RM'000**	**Total RM'000**
At 1 April 2017	66,304	185,128	48,393	240,693	7,367	393,705	941,590
Additions	-	-	719	18,690	3,151	9,935	32,495
Acquisition of subsidiary	-	26,400	-	8,600	-	-	35,000
Disposals	-	-	(172)	-	-	(1,266)	(1,438)
Write off	-	-	-	-	-	(2,301)	(2,301)
Translation difference	-	(19)	(8,688)	(9,495)	(430)	(12,475)	(31,107)
At 31 March 2018	66,304	211,509	40,252	258,488	10,088	387,598	974,239
Accumulated depreciation and impairment losses							
At 1 April 2017	-	33,415	32,348	84,485	-	316,015	466,263
Depreciation charge for the year	-	3,966	2,113	3,893	-	13,034	23,006
Impairment loss	-	-	832	-	-	-	832
Disposals	-	-	(172)	-	-	(1,041)	(1,213)
Write off	-	-	-	-	-	(2,300)	(2,300)
Translation difference	-	-	(3,984)	(7,684)	-	(9,440)	(21,108)
At 31 March 2018	-	37,381	31,137	80,694	-	316,268	465,480
Analysed as:							
Accumulated depreciation	-	23,020	25,017	55,915	-	315,908	419,860
Accumulated impairment losses	-	14,361	6,120	24,779	-	360	45,620
	-	37,381	31,137	80,694	-	316,268	465,480
Net carrying amount							
At 31 March 2018	66,304	174,128	9,115	177,794	10,088	71,330	508,759

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Other assets*

Group

At 31 March 2019 At cost	Plant and machinery RM'000	Fish canning facilities RM'000	Warehouses, storage tanks and pipes RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovations RM'000	Tools, accessories and computer equipment RM'000	Total RM'000
At 1 April 2018	115,040	72,478	105,057	18,498	55,657	20,124	744	387,598
Additions	2,435	3,151	13	1,305	4,535	220	535	12,194
Disposals	(988)	(5)	(23)	(853)	(744)	-	(11)	(2,624)
Write-off	(724)	-	(20)	-	(64)	-	(169)	(977)
Reclassification	1,851	-	-	127	226	-	-	2,204
Translation difference	411	-	-	-	252	208	-	871
At 31 March 2019	118,025	75,624	105,027	19,077	59,862	20,552	1,099	399,266
Accumulated depreciation and impairment losses								
At 1 April 2018	105,026	31,344	93,624	14,578	52,538	18,882	276	316,268
Depreciation charge for the year	4,067	1,390	2,103	1,418	2,842	399	339	12,558
Disposals	(987)	-	(10)	(949)	(648)	-	(11)	(2,605)
Writeback of impairment loss	(142)	-	-	-	-	-	-	(142)
Write-off	(724)	-	(20)	-	(64)	-	(169)	(977)
Translation difference	358	-	-	-	234	208	-	800
At 31 March 2019	107,598	32,734	95,697	15,047	54,902	19,489	435	325,902
Analysed as:								
Accumulated depreciation	107,433	32,734	95,644	15,047	54,902	19,489	435	325,684
Accumulated impairment losses	165	-	53	-	-	-	-	218
	107,598	32,734	95,697	15,047	54,902	19,489	435	325,902
Net carrying amount								
At 31 March 2019	10,427	42,890	9,330	4,030	4,960	1,063	664	73,364

Notes to the **Financial Statements**

As at 31 March 2019

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Other assets*

Group (cont'd.)

At 31 March 2018 (restated) At cost	Plant and machinery RM'000	Fish canning facilities RM'000	Warehouses, storage tanks and pipes RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Renovations RM'000	Tools, accessories and computer equipment RM'000	Total RM'000
At 1 April 2017	117,914	72,705	105,197	17,721	57,229	21,851	1,088	393,705
Additions	4,790	1,654	-	1,924	1,431	42	94	9,935
Disposals	(94)	-	-	(891)	(268)	-	(13)	(1,266)
Write-off	(1,261)	-	(127)	-	(488)	-	(425)	(2,301)
Reclassification	(125)	-	-	125	-	-	-	-
Translation difference	(6,184)	(1,881)	(13)	(381)	(2,247)	(1,769)	-	(12,475)
At 31 March 2018	115,040	72,478	105,057	18,498	55,657	20,124	744	387,598
Accumulated depreciation and impairment losses								
At 1 April 2017	106,126	31,376	91,617	14,218	51,617	20,548	513	316,015
Depreciation charge for the year	5,113	390	2,147	1,359	3,721	103	201	13,034
Disposals	(94)	-	-	(703)	(231)	-	(13)	(1,041)
Write-off	(1,261)	-	(127)	-	(487)	-	(425)	(2,300)
Translation difference	(4,858)	(422)	(13)	(296)	(2,082)	(1,769)	-	(9,440)
At 31 March 2018	105,026	31,344	93,624	14,578	52,538	18,882	276	316,268
Analysed as:								
Accumulated depreciation	104,719	31,344	93,571	14,578	52,538	18,882	276	315,908
Accumulated impairment losses	307	-	53	-	-	-	-	360
	105,026	31,344	93,624	14,578	52,538	18,882	276	316,268
Net carrying amount								
At 31 March 2018	10,014	41,134	11,433	3,920	3,119	1,242	468	71,330

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company

At 31 March 2019 **At cost**	**Freehold land** **RM'000**	**Leasehold land** **RM'000**	**Motor vehicles** **RM'000**	**Furniture, fittings and equipment** **RM'000**	**Total** **RM'000**
At 1 April 2018	16,075	28,748	343	3,075	48,241
Additions	-	-	-	329	329
Disposals	-	-	(328)	(96)	(424)
At 31 March 2019	16,075	28,748	15	3,308	48,146
Accumulated depreciation					
At 1 April 2018	157	3,500	343	2,756	6,756
Depreciation charge for the year	-	471	-	195	666
Disposals	-	-	(328)	(96)	(424)
At 31 March 2019	157	3,971	15	2,855	6,998
Net carrying amount					
At 31 March 2019	15,918	24,777	-	453	41,148

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company (cont'd.)

At 31 March 2018 At cost	Freehold land RM'000	Leasehold land RM'000	Motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
At 1 April 2017	16,075	28,748	343	2,913	48,079
Additions	-	-	-	166	166
Disposals	-	-	-	(4)	(4)
At 31 March 2018	16,075	28,748	343	3,075	48,241
Accumulated depreciation					
At 1 April 2017	157	3,044	343	2,619	6,163
Depreciation charge for the year	-	456	-	141	597
Disposals	-	-	-	(4)	(4)
At 31 March 2018	157	3,500	343	2,756	6,756
Net carrying amount					
At 31 March 2018	15,918	25,248	-	319	41,485

(a) Buildings, plant and machinery, storage tanks and pipelines of the subsidiaries carrying out bulking activities with a net book value of approximately RM16,778,000 (2018: RM17,940,000) are situated on land which is leased from Northport (Malaysia) Berhad by the subsidiaries. The lease will expire in 2022.

(b) A building of a subsidiary, Fima Palmbulk Services Sdn. Bhd., with a net book value of RM1 (2018: RM1) was constructed on land leased from Penang Port Sdn. Bhd.. The subsidiary has a renewal option to renew the lease for a term of five years beginning from 1 July 2018 to 30 June 2023. It is expected that the subsidiary will continue to lease the land from Penang Port Sdn. Bhd..

(c) Included in the property, plant and equipment of the Group and of the Company are cost of fully depreciated assets which are still in use amounting to approximately RM247,510,000 (2018: RM212,478,000) and RM2,496,000 (2018: RM2,694,000) respectively.

14. INVESTMENT PROPERTIES

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Cost				
At 1 April 2018/2017 and 31 March	96,572	96,572	3,408	3,408
Accumulated depreciation				
At 1 April 2018/2017	29,743	28,108	312	275
Charge for the year	1,638	1,635	38	37
At 31 March	31,381	29,743	350	312
Net carrying amount	65,191	66,829	3,058	3,096
Fair value	80,130	77,515	3,830	3,830

(a) The land title of a freehold land and building of the Group with a net book value of approximately RM47,489,000 (2018: RM48,633,000) is pledged as security for certain unutilised credit facilities of the Group.

(b) Factory buildings of a subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. with a net book value of RM5,199,857 (2018: RM5,458,771) are situated on a piece of leasehold land which will expire on 29 September 2086.

(c) The fair value of the investment properties during the year was determined based on comparison approach. The fair value of the properties as at 31 March 2019 and 31 March 2018 are based on valuation carried out by professional independent valuers, Messrs Hatta & Associates Sdn. Bhd..

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

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Rental income	4,886	5,224	565	686
Direct operating expenses	3,970	2,493	122	128

Notes to the **Financial Statements**

As at 31 March 2019

15. BIOLOGICAL ASSETS

	Group 2019 RM'000	Group 2018 RM'000
At 1 April 2018/2017	5,102	6,289
Fair value changes recognised in profit or loss	(744)	(802)
Exchange differences	146	(385)
At 31 March	4,504	5,102

Biological assets represents the fresh fruit bunches ("FFB") of up to 15 days prior to harvest for use in the Group's palm product operations. During the financial year ended 31 March 2019, the Group harvested approximately 198,910 metric tonnes ("MT") of FFB (2018: 198,644 MT). The quantity of unharvested FFB of the Group as at 31 March 2019 included in the fair valuation of FFB was 7,286 MT (2017: 7,316 MT).

In arriving at the fair value, the Group adopted the income approach which considers the net present value of all directly attributable cash inflows, cash outflows and imputed contributory asset charges where no actual cash flows associated with the use of assets essential to the agricultural activity. Changes to the assumed prices of the FFB and tonnage included in the valuation will have a direct effect on the reported valuation.

The Groups biological assets computation is a Level 3 fair value estimation.

If the selling prices of FFB or tonnage changed by 10%, the Group's fair value changes in FFB would have increased or decreased by approximately RM275,000 (2018: RM436,000).

16. INVESTMENT IN SUBSIDIARIES

	Company 2019 RM'000	Company 2018 RM'000
Unquoted ordinary shares, at cost		
In Malaysia	160,913	160,912
Outside Malaysia	44,415	44,415
	205,328	205,327
Advances to subsidiaries	14,399	-
	219,727	205,327
Less: Accumulated impairment losses		
in Malaysia	(21,855)	(16,669)
	197,872	188 ,658

Details of the subsidiaries are described in Note 41.

16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

The summarised financial information (before intra-group elimination) for Fima Corporation Berhad and its subsidiaries ("FCB Group") and International Food Corporation Limited ("IFC") that has non-controlling interest that are material to the Group are as follows:

(i) Summarised statement of financial position

	FCB Group		IFC	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Non-current assets	292,615	270,889	35,846	34,812
Cash and cash equivalents	57,855	165,596	15,587	18,643
Other current assets	323,257	204,017	75,261	66,218
Total assets	673,727	640,502	126,694	119,673
Non-current liabilities	(23,502)	(22,831)	(1,952)	-
Current liabilities	(53,067)	(52,320)	(54,297)	(55,153)
Total liabilities	(76,569)	(75,151)	(56,249)	(55,153)
Net assets	597,158	565,351	70,445	64,520
Equity attributable to equity holders of the company	573,775	546,393	70,445	64,520

(ii) Summarised statement of comprehensive income

	FCB Group 2019 RM'000	FCB Group 2018 RM'000	IFC 2019 RM'000	IFC 2018 RM'000
Revenue	244,720	284,646	124,013	117,863
Profit for the financial year	65,326	40,074	4,666	222
Other comprehensive income/(loss)	1,953	(13,903)	-	-
Total comprehensive income	67,279	26,171	4,666	222
Dividends paid to non-controlling interests	15,488	25,128	-	-

16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(iii) Summarised statement of cash flows

	FCB Group		IFC	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Net cash generated from/(used in) operating activities	35,063	(34,298)	(83)	13,579
Net cash used in investing activities	(108,371)	(25,448)	(3,399)	(4,726)
Net cash used in financing activities	(36,337)	(80,705)	-	-
Net (decrease)/increase in cash and cash equivalents	(109,645)	(140,451)	(3,482)	8,853
Cash and cash equivalents at beginning of year	165,596	313,309	18,643	11,795
Effect of exchange rate changes	1,904	(7,262)	426	(2,005)
Cash and cash equivalents at end of year	57,855	165,596	15,587	18,643

(a) Acquisition of subsidiary in previous financial year

On 6 October 2017, FCBPH has entered into a conditional Sale and Purchase Agreement with Java Berhad to acquire 1,000,000 ordinary shares representing the entire total issued and paid-up capital of Java Plantation Sdn. Bhd. ("JPSB") for a purchase consideration of RM4,613,941. JPSB holds an 80% interest in Ladang Bunga Tanjong Sdn. Bhd., which operates an oil palm plantation held under the Individual Title Geran 36415, Lot 2429, Mukim Lubok Bongor, Jajahan Jeli, Kelantan measuring approximately 3,289.9 acres or 1,331.0 hectares. The lease period for the land is for 66 years and expiring on 28 September 2069. The acquisition was completed on 20 February 2018. On 6 April 2018, JPSB has changed its name to FCB Eastern Plantations Sdn. Bhd..

16. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) Acquisition of subsidiary in previous financial year (cont'd.)

The details of the net assets acquired and cash flows arising from the acquisition of JPSB's Group are as follows:

	Carrying Amount RM'000	Fair Value RM'000
Property, plant and equipment	13,038	26,400
Biological assets	11,198	8,600
Trade and other receivables	38	38
Cash and bank balances	50	50
Inventories	6	6
Trade and other payables	(149)	(149)
Borrowings	(29,026)	(29,026)
	(4,845)	5,919
Less: Non-controlling interest shares on fair value of Ladang Bunga Tanjong Sdn. Bhd.		(1,030)
		4,889
Negative goodwill on acquisition		(275)
Purchase consideration settled in cash		4,614
Less: Cash and bank balances		(50)
Cash outflow of the Group acquisition		4,564

17. INVESTMENT IN ASSOCIATES

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Unquoted shares, at cost	12,251	12,251	2,251	2,251
Share of post acquisition results	19,023	31,396	-	-
	31,274	43,647	2,251	2,251

Details of the associates are described in Note 42.

The financial statements of the associates are coterminous with those of the Group, except for Giesecke & Devrient Malaysia Sdn. Bhd. ("G&D") which has a financial year end of 31 December to conform with its holding company's financial year end. For the purpose of applying the equity method of accounting, the financial statements of G&D for the year ended 31 December 2018 have been used and appropriate adjustments have been made for the effects of transactions between 31 December 2018 and 31 March 2019.

Notes to the **Financial Statements**
As at 31 March 2019

17. INVESTMENT IN ASSOCIATES (CONT'D.)

Summarised financial information in respect of Marushin Canneries (Malaysia) Sdn. Bhd. ("Marushin") and G&D are set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

(i) Summarised statement of financial position

	Marushin		G&D	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Assets and liabilities				
Current assets	23,269	27,752	76,225	79,654
Non-current assets	1,316	1,842	191,501	189,977
Total assets	24,585	29,594	267,726	269,631
Current liabilities	19,637	13,784	41,592	32,762
Non-current liabilities	659	625	69,763	32,643
Total liabilities	20,296	14,409	111,355	65,405
Net assets	4,289	15,185	156,371	204,226

(ii) Summarised statement of comprehensive income

	Marushin		G&D	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Revenue	12,476	32,017	184,080	164,504
(Loss)/profit before tax	(10,527)	(5,487)	17,667	11,570
(Loss)/profit for the year	(10,896)	(5,478)	18,660	8,477
Total comprehensive (loss)/income	(10,896)	(5,478)	18,660	8,477
Dividend received from the associates during the year (net)	-	570	13,303	1,912

17. INVESTMENT IN ASSOCIATES (CONT'D.)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates.

	Marushin		G&D	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Net assets at 1 April 2018/2017	15,184	22,162	204,226	205,309
Total comprehensive (loss)/ income	(7,374)	(5,478)	18,660	8,477
	7,810	16,684	222,886	213,786
Dividend paid (gross)	-	(1,500)	(66,515)	(9,560)
Net assets at 31 March	7,810	15,184	156,371	204,226
Interest in associates	38%	38%	20%	20%
Share of net assets	2,968	5,770	31,274	40,845
Negative goodwill	(2,968)	(2,968)	-	-
Carrying value of Group's interest in associates	-	2,802	31,274	40,845

18. GOODWILL ON CONSOLIDATION

	Group	
	2019	**2018**
	RM'000	**RM'000**
At 1 April 2018/2017 and 31 March 2019	12,710	12,710

(a) Impairment tests for goodwill

Goodwill has been allocated to the Group's cash generating units identified according to business segment as follows:

	Bulking	**Plantation**	**Total**
	RM'000	**RM'000**	**RM'000**
At 1 April 2018/2017 and at 31 March 2019/2018	12,200	510	12,710

Notes to the **Financial Statements**
As at 31 March 2019

18. GOODWILL ON CONSOLIDATION (CONT'D.)

(b) Key assumptions used in value-in-use calculations

The following describes each key assumption on which management has based its cash flow projections to undertake the impairment testing of goodwill:

	2019 %	2018 %
Average discount rate[1]	10.5	10.5
Terminal growth rate[2]	2	2

Assumptions:
1. Pre-tax discount rate applied to the cash flow projections.
2. Weighted average growth rate used to extrapolate cash flows beyond the budget period.

(c) Sensitivity analysis

In assessing value-in-use and fair value, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

19. INVENTORIES

	Group 2019 RM'000	 2018 RM'000
At cost:		
Raw materials	18,463	15,472
Printing materials	11,135	8,910
Fertilizer	4,211	815
Oil palm products	10,957	8,432
Work-in-progress	33,133	16,596
Finished goods	20,331	19,210
Consumables	5,232	5,409
	103,462	74,844
At net realisable value:		
Finished goods	1,207	2,580
	104,669	77,424

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM100,934,055 (2018: RM110,627,254).

20. TRADE RECEIVABLES

	Group 2019 RM'000	Group 2018 RM'000 (Restated)	Company 2019 RM'000	Company 2018 RM'000
Third parties	135,019	147,017	10	10
Less: Allowance for impairment	(5,860)	(7,057)	(10)	(10)
Trade receivables, net	129,159	139,960	-	-

The Group's normal trade credit term ranges from 30 to 90 days (2018: from 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors except for a balance of RM41,827,000 (2018: RM55,319,000) due from the Government of Malaysia.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables is as follows:

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Neither past due nor impaired	49,909	54,190	-	-
1 to 60 days past due but not impaired	27,185	35,496	-	-
61 to 120 days past due but not impaired	5,145	13,051	-	-
More than 121 days past due but not impaired	46,920	37,223	-	-
	79,250	85,770	-	-
	129,159	139,960	-	-
Impaired	5,860	7,057	10	10
	135,019	147,017	10	10

Trade receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

20. TRADE RECEIVABLES (CONT'D.)

Trade receivables that are past due but not impaired

The Group has trade receivables amounting to RM79,250,000 (2018: RM85,770,000) that are past due at the reporting date but not impaired.

No allowance for impairment is made as in the opinion of the directors, the outstanding debts are expected to be collected in full within the next twelve months.

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Trade receivables - nominal amount	5,860	7,057	10	10
Less: Allowance for impairment	(5,860)	(7,057)	(10)	(10)
	-	-	-	-

Movement in allowance accounts:

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
At 1 April 2018/2017	7,057	5,720	10	10
Write back of impairment loss(Note 9)	(932)	(265)	-	-
Written off	(1,306)	-	-	-
Charge for the year (Note 9)	1,041	1,602	-	-
At 31 March	5,860	7,057	10	10

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

21. OTHER RECEIVABLES

	Group 2019 RM'000	Group 2018 RM'000 (Restated)	Company 2019 RM'000	Company 2018 RM'000
Tax recoverables	4,948	1,404	770	976
Deposits	1,482	1,352	203	179
Prepayments	11,276	7,958	60	52
Sundry receivables	30,061	22,814	385	567
Less: Allowance for impairment	(10,978)	(12,587)	(18)	(18)
	36,789	20,941	1,400	1,756

The Group's and the Company's other receivables that are impaired at the date and the movement of the allowance used to record the impairment are as follows:

	Group 2019 RM'000	Group 2018 RM'000 (Restated)	Company 2019 RM'000	Company 2018 RM'000
Gross amounts of impaired other receivables	10,978	12,587	18	18
Less: Allowance for individual impairment losses	(10,978)	(12,587)	(18)	(18)
	-	-	-	-

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

Movement in allowance accounts:

	Group 2019 RM'000	Group 2018 RM'000 (Restated)	Company 2019 RM'000	Company 2018 RM'000
At 1 April 2018/2017	12,587	14,967	18	9
Write back of impairment loss (Note 9)	(2,479)	(2,534)	-	-
Charge for the year (Note 9)	852	368	-	9
Exchange differences	18	(214)	-	-
As 31 March	10,978	12,587	18	18

Notes to the **Financial Statements**
As at 31 March 2019

22. DUE FROM/(TO) SUBSIDIARIES

	Company	
	2019	**2018**
	RM'000	**RM'000**
Due from subsidiaries	248,909	244,656
Less: Allowance for impairment	-	(7,041)
	248,909	237,615
Due to subsidiaries	(6,818)	(17,688)

All the amounts due from/(to) subsidiaries are unsecured, interest free and repayable on demand except for the amount due from certain subsidiaries amounting to RM185,601,000 (2018: RM207,281,000), which bear interest of 5.5% (2018: 5.5%) per annum.

Movement in allowance accounts:

	Company	
	2019	**2018**
	RM'000	**RM'000**
At 1 April 2018	7,041	7,041
Advances to subsidiaries	(5,186)	-
Write back for the year (Note 5)	(1,855)	-
At 31 March	-	7,041

23. SHORT TERM CASH INVESTMENTS

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At fair value				
Investment in units				
- Islamic	148,122	51,886	-	8,003

Short term cash investments represent funds placed with licensed fund managers. The portfolio of securities managed by the fund managers comprise money market funds, commercial papers and fixed deposits. Short term cash investments held as fixed deposit placements allow prompt redemption at anytime.

Other details of fair value of short term cash investments are futher disclosed in Note 38.

24. CASH AND BANK BALANCES

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Cash in hand and at banks	72,781	69,674	12,776	11,578
Fixed deposits with licensed bank	69,415	165,623	4,403	-
Total cash and cash equivalent	142,196	235,297	17,179	11,578

The weighted average effective interest rates per annum of deposits at the reporting date were as follows:

	Group		Company	
	2019	2018	2019	2018
	%	%	%	%
Licensed banks	3.17	3.30	2.85	3.00

The average maturity of deposits at the reporting date were as follows:

	Group		Company	
	2019	2018	2019	2018
	Days	Days	Days	Days
Licensed banks	46	52	22	19

25. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2019	2018	2019	2018
	'000	'000	RM'000	RM'000
Issued and fully paid:				
At 1 April 2018/2017 and at 31 March	282,232	282,232	311,670	311,670

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

26. TREASURY SHARES

This amount relates to the acquisition cost of treasury shares.

The shareholders of the Company, by an ordinary resolution passed in a general meeting held on 30 August 2018, gave their approval for the Company's plan to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 466,100 (2018: 296,300) of its issued ordinary shares from the open market at an average price of RM1.51 (2018: RM1.49) per ordinary share. The total consideration paid for the repurchase including transactions costs was RM703,000 (2018: RM440,000). The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

Of the total 282,231,600 (2018: 282,231,600) issued and fully paid ordinary shares as at 31 March 2019, 762,400 (2018: 296,300) are held as treasury shares by the Company. As at 31 March 2019, the number of outstanding ordinary shares in issue and fully paid-up is therefore 281,469,200 (2018: 281,935,300).

27. OTHER RESERVES

Group	Capital reserve RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Capital reserve arising from bonus issue in subsidiary RM'000	Total RM'000
2019					
At 1 April 2018, as previous stated	437	81,848	(29,128)	66,459	119,616
Effects from adoption of MFRS	-	(81,848)	7,090	-	(74,758)
At 1 April 2018, as restated	437	-	(22,038)	66,459	44,858
Foreign currency translation	-	-	14,205	-	14,205
At 31 March 2019	437	-	(7,833)	66,459	59,063
2018					
At 1 April 2017, as previous stated	437	81,848	(7,090)	66,459	141,654
Effects from adoption of MFRS	-	(81,848)	7,090	-	(74,758)
At 1 April 2017, as restated	437	-	-	66,459	66,896
Foreign currency translation	-	-	(22,038)	-	(22,038)
At 31 March 2018	437	-	(22,038)	66,459	44,858

27. OTHER RESERVES (CONT'D.)

The nature and purpose of each category of reserve are as follows:

(a) Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of freehold land and buildings and decreases to the extent that such decreases relates to an increase on the same asset previously recognised in equity.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

28. FINANCE LEASE OBLIGATIONS

	Group	
	2019	**2018**
	RM'000	**RM'000**
Miminum lease payments:		
- due no later than one year	865	772
- due later than one year and no later than 5 years	4,781	4,423
- due later than 5 years	81,159	82,460
Total minimum lease payments	86,805	87,655
Less: Amounts representing finance charges	(71,294)	(71,456)
Present value of minimum lease payments	15,511	16,199
Present value of finance lease payables:		
- due no later than one year	643	611
- due later than one year and no later than 5 years	2,550	2,430
- due later than 5 years	12,318	13,158
Present value of minimum lease payments	15,511	16,199
Less: Amount due within 12 months	(643)	(611)
Amount due after 12 months	14,868	15,588

29. RETIREMENT BENEFIT OBLIGATIONS

	Group 2019 RM'000	Group 2018 RM'000
At 1 April 2018/2017	1,813	1,837
Recognised in profit or loss (Note 6)	240	289
Contributions paid	(141)	(43)
Remeasurement of defined benefit liability	(110)	(49)
Exchange differences	29	(221)
At 31 March	1,831	1,813

The foreign subsidiary in Indonesia operates an unfunded defined benefit plan for its eligible employees. The obligations under the retirement benefit scheme are calculated using the projected unit credit method, is determined by a qualified independent actuary, considering the estimated future cash outflows using market yields at the reporting date of high quality corporate bonds. The latest actuarial valuation was carried out using the employee data as at 31 March 2019.

(a) The amounts recognised in the statement of financial position are determined as follows:

	Group 2019 RM'000	Group 2018 RM'000
Present value of unfunded defined benefits obligations	1,831	1,813
Analysed as:		
Non-current	1,831	1,813

(b) The amounts recognised in the profit or loss are as follows:

	Group 2019 RM'000	Group 2018 RM'000
Current service cost	147	200
Interest cost	93	89
Total, included in employee benefits expense (Note 6)	240	289

(c) The principle assumptions used by the foreign subsidiary in Indonesia in determining employee benefits liability as of 31 March 2019 and 2018 are as follows:

	2019	2018
Discount rate	8.00%	7.25%
Annual salary increase	7.00%	7.00%
Retirement age	55	55

29. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

The discount rate is determined based on the values of AA rated corporate bond yields with 3 to 15 years of maturity, converted to estimated spot rates.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on changes to individual assumptions, with all other assumptions held constant.

	2019 RM'000	2018 RM'000
A 1 per cent decrease/increase in discount rate will increase/decrease the defined benefit obligation by	146	131
A 1 per cent increase/decrease in expected salary growth will increase/ decrease the defined benefit obligation by	128	127

The sensitivity analysis presented above may not be representative of the actual change in defined benefit obligation as it is unlikely the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

30. DEFERRED TAX

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
At 1 April 2018	29,158	27,494	6,066	6,279
Recognised in:				
- profit or loss (Note 10)	1,639	1,676	(209)	(213)
- other comprehensive income	27	(12)	-	-
At 31 March	30,824	29,158	5,857	6,066
Presented after appropriate offsetting as follows:				
Deferred tax assets	(11,207)	(9,206)	-	-
Deferred tax liabilities	42,031	38,364	5,857	6,066
	30,824	29,158	5,857	6,066

30. DEFERRED TAX (CONT'D.)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Retirement benefit obligations RM'000	Other payables RM'000	Tax losses and unabsorbed capital allowances RM'000	Property plant and equipment RM'000	Total RM'000
At 1 April 2017	(453)	(3,494)	(1,108)	(1,911)	(6,966)
Recognised in:					
- profit or loss	17	1,573	(3,882)	64	(2,228)
- other comprehensive income	(12)	-	-	-	(12)
At 31 March 2018	(448)	(1,921)	(4,990)	(1,847)	(9,206)
Recognised in:					
- profit or loss	(31)	(1,451)	(483)	(63)	(2,028)
- other comprehensive income	27	-	-	-	27
At 31 March 2019	(452)	(3,372)	(5,473)	(1,910)	(11,207)

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	Others RM'000	Total RM'000
At 31 March 2017	33,115	1,345	34,460
Recognised in profit or loss	656	3,248	3,904
At 31 March 2018	33,771	4,593	38,364
Recognised in profit or loss	4,060	(393)	3,667
At 31 March 2019	37,831	4,200	42,031

30. DEFERRED TAX (CONT'D.)

Deferred tax liabilities/(assets) of the Company:

	Accelerated capital allowances RM'000	Provision for liabilities RM'000	Total RM'000
At 1 April 2017	6,505	(226)	6,279
Recognised in profit or loss	(149)	(64)	(213)
At 31 March 2018	6,356	(290)	6,066
Recognised in profit or loss	(117)	(92)	(209)
At 31 March 2019	6,239	(382)	5,857

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2019 RM'000	2018 RM'000
Unutilised tax losses	67,371	63,255
Unabsorbed capital allowances	31,424	28,114
Unabsorbed reinvestment allowances	1,528	183
	100,323	91,552

The unabsorbed capital allowances of the Group are available indefinitely against future taxable profit of the respective entities within the Group subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profit of other entities in the Group and they have arisen in entities that have a recent history of losses.

Effective from year of assessment 2019 as announced in the Malaysia Annual Budget 2019, the unutilised tax losses of the Group as at 31 March 2019 and thereafter will only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised tax losses will be disregarded.

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profit of other entities in the Group and they have arisen in entities that have a recent history of losses.

Notes to the **Financial Statements**
As at 31 March 2019

31. BORROWINGS

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short term borrowings				
Unsecured:				
- Bankers' acceptances	4,506	8,419	4,506	8,419
- Revolving credit	30,000	25,000	30,000	25,000
	34,506	33,419	34,506	33,419

Maturity of borrowings

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Within one year	34,506	33,419	34,506	33,419

The revolving credit facility is rolled over every three months.

The weighted average effective interest rate of the facilities during the financial year was 5.07% (2018: 4.87%) per annum.

32. TRADE AND OTHER PAYABLES

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Trade payables	13,675	12,788	111	123
Other payables				
Accruals	11,727	15,483	1,915	1,623
Deposits	429	481	30	87
Receipt in advance	5,731	1,144	-	-
Sundry payables	32,798	35,924	196	-
	50,685	53,032	2,141	1,710
Total trade and other payables	64,360	65,820	2,252	1,833

Trade payables amount are non-interest bearing which are normally settled from 30 to 90 days (2018: from 30 to 90 days) term.

33. PROVISIONS

	Group	
	2019	**2018**
	RM'000	**RM'000**
Provision for warranty (Note (a))	9,192	9,961
Provision for compensation claim (Note (b))	2,120	2,120
	11,312	12,081

(a) Provision for warranty is based on current volumes of products sold still under warranty and on historic quality rates as well as estimates and assumptions regarding future quality rates for new products.

	Group	
	2019	**2018**
	RM'000	**RM'000**
As at 1 April 2018/2017	9,961	14,827
Reversal of provision	(2,558)	(6,138)
Charge for the year	1,789	1,272
As at 31 March	9,192	9,961

(b) Provision for compensation claim is for a tenant's renovation costs and general damages arising from an early termination of a tenancy agreement by a subsidiary of the Company, Fima Corporation Berhad ("FCB"). On 27 September 2011, the Court of Appeal had allowed FCB to appeal against the decision handed down by the High Court in favour of the tenant and directed that the matter be remitted back to the High Court for a full trial. There has been no development since then.

34. RETAINED EARNINGS

As at 31 March 2019 and 31 March 2018, the Company may distribute the entire balance of the retained earnings under the single tier system.

35. COMMITMENTS

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Capital expenditure:				
Approved and contracted for:				
Property, plant and equipment	2,970	2,010	-	-
Approved but not contracted for:				
Property, plant and equipment	9,045	44,249	65	58
	12,015	46,259	65	58

36. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

	(Income)/expense 2019 RM'000	2018 RM'000
Group		
(a) Transaction with companies connected to directors and substantial shareholders:		
- Rental charges	(88)	(78)
- Purchase of products	(6,572)	(6,563)
- Service rendered	148	346
Company		
(a) Transaction with corporate shareholder:		
- Advisory services	120	120
(b) Transaction with subsidiaries:		
- Dividend income from subsidiaries	(51,453)	(41,223)
- Management fees from subsidiaries	(1,509)	(914)
- Interest charged to subsidiaries	(10,885)	(10,416)
- Sales of fish to a subsidiary	(10,593)	(16,307)
- Rental charges by a subsidiary	347	338

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, including any director (whether executive or otherwise).

36. RELATED PARTY DISCLOSURES (CONT'D.)

(b) Compensation of key management personnel (cont'd.)

The key management personnel of the Group and of the Company include directors of the Company and subsidiaries and certain members of senior management of the Group and of the Company. Their compensation are as follows:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Salaries and other short-term employee benefits	6,786	7,349	2,229	2,448
Contributions to defined contribution plan	1,284	1,173	387	426
	8,070	8,522	2,616	2,874

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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Directors remuneration:				
Directors of the Company (Note 7)	3,013	3,016	1,401	1,371
Directors of subsidiaries	2,242	2,485	-	-

37. SEGMENTAL INFORMATION

(a) Business segments

The Group is principally engaged in the following activities:

(i) Manufacturing - Production and trading of security and confidential documents.

(ii) Bulking - Providing bulk handling and storage of various types of liquid and semi-liquid products; as well as transportation and forwarding services.

(iii) Plantation - Oil palm and pineapple estate operations.

(iv) Food - Fish processing, canning and distribution and packaging of food products.

(v) Others - Investment holding, rental and management of commercial properties and trading.

Notes to the **Financial Statements**
As at 31 March 2019

37. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segments (cont'd.)

	Manufacturing		Plantation		Food	
	2019	2018	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
External sales	134,780	140,780	118,345	153,654	130,316	129,267
Inter-segment sales	-	-	-	-	-	-
Total revenue	134,780	140,780	118,345	153,654	130,316	129,267
Results						
Segment results	30,558	22,807	32,661	31,778	8,331	1,355
Profit from operations	-	-	-	-	-	-
Finance costs, net	-	-	(177)	(110)	-	-
Share of profit of associates	-	-	-	-	(2,802)	(2,171)
Income tax expense						
Profit net of tax						
Non-controlling interests	-	-	-	-	-	-
Profit attributable to equity holders of the Company						
Assets						
Segment assets	275,381	285,132	460,655	436,628	130,140	123,325
Consolidated total assets						
Liabilities						
Segment liabilities	37,314	31,299	266,047	285,686	54,150	58,159
Consolidated total liabilities						
Other information						
Capital expenditure	2,380	1,279	28,564	24,765	3,404	4,587
Depreciation of:						
Property, plant and equipment	3,145	3,893	14,941	12,426	2,342	2,296
Investment property	344	344	92	92	-	-
Impairment loss on:						
Property, plant and equipment	-	-	-	832	-	-
Trade receivables	24	1,547	-	9	1,017	46
Other receivables	-	-	-	318	852	-

Notes to the **Financial Statements**
As at 31 March 2019

Bulking		Others		Eliminations		Consolidated	
2019	**2018**	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**	**RM'000**
81,146	53,535	4,886	5,224	-	-	469,473	482,460
-	-	11,772	18,816	(11,772)	(18,816)	-	-
81,146	53,535	16,658	24,040	(11,772)	(18,816)	469,473	482,460
44,391	24,911	1,310	830	(1,371)	(1,571)	115,880	80,110
-	-	-	-	-	-	115,880	80,110
-	-	(1,748)	(1,390)	-	-	(1,925)	(1,500)
-	-	3,732	1,696	-	-	930	(475)
						(29,677)	(31,500)
						85,208	46,635
-	-	-	-	25,368	16,763	(25,368)	(16,763)
						59,840	29,872
82,295	64,869	347,129	393,773	(61,701)	(131,966)	1,233,899	1,171,761
						1,233,899	1,171,761
13,422	9,424	87,556	121,882	(281,549)	(334,614)	176,940	171,836
						176,940	171,836
5,046	1,698	1,073	166	-	-	40,467	32,495
4,278	3,988	711	403	-	-	25,417	23,006
-	-	1,202	1,199	-	-	1,638	1,635
-	-	-	-	-	-	-	832
-	-	-	-	-	-	1,041	1,602
-	50	-	-	-	-	852	368

37. SEGMENTAL INFORMATION (CONT'D.)

(b) Geographical segments

	Total revenue from external customers RM'000	Segment assets RM'000	Capital expenditure RM'000
31 March 2019			
Malaysia	243,076	1,043,737	33,147
Papua New Guinea	124,013	126,694	3,372
Indonesia	102,384	125,169	3,948
Eliminations	-	(61,701)	-
Consolidated	469,473	1,233,899	40,467
31 March 2018			
Malaysia	221,767	1,077,589	26,389
Papua New Guinea	122,673	119,673	4,392
Indonesia	138,020	106,465	1,714
Eliminations	-	(131,966)	-
Consolidated	482,460	1,171,761	32,495

38. FINANCIAL INSTRUMENTS

(a) Fair value measurement

The fair value measurement hierarchies used to measure assets would have the following levels are as follows:

Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Fair value measurement (cont'd.)

The following table presents the Group's and the Company's assets that are measured at fair value as at 31 March 2019 and 2018 respectively.

	Date of valuation	Group Level 1 RM'000	Company Level 1 RM'000
As at 31 March 2019			
Assets disclosed at fair value:			
Short term cash investments	31 March 2019	148,122	-
As at 31 March 2018			
Assets disclosed at fair value:			
Short term cash investments	31 March 2018	51,886	8,003

	Date of valuation	Group Level 3 RM'000	Company Level 3 RM'000
As at 31 March 2019			
Assets disclosed at fair value:			
Investment properties (Note 14)	31 March 2019	80,130	3,830
Assets measured at fair value:			
Biological asset (Note 15)	31 March 2019	4,504	-
As at 31 March 2018			
Assets disclosed at fair value:			
Investment properties (Note 14)	31 March 2018	77,515	3,830
Assets measured at fair value:			
Biological asset (Note 15)	31 March 2018	5,102	-

38. FINANCIAL INSTRUMENTS (CONT'D.)

(b) Classification of financial instruments

The financial instruments of the Group and of the Company as at the reporting date are categorised into the following classes:

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
(i) Financial assets measured at amortised cost				
Trade receivables (Note 20)	129,159	139,960	-	-
Other receivables (Note 21)	36,789	20,941	1,400	1,756
Less: Prepayments (Note 21)	(11,276)	(7,958)	(60)	(52)
Tax recoverable (Note 21)	(4,948)	(1,404)	(770)	(976)
	20,565	11,579	570	728
Due from subsidiaries (Note 22)	-	-	248,909	237,615
Cash and bank balances (Note 24)	142,196	235,297	17,179	11,578
Total financial assets measured at amortised cost	291,920	386,836	266,658	249,921
(ii) Fair value through profit or loss				
Short term cash investments (Note 23)	148,122	51,886	-	8,003
(iii) Financial liabilities measured at amortised cost				
Trade payables (Note 32)	13,675	12,788	111	123
Other payables (Note 32)	50,685	53,032	2,141	1,710
Due to subsidiaries (Note 22)	-	-	6,818	17,688
Borrowings (Note 31)	34,506	33,419	34,506	33,419
Total financial liabilities measured at amortised cost	98,866	99,239	43,576	52,940

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity/funding and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(a) Interest rate risk

The Group's primary interest rate risk relates to interest-bearing debt as at year end. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

The Group and the Company do not have significant interest rate exposures at the reporting date.

(b) Liquidity/funding risk

The Group defines liquidity/funding risk as the risk that funds will not be available to meet liabilities as they fall due.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible instruments to meet its working capital requirements. To ensure availability of funds, the Group closely monitors its cash flow position on a regular basis.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Contractual cash flow on demand or within one year	
	2019 RM'000	**2018 RM'000**
Group		
Financial liabilities:		
Trade and other payables	64,360	65,820
Borrowings	34,506	33,419
Total undiscounted financial liabilities	98,866	99,239

Notes to the **Financial Statements**
As at 31 March 2019

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity/funding risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	Contractual cashflow on demand or within one year 2019 RM'000	2018 RM'000
Company		
Financial liabilities:		
Trade and other payables	2,252	1,833
Due to subsidiaries	6,818	17,688
Borrowings	34,506	33,419
Total undiscounted financial liabilities	43,576	52,940

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Indonesian Rupiah and Papua New Guinea Kina. The Group does not practise any fund hedge for its purchases and sales transaction.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in the functional currency of the Company are as follows:

	Indonesian Rupiah RM'000	Papua New Guinea Kina RM'000	Total RM'000
At 31 March 2019			
Assets			
- Trade and other receivables	26,411	36,794	63,205
- Cash and cash equivalents	27,984	15,587	43,571
	54,395	52,381	106,776
Liabilities			
- Trade and other payables	7,937	4,729	12,666

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Foreign currency risk (cont'd.)

	Indonesian Rupiah RM'000	Papua New Guinea Kina RM'000	Total RM'000
At 31 March 2018			
Assets			
- Trade and other receivables	29,141	29,299	58,440
- Cash and cash equivalents	31,809	18,643	50,452
	60,950	47,942	108,892
Liabilities			
- Trade and other payables	13,948	4,888	18,836

Sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the Indonesian Rupiah ("IDR") and Papua New Guinea Kina ("PNGK") exchange rates against the functional currency of the affected group companies ("RM") with all other variables held constant.

	Group 2019 Effect on profit net of tax RM'000	Group 2018 Effect on profit net of tax RM'000
IDR - strengthen 5% (2018: 5%)	1,765	1,786
IDR - weaken 5% (2018: 5%)	(1,765)	(1,786)
PNGK - strengthen 5% (2018:5%)	1,811	1,636
PNGK - weaken 5% (2018:5%)	(1,811)	(1,636)

(d) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty except with the government agencies as disclosed in Note 20. The Group does not have any major concentration of credit risk related to any financial instruments.

40. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure in order to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders. The Group's approach in managing capital is based on defined guidelines that are approved by the Board.

There were no changes in the Group's approach to capital management during the year.

41. SUBSIDIARIES AND ACTIVITIES

Set out below is a list of the subsidiaries of the Company as at 31 March 2019, all of which are incorporated in Malaysia, unless otherwise indicated:

Name of company	Proportion of ownership interest 2019 %	2018 %	Principal activities
Manufacturing			
Security Printers (M) Sdn. Bhd. (34025-W)	60.02	60.02	Trading of security and confidential documents
Percetakan Keselamatan Nasional Sdn. Bhd. (166151-T)	60.02	60.02	Production of security and confidential documents
Property investment			
Fima Metal Box Holdings Sdn. Bhd. (70926-X)	100.0	100.0	Investment holding
Fima Corporation Berhad (21185-P)	60.02	60.02	Investment holding and property management
Fima Technology Sdn. Bhd. (formerly known as FCB Property Management Sdn. Bhd.) (264746-K)	60.02	60.02	Property management and engineering consultation services
FCB Plantation Holdings Sdn. Bhd. (270659-U)	60.02	60.02	Investment holding

41. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

Set out below is a list of the subsidiaries of the Company as at 31 March 2019, all of which are incorporated in Malaysia, unless otherwise indicated (cont'd.):

Name of company	Proportion of ownership interest 2019 %	2018 %	Principal activities
Bulking			
Fima Bulking Services Berhad (53110-X)	100.0	100.0	Providing bulk handling storage of liquid and semi-liquid products and investment holding
Fimachem Sdn. Bhd. (151893-X)	100.0	100.0	Providing bulk storage of liquid and semi-liquid hazardous products
Fima Liquid Bulking Sdn. Bhd. (182904-W)	100.0	100.0	Providing bulk storage of latex and palm oleo based products
Fima Palmbulk Services Sdn. Bhd. (61459-M)	100.0	100.0	Bulk handling of liquid and semi-liquid products
Fima Freight Forwarders Sdn. Bhd. (223850-P)	100.0	100.0	Provision of warehousing, transportation and forwarding services
Boustead Oil Bulking Sdn. Bhd. (81508-K)	100.0	100.0	Bulk handling of palm oil and edible oils
Fima Logistics Sdn. Bhd. (288891-A)	100.0	100.0	Inactive
Biodiesel			
Fima Biodiesel Sdn. Bhd. (715822-K)	100.0	100.0	Manufacturing of biodiesel and trading of its related products
Plantation			
Pineapple Cannery of Malaysia Sendirian Berhad (5367-U)	100.0	100.0	Pineapple and oil palm cultivation
PT Nunukan Jaya Lestari^ (NPWP 02.033.898.4-723.000)	48.02	48.02	Oil palm production and processing
Victoria Square Plantation Sdn. Bhd. (733298-K)	80.0	80.0	Investment holding

41. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

Set out below is a list of the subsidiaries of the Company as at 31 March 2019, all of which are incorporated in Malaysia, unless otherwise indicated (cont'd.):

Name of company	Proportion of ownership interest 2019 %	2018 %	Principal activities
Plantation (cont'd.)			
Amgreen Gain Sdn. Bhd. (655236-V)	52.0	52.0	Oil palm plantation
Ladang Fima Sdn. Bhd. (12652-H)	100.0	100.0	Inactive
Fima-TLP Feedlot Sdn. Bhd. (31385-U)	85.0	85.0	Inactive
Cendana Laksana Sdn. Bhd. (1024167-W)	60.02	60.02	Oil palm plantation
Gabungan Warisan Sdn. Bhd. (327836-P)	60.02	60.02	Oil palm plantation
Next Oasis Sdn. Bhd. (1109497-D)	60.02	60.02	Investment holding
Taka Worldwide Trading Sdn. Bhd. (714855-P)	60.02	60.02	Oil palm plantation
Etika Gangsa Sdn. Bhd. (754947-D)	60.02	60.02	Oil palm plantation
R.N.E. Plantation Sdn. Bhd. (1067900-V)	42.01	42.01	Oil palm plantation
FCB Eastern Plantations Sdn. Bhd. (210695-H)	60.02	60.02	Investment holding
Ladang Bunga Tanjong Sdn. Bhd.* (389827-K)	48.02	48.02	Oil palm plantation
Food			
International Food Corporation Limited (C.1-19260) +	95.6	95.6	Fish processing, canning and distribution
Fima Instanco Sdn. Bhd. (19196-T)	100.0	100.0	Packaging of food products
Fima-Mr. Juicy Sdn. Bhd. (22947-D)	100.0	100.0	Inactive
IFC Marketing and Distribution Limited (C.1-19261) +	95.6	95.6	Inactive

41. SUBSIDIARIES AND ACTIVITIES (CONT'D.)

Set out below is a list of the subsidiaries of the Company as at 31 March 2019, all of which are incorporated in Malaysia, unless otherwise indicated (cont'd.):

Name of company	Proportion of ownership interest 2019 %	2018 %	Principal activities
Others			
Malaysian Transnational Trading (MATTRA) Corporation Berhad (84962-V)	100.0	100.0	Inactive
Mattra Premier Sdn. Bhd. (288892-P)	100.0	100.0	Inactive
KF Commodities Sdn.Bhd. (240960-H)	100.0	100.0	Inactive
Fima Overseas Holdings Sdn. Bhd. (36334-P)	100.0	100.0	Investment holding
Endell Pte. Ltd. (199206825E) ɸ*	80.0	80.0	Investment holding
Fima Fraser's Hill Sdn. Bhd. (26087-U)	60.0	60.0	Inactive

ɸ Incorporated in Singapore.
+ Incorporated in Papua New Guinea, audited by member firms of Ernst & Young Global in Papua New Guinea.
^ Incorporated in Indonesia, audited by member firms of Ernst & Young Global in Indonesia.
* Audited by firms of chartered accountants other than Hanafiah Raslan & Mohamad.

Notes to the **Financial Statements**
As at 31 March 2019

42. ASSOCIATES AND ACTIVITIES

Details of associates are as follows:

Name of company	Proportion of ownership interest 2019 %	2018 %	Principal activities
Marushin Canneries (Malaysia) Sdn. Bhd. (162963-U)*	38.0	38.0	Manufacturer and sale of canned fish
Held through subsidiary:			
Giesecke & Devrient Malaysia Sdn. Bhd. (573030-M)*	20.0	20.0	Printing and production of bank notes

* Associates audited by firms of chartered accountants other than Hanafiah Raslan & Mohamad.

43. MATERIAL LITIGATION

(i) Hak Guna Usaha No. 01/Nunukan Utara

On 23 August 2016, the Company's subsidiary, PT Nunukan Jaya Lestari ("PTNJL"), received an order issued by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional ("Ministerial Order") dated 25 July 2016 to revoke PTNJL's right for the cultivation of oil palm in Kalimantan Utara with immediate effect.

The Ministerial Order was on the basis that the HGU was improperly issued due to administrative irregularities performed by certain officers of the Badan Pertanahan Nasional Provinsi Kalimantan Timur at the time of the issuance of the HGU in 2003, resulting in parts of the area within the HGU to overlap with forestry areas.

On 21 October 2016, PTNJL filed an application in the Pengadilan Tata Usaha ("PTUN") in Jakarta, Indonesia seeking an order to annul the Ministerial Order. Simultaneously, in the said application, PTNJL has also sought an order from PTUN to postpone the enforcement of the Ministerial Order pending full and final determination of the matter by the Indonesian courts.

On 13 June 2017, the State Administrative Court delivered an oral judgment and dismissed the application filed by PTNJL to annul the Ministerial Order. On 21 June 2017, PTNJL had filed an application to the Court of Appeal to appeal against the decision of the State Administrative Court.

43. MATERIAL LITIGATION (CONT'D.)

(i) Hak Guna Usaha No. 01/Nunukan Utara (cont'd.)

The Pengadilan Tinggi Tata Usaha Negara Jakarta vide its written decision dated 11 December 2017:

- has partly allowed PTNJL's appeal against the State Administrative Court's decision, with costs;

- has declared that 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; and

- has ordered the Defendant to revoke the Ministerial Order save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares.

Subsequently, PTNJL filed its statement of appeal on 10 January 2018 and appeal on 23 January 2018 to the Mahkamah Agung Republik Indonesia ("Mahkamah Agung") in respect of the aforesaid decision.

Mahkamah Agung, vide its written decision dated 21 August 2018, has allowed PTNJL's appeal and ruled that the Ministerial Order revoking PTNJL's HGU be annulled. The Mahkamah Agung also ordered the Defendant, to simultaneously:

(i) issue an order cancelling PTNJL's HGU rights over the areas overlapping with third party interests measuring 3,500 hectares; and

(ii) issue a new HGU certificate in favour of PTNJL for an area measuring 16,474.130 hectares, (which is 19,974.130 hectares less the 3,500 hectares referred to in paragraph (i) above).

PTNJL is currently taking the necessary legal steps to enforce the court's decision.

The amount of write back relating to the impairment of property, plant and equipment previously affected by the Ministerial Order was RM23,631,000 which has been reflected in the Note 9 and Note 13.

On 18 February 2019, PTNJL's solicitors has received notice (which was subsequently forwarded to PTNJL on 19 February 2019) that the Defendant has filed an application for judicial review together with its judicial review memorandum at the Mahkamah Agung on 8 February 2019. The Defendant is seeking to set aside the Mahkamah Agung's written decision dated 21 August 2018 on grounds that the court had among others misapplied the law to the relevant facts in arriving at the decision. PTNJL has on 18 March 2019 filed a counter memorandum at the Mahkamah Agung in response to the said application. The decision is currently pending.

Under Indonesian laws and regulations, commencement of judicial review proceedings does not prevent the implementation of the Mahkamah Agung's written decision as aforesaid.

43. MATERIAL LITIGATION (CONT'D.)

(ii) Legal Action against Datasonic Technologies Sdn. Bhd.

On 30 July 2018, Percetakan Keselamatan Nasional Sdn. Bhd. ("PKN"), a wholly-owned subsidiary of the Company's subsidiary, Fima Corporation Berhad ("FimaCorp"), has on the same day, commenced a High Court action against Datasonic Technologies Sdn. Bhd. ("DTSB").

The claim is for a sum of RM24,975,000 (excluding interest and cost), being the amount due and owing by DTSB to PKN for 1.5 million Malaysian passport booklets which were supplied by PKN to DTSB.

At the request of DTSB during the case management on 3 October 2018, PKN agreed to attempt mediation with the aim of arriving at an amicable resolution. The mediation took place on 17 October 2018 and 19 October 2018. However, the parties could not reach a resolution.

On 19 April 2019, FimaCorp 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.

This civil suit is not expected to have any material impact on the financial and operational position of the Company.

44. EXPLANATION OF TRANSITION OF MFRSS

As stated in Note 2.1, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set out in Note 2.3 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 March 2019, the comparative information presented in these financial statements for the financial year ended 31 March 2018 and in the preparation of the opening MFRSs statement of financial position at 1 April 2017 (the Group's and the Company's date of transition to MFRSs).

In preparing the opening statement of financial position at 1 April 2017, the Group and the Company have adjusted amounts reported previously in financial statements prepared in accordance with FRSs.

44. EXPLANATION OF TRANSITION OF MFRSS (CONT'D.)

The significant accounting policies adopted in preparing the financial statements are consistent with those of the audited financial statement for the year ended 31 March 2018, except as discussed below:

(a) Transition from FRSs to MFRSs Framework

(i) Property, plant and equipment

Under the FRS accounting framework, the Group and the Company elected to account for the freehold land, leasehold land and buildings included within property, plant and equipment using the revaluation model. The Group and the Company have elected to use the previous revaluation as deemed cost under MFRS. Accordingly, the carrying amounts of these property, plant and equipment have not been restated and the previous revaluation reserve of the Group and the Company were reclassified to retained earnings.

(ii) Foreign currency translation difference

Under FRSs, the Group recognised foreign currency translation differences in other comprehensive income and accumulated the amount in the foreign currency translation deficit in equity.

Upon transition to MFRSs, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

(b) Adoption of MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 and amends the previous requirements in three main area (i) classification and measurement of financial assets; (ii) impairment of financial assets, mainly by introducing a forward looking expected loss impairment model and (iii) hedge accounting including removing some of the restrictions on applying hedge accounting in MFRS 139. With the exeption of hedge accounting, the Group has applied MFRS 9 retrospectively, with the initial application date of 1 April 2018 and adjusting the comparative information for the period beginning 1 April 2017.

44. EXPLANATION OF TRANSITION OF MFRSS (CONT'D.)

The significant accounting policies adopted in preparing the financial statements are consistent with those of the audited financial statement for the year ended 31 March 2018, except as discussed below: (cont'd.)

(b) Adoption of MFRS 9 Financial Instruments (cont'd.)

The impact of MFRS 9 adoption is described below:

(i) Classification and measurement

MFRS 9 contains a new classification and measurement approach for the financial assets that reflects the business model in which the assets are managed and their cash flows characteristics.

MFRS 9 contains three principal classification catergories for the financial assets as follows:

- Financial assets at amortised cost ("AC")
- Financial assets at fair value through profit and loss ("FVTPL")
- Financial assets at fair value through other comprehensive income ("FVTOCI")

The standard also eliminates the previous FRS 139 categories of Held - to - Maturity, Loan and Receivables ("L&R") and Available-for-Sale ("AFS"). All the Group's and the Company's financial liabilities previously categorised under L&R are now categorised as financial liabilities at amortised cost.

The following table shows the original measurement categories in accordance FRS 139 and the new measurement categories under MFRS 9 for the Group's and the Company's financial assets as at 1 April 2018.

	Original classification under FRS 139	Original carrying amount under FRS 139 RM '000	New classification under MFRS 9	New carrying amount under MFRS 9 RM '000
Group				
Trade receivables	L&R	141,507	AC	139,960
Other receivables, excluding tax recoverable and prepayment	L&R	11,579	AC	11,579
Cash and bank balances	L&R	235,297	AC	235,297
Short term cash investments	FVTPL	51,886	FVTPL	51,886
Company				
Other receivables, excluding tax recoverable and prepayments	L&R	728	AC	728
Amount due from related companies	L&R	237,615	AC	237,615
Cash and bank balances	L&R	11,578	AC	11,578
Short term cash investments	FVTPL	8,003	FVTPL	8,003

44. EXPLANATION OF TRANSITION OF MFRSS (CONT'D.)

The significant accounting policies adopted in preparing the financial statements are consistent with those of the audited financial statement for the year ended 31 March 2018, except as discussed below: (cont'd.)

(b) Adoption of MFRS 9 Financial Instruments (cont'd.)

(ii) Impairment of financial assets

MFRS 9 also replaces the loss model in MFRS 139 with ECL model. Under MFRS 9, loss allowances will be measured on either 12-months ECLs or lifetime ECLs.

(c) Adoption of MFRS 141 Agriculture

Under the MFRS framework, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116 Property, Plant and Equipment. After initial recognition, the bearer biological assets will be measured at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The Group currently measures the bearer biological assets at fair value less accumulated impairment losses recognised after the date of valuation. Upon adoption of MFRS framework, the Group decided to apply the cost model for accounting the bearer plants, the change in accounting framework will result in the reclassification of the bearer assets from biological assets to property, plant and equipment, and the revaluation amount on the transition date to be recorded as deemed costs of the bearer plants which will subsequently be stated at cost less any accumulated impairment losses.

The amendments also require produce that grows on bearer plants to be within the scope of MFRS 141 measured at fair value less cost to sell. Changes in fair value less cost to sell are recognised in profit or loss.

44. EXPLANATION OF TRANSITION OF MFRSS (CONT'D.)

The significant accounting policies adopted in preparing the financial statements are consistent with those of the audited financial statement for the year ended 31 March 2018, except as discussed below: (cont'd.)

The effects of transitioning from FRSs to MFRSs, adoptions of MFRS 9 and MFRS 141 are as follows:

Reconciliation of Statements of Financial Position

Group	Previously reported under FRS RM '000	Effects from transition to MFRS RM '000	Effects from adoption of MFRS 9 RM '000	Effects from adoption of MFRS 141 RM '000	New carrying amount under MFRS RM '000
As at 1 April 2017					
Non-current assets					
Property, plant and equipment	319,119	-	-	156,208	475,327
Biological assets	156,208	-	-	(156,208)	-
Current assets					
Biological assets	-	-	-	6,289	6,289
Trade and other receivables	140,701	-	-	-	140,701
Equity					
Other reserves	141,654	(74,758)	-	-	66,896
Retained earnings	315,379	74,758	-	4,087	394,224
Non-controlling interests	257,704	-	-	664	258,368
Non-current liability					
Deferred tax liabilities	32,922	-	-	1,538	34,460

44. EXPLANATION OF TRANSITION OF MFRSS (CONT'D.)

The effects of transitioning from FRSs to MFRSs, adoptions of MFRS 9 and MFRS 141 are as follows: (cont'd.)

Reconciliation of Statements of Financial Position (cont'd.)

Group (cont'd.)	Previously reported under FRS RM '000	Effects from transition to MFRS RM '000	Effects from adoption of MFRS 9 RM '000	Effects from adoption of MFRS 141 RM '000	New carrying amount under MFRS RM '000
As at 31 March 2018					
Non-current assets					
Property, plant and equipment	330,965	-	-	177,794	508,759
Biological assets	177,794	-	-	(177,794)	-
Current assets					
Biological assets	-	-	-	5,102	5,102
Trade and other receivables	162,448	-	(1,547)	-	160,901
Equity					
Other reserves	119,616	(74,758)	-	-	44,858
Retained earnings	322,333	74,758	(1,547)	3,449	398,993
Non-controlling interests	244,415	-	-	429	244,844
Non-current liability					
Deferred tax liabilities	37,140	-	-	1,224	38,364
Company					
As at 1 April 2017					
Equity					
Other reserves	21,065	(21,065)	-	-	-
Retained earnings	87,563	21,065	-	-	108,628
As at 31 March 2018					
Equity					
Other reserves	21,065	(21,065)	-	-	-
Retained earnings	103,141	21,065	-	-	124,206

Notes to the **Financial Statements**
As at 31 March 2019

44. EXPLANATION OF TRANSITION OF MFRSS (CONT'D.)

The effects of transitioning from FRSs to MFRSs, adoptions of MFRS 9 and MFRS 141 are as follows: (cont'd.)

Reconciliation of Statement of Comprehensive Income
For the year ended 31 March 2018

Group	Previously reported under FRS RM '000	Effects from transition to MFRS RM '000	Effects from adoption of MFRS 9 RM '000	Effects from adoption of MFRS 141 RM '000	Reported under MFRS RM '000
Revenue	482,460	-	-	-	482,460
Cost of sales	(294,065)	-	-	(802)	(294,867)
Gross profit	188,395	-	-	(802)	187,593
Other income	12,276	-	-	-	12,276
Other items of expense					
Administrative expenses	(86,244)	-	-	-	(86,244)
Selling and marketing expenses	(12,969)	-	-	-	(12,969)
Other operating expense	(18,999)	-	(1,547)	-	(20,546)
Finance cost	(1,500)	-	-	-	(1,500)
Share of results from associate	(475)	-	-	-	(475)
Profit before tax	80,484	-	(1,547)	(802)	78,135
Income tax expense	(31,717)	-	-	217	(31,500)
Profit net of tax	48,767	-	(1,547)	(585)	46,635
Other comprehensive income/expense, net of tax					
Item that will not be subsequently reclassified to profit or loss					
Remeasurement of defined benefit liability	(36)	-	-	-	(36)
Item that will be subsequently reclassified to profit or loss					
Foreign currency translation loss	(27,036)	-	-	(288)	(27,324)
Total comprehensive income for the year	21,695	-	(1,547)	(873)	19,275
Profit attributable to:					
Equity holders of the Company	32,057	-	(1,547)	(638)	29,872
Non-controlling interest	16,710	-	-	53	16,763
Profit for the year	48,767	-	(1,547)	(585)	46,635

44. EXPLANATION OF TRANSITION OF MFRSS (CONT'D.)

The effects of transitioning from FRSs to MFRSs, adoptions of MFRS 9 and MFRS 141 are as follows: (cont'd.)

Reconciliation of Statement of Comprehensive Income
For the year ended 31 March 2018 (cont'd.)

Group (cont'd.)	Previously reported under FRS RM '000	Effects from transition to MFRS RM '000	Effects from adoption of MFRS 9 RM '000	Effects from adoption of MFRS 141 RM '000	Reported under MFRS RM '000
Total comprehensive income attributable to:					
Equity holders of the Company	9,983	-	(1,547)	(638)	7,798
Non-controlling interest	11,712	-	-	(235)	11,477
Total comprehensive income for the year	21,695	-	(1,547)	(873)	19,275

Reconciliation of Statement of Cash Flows
For the year ended 31 March 2018

Group	Previously reported under FRS RM '000	Effects from adoption of MFRS 9 RM '000	Effects from adoption of MFRS 141 RM '000	Reported under MFRS RM '000
Profit before tax	80,484	(1,547)	(802)	78,135
Depreciation for property, plant and equipment	19,113	-	3,893	23,006
Amortisation of biological assets	3,893	-	(3,893)	-
Fair value changes on biological assets	-	-	802	802
Allowance for impairment on trade receivables	55	1,547	-	1,602
Purchase of property, plant and equipment	(13,805)	-	(18,690)	(32,495)
Additions to biological assets	(18,690)	-	18,690	-

45. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2019 were authorised for issue in accordance with resolution of the directors on 26 June 2019.

Properties of the Group

As at 31 March 2019

No.	Location	Description/ Existing use	Latest valuation/ acquisition date	Tenure expiry date	Land area (acre)	Built-up area (sq.ft)	NBV as at 31/03/2019 (RM'000)	Approximate age of buildings (years)
KUMPULAN FIMA BERHAD								
1	HS(D) 1396, PTD 257 Mukim Ulu Sg. Sedili Besar Daerah Kota Tinggi Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Leasehold expiring 17/02/2077	1,010.27	N/A	23,237	N/A
2	HS(D) 1397, PTD 258 Mukim Ulu Sg. Sedili Besar Daerah Kota Tinggi Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Leasehold expiring 17/02/2077	47.88	N/A	1,101	N/A
3	HS(D) 1398, PTD 331 Mukim Kota Tinggi Daerah Kota Tinggi Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Leasehold expiring 17/02/2077	18.82	N/A	433	N/A
4	GRN 497074 LOT 8022 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	5.91	N/A	54	N/A
5	GRN 346599 Lot 8024 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple Plantation	23/03/2015	Freehold	496.42	N/A	4,565	N/A
6	HS(D) 2428, PTD 5871 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	136.00	N/A	1,251	N/A
7	HS(D) 2429, PTD 5228 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	172.00	N/A	1,582	N/A
8	GRN 346581 LOT 8026 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple Plantation	23/03/2015	Freehold	217.57	N/A	2,001	N/A

Properties of **the Group**
As at 31 March 2019

No.	Location	Description/ Existing use	Latest valuation/ acquisition date	Tenure expiry date	Land area (acre)	Built-up area (sq.ft)	NBV as at 31/03/2019 (RM'000)	Approximate age of buildings (years)
KUMPULAN FIMA BERHAD (CONT'D.)								
9	GRN 497075 LOT 8021 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	320.98	N/A	2,951	N/A
10	GRN 346571, LOT 8025 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple Plantation	23/03/2015	Freehold	382.51	N/A	3,517	N/A
11	PJ Trade Centre (3 units) Menara Bata No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor	Office Units	23/03/2015	Leasehold	N/A	8,852	3,058	10
	Sub Total				**2,808.36**	**8,852**	**43,750**	
AMGREEN GAIN SDN. BHD.								
1	Lot No. 1, Block 10 Puyut Land District Sg Karap and Sg Kulak, Baram Miri, Sarawak	Mixed Zone Land / Oil Palm Plantation	23/03/2015	Lease of State Land 60 years expiring 12/08/2069	12,080.47	25,244	48,843	N/A
	Sub Total				**12,080.47**	**25,244**	**48,843**	
FIMA CORPORATION BERHAD								
1	H.S.(D) 13531, PTD 4656 Mukim Jeram Batu, Daerah Pontian Johor Darul Takzim	Industrial Land / Factory & Office Buildings	23/03/2015	Freehold	2.71	66,608	883	51

Properties of **the Group**
As at 31 March 2019

No.	Location	Description/ Existing use	Latest valuation/ acquisition date	Tenure expiry date	Land area (acre)	Built-up area (sq.ft)	NBV as at 31/03/2019 (RM'000)	Approximate age of buildings (years)
FIMA CORPORATION BERHAD (CONT'D.)								
2	Lot 1176 Mukim Pasir Panjang Port Dickson Negeri Sembilan Darul Khusus	Bungalow	23/03/2015	Freehold	0.82	3,114	1,642	70
3	Lot 52068, GRN 50064 Mukim of Kuala Lumpur Wilayah Persekutuan	Office Building	23/03/2015	Freehold	1.45	270,372	47,488	21
	Sub Total				**4.98**	**340,094**	**50,013**	
CENDANA LAKSANA SDN. BHD.								
1	H.S.(D) 398, PT 757 P Mukim Tebak, Daerah Kemaman Terengganu	Oil Palm Plantation		Leasehold expiring 08/08/2039	999.98	N/A	14,643	N/A
2	PN 7602, Lot 2925 Mukim Tebak, Daerah Kemaman Terengganu	Oil Palm Plantation		Leasehold expiring 08/02/2048	940.71	N/A	12,422	N/A
	Sub Total				**1,940.69**	**-**	**27,065**	
GABUNGAN WARISAN SDN. BHD.								
1	H.S.(D) 9350, PT 4718 Mukim Kuala Stong Jajahan Kuala Krai Kelantan	Oil Palm Plantation		Leasehold expiring 22/07/2112	617.26	N/A	6,441	N/A
	Sub Total				**617.26**	**-**	**6,441**	

Properties of **the Group**
As at 31 March 2019

No.	Location	Description/ Existing use	Latest valuation/ acquisition date	Tenure expiry date	Land area (acre)	Built-up area (sq.ft)	NBV as at 31/03/2019 (RM'000)	Approximate age of buildings (years)
TAKA WORLDWIDE TRADING SDN. BHD.								
1	H.S. (D) 2345, PT 6943 Mukim Relai, Jajahan Gua Musang Kelantan	Oil Palm Plantation		Leasehold expiring 05/03/2107	499.98	N/A	4,287	N/A
	Sub Total				**499.98**	**-**	**4,287**	
ETIKA GANGSA SDN. BHD.								
1	H.S. (D) 2346, PT 6944 Mukim Relai, Jajahan Gua Musang Kelantan	Oil Palm Plantation		Leasehold expiring 05/03/2107	499.98	N/A	3,900	N/A
	Sub Total				**499.98**	**-**	**3,900**	
PERCETAKAN KESELAMATAN NASIONAL SDN. BHD.								
1	Lot 27306, Section 13 Mukim Kajang Daerah Hulu Langat Selangor	Industrial Land / Building		Leasehold expiring 29/09/2086	8.30	250,560	10,885	32
	Sub Total				**8.30**	**250,560**	**10,885**	
R.N.E. PLANTATION SDN. BHD.								
1	PT 14352 H.S(D) 16214 Mukim Sungai Siput District of Kuala Kangsar Perak	Agriculture		Leasehold expiring 03/08/2075	4,942.00	N/A	22,479	N/A
	Sub Total				**4,942.00**	**-**	**22,479**	

Properties of **the Group**
As at 31 March 2019

No.	Location	Description/ Existing use	Latest valuation/ acquisition date	Tenure expiry date	Land area (acre)	Built-up area (sq.ft)	NBV as at 31/03/2019 (RM'000)	Approximate age of buildings (years)
LADANG BUNGA TANJONG SDN. BHD.								
1	GRN 36415 Lot 2429 Mukim Lubok Bungor Jajahan Jeli Kelantan	Agriculture		Leasehold expiring 28/09/2069	3,288.90	N/A	25,863	N/A
	Sub Total				**3,288.90**	**-**	**25,863**	
PT NUNUKAN JAYA LESTARI								
1	Hak Guna Usaha (HGU) No. 1 and Hak Guna Bangunan (HGB) No.50 Kelurahan Nunukan Barat Kabupaten & Kecamatan Nunukan Propinsi Kalimantan Timur Indonesia	Agriculture / Oil Palm Plantation / Palm Oil Mill and Building	09/04/2007 31/12/2014	Leasehold expiring: 12/05/2038 (HGU) 17/03/2035 (HGB)	49,355.75 286.14	N/A 112,735	23,723 852	N/A 14
	Sub Total				**49,641.89**	**112,735**	**24,575**	
PINEAPPLE CANNERY OF MALAYSIA SDN. BHD.								
1	H.S.(D) 62211, PTD 5525, Mukim Machap, Daerah Kluang Johor Darul Takzim	Agriculture / Buildings	23/03/2015	Leasehold expiring 16/10/2038	209.89	N/A	845	N/A
2	Lot 1790, GM 1721 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Rubber Plantation	23/03/2015	Freehold	4.39	N/A	381	N/A
3	Lot 4552, GM 280, Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Effluent Pond	23/03/2015	Freehold	2.63	N/A	228	N/A

Properties of **the Group**
As at 31 March 2019

No.	Location	Description/ Existing use	Latest valuation/ acquisition date	Tenure expiry date	Land area (acre)	Built-up area (sq.ft)	NBV as at 31/03/2019 (RM'000)	Approximate age of buildings (years)
PINEAPPLE CANNERY OF MALAYSIA SDN. BHD. (CONT'D.)								
4	Lot 4554, GM 278 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Effluent Pond	23/03/2015	Freehold	2.40	N/A	208	N/A
5	Lot 1681, GM 4287 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Dumping Ground	23/03/2015	Freehold	2.43	N/A	250	N/A
6	H.S.(D) 13531, PTD 4656 & H.S.(D) 13532, PTD 4657 (Lot 3767, 3768 & 3769) Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Industrial Land / Factory & Office Buildings / Residential / Single Storey House	23/03/2015	Freehold	25.12	235,160	8,355	51
7	Lot 3886, GN 96493 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	23/03/2015	Freehold	10.00	N/A	2,647	N/A
8	Lot 3887, GN 96495 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	23/03/2015	Freehold	10.00	N/A	2,647	N/A
9	Lot 3890, GN 96497 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	23/03/2015	Freehold	6.46	N/A	1,710	N/A
10	Lot 3891, GN 96499 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	23/03/2015	Freehold	10.00	N/A	2,647	N/A

Properties of **the Group**
As at 31 March 2019

No.	Location	Description/ Existing use	Latest valuation/ acquisition date	Tenure expiry date	Land area (acre)	Built-up area (sq.ft)	NBV as at 31/03/2019 (RM'000)	Approximate age of buildings (years)
PINEAPPLE CANNERY OF MALAYSIA SDN. BHD. (CONT'D.)								
11	Lot 1789, GM 1720 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture	23/03/2015	Freehold	4.06	N/A	352	51
12	Lot 180, GM 136 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	7.22	42,782	353	46
13	Lot 181, GM 137 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	6.78	40,175	332	46
14	Lot 182, H.S.(D) 1976 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Industrial Land / Single Storey Factory Building	23/03/2015	Leasehold expiring 03/01/2079	1.59	9,422	27	46
15	Lot 183, GM 135 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	3.80	22,517	186	46
16	Lot 184, GM 134 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	2.73	16,532	134	46
17	Lot 185, GM 85 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture	23/03/2015	Freehold	3.19	N/A	103	N/A

Properties of **the Group**
As at 31 March 2019

No.	Location	Description/ Existing use	Latest valuation/ acquisition date	Tenure expiry date	Land area (acre)	Built-up area (sq.ft)	NBV as at 31/03/2019 (RM'000)	Approximate age of buildings (years)
PINEAPPLE CANNERY OF MALAYSIA SDN. BHD. (CONT'D.)								
18	Lot 560, GM 132 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Residential Buildings & One Hostel Block	23/03/2015	Freehold	3.34	16,310	163	46
19	Lot 561, GM 133 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Two Single Storey Hostel Blocks	23/03/2015	Freehold	2.16	4,800	106	46
20	Lot 2945, GM 138, Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	2.31	13,984	113	46
21	HS(D) 1396, PTD 257 & HS(D) 1397, PTD 258 Mukim Ulu Sg. Sedili Besar & Mukim Kota Tinggi Daerah Kota Tinggi Johor Darul Takzim	Office & Staff / Workers Quarters	23/03/2015	Land owned by KFima	N/A	12,376	451	41
22	GRN 346571, Lot 8025 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Office Building & Workers Quarters	23/03/2015	Land owned by KFima	N/A	5,520	1,272	7
	Sub Total				**320.50**	**419,578**	**23,510**	

Properties of **the Group**
As at 31 March 2019

No.	Location	Description/ Existing use	Latest valuation/ acquisition date	Tenure expiry date	Land area (acre)	Built-up area (sq.ft)	NBV as at 31/03/2019 (RM'000)	Approximate age of buildings (years)
BULKING GROUP OF COMPANIES								
1	Part of HS(D) 24616 PT 11689, Mukim Kapar Daerah Klang Selangor Darul Ehsan	Office Building	23/03/2015	Leasehold expiring 14/07/2022	12.41	38,438	390	37
2	Part of HS(D) 24616 PT 11689, Mukim Kapar Daerah Klang Selangor Darul Ehsan	Office Building	23/03/2015	Leasehold expiring 14/07/2022	14.02	14,560	-	30
3	Part of HS(D) 24616 PT 11689, Mukim Kapar Daerah Klang Selangor Darul Ehsan	Office Building	23/03/2015	Leasehold expiring 14/07/2022	3.80	15,752	4	27
4	Plot 'A' H.S.(D) HBM.1 Town of Butterworth-Seksyen 4, Daerah Seberang Perai Utara Pulau Pinang	Office Building	23/03/2015	Leasehold expiring 30/06/2023	5.17	27,238	-	35
	Sub Total				**35.40**	**95,988**	**394**	
INTERNATIONAL FOOD CORPORATION LIMITED								
1	Portion 361 Malahang, Lae Papua New Guinea	Industrial Land / Office Building, Amenities Building & 2 Factory Buildings		State Lease expiring 19/10/2093	35.65	204,999	31,432	24
	Sub Total				**35.65**	**204,999**	**31,432**	

Properties of **the Group**
As at 31 March 2019

No.	Location	Description/ Existing use	Latest valuation/ acquisition date	Tenure expiry date	Land area (acre)	Built-up area (sq.ft)	NBV as at 31/03/2019 (RM'000)	Approximate age of buildings (years)
FIMA FRASER'S HILL SDN. BHD.								
1	Lot 4509, PN 4503 Mukim Teras, Daerah Raub Pahang Darul Makmur	Agriculture	23/03/2015	Leasehold expiring 01/01/2036	130.17	N/A	1,016	N/A
	Sub Total				**130.17**	**-**	**1,016**	
	GRAND TOTAL				**76,855**	**1,458,050**	**324,453**	

Analysis of **Shareholdings**

As at 28 June 2019

THIRTY LARGEST SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	% of Total Shareholdings
1.	BHR ENTERPRISE SDN BHD	147,252,300	52.34
2.	SUBUR RAHMAT SDN BHD	11,509,200	4.09
3.	HSBC NOMINEES (ASING) SDN BHD KBL EURO PB FOR SAMARANG UCITS - SAMARANG ASIAN PROSPERITY	10,569,200	3.76
4.	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SUBUR RAHMAT SDN BHD (M&A)	7,500,000	2.67
5.	NEOH CHOO EE & COMPANY, SDN. BERHAD	3,799,700	1.35
6.	CIMB GROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS)	2,452,900	0.87
7.	LEONG KOK TAI	2,023,500	0.72
8.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	1,361,700	0.48
9.	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KUANG (D)	1,349,300	0.48
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROSLAN BIN HAMIR	1,291,000	0.46
11.	TAN KIM KEE @ TAN KEE	1,096,500	0.39
12.	AFFIN HWANG NOMINEES (ASING) SDN BHD DBS VICKERS SECS (S) PTE LTD FOR ASIA HUMANISTIC CAPITAL INC	1,019,000	0.36
13.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KHIAN BENG (003)	966,300	0.34
14.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR K.B.LOH SDN BHD (23MG00001)	926,500	0.33
15.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	909,400	0.32
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD JINCAN SDN BHD	900,000	0.32
17.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND SD4N FOR GOVERNMENT OF THE PROVINCE OF ALBERTA	885,300	0.31

Analysis of **Shareholdings**
As at 28 June 2019

No.	Name of Shareholder	No. of Shares	% of Total Shareholdings
18.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN	885,100	0.31
19.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	826,650	0.29
20.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN TEE JIN	800,000	0.28
21.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN TIAN SANG @ TAN TIAN SONG (E-PPG)	785,000	0.28
22.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	761,900	0.27
23.	GAN CHUN HUI	738,700	0.26
24.	HSBC NOMINEES (ASING) SDN BHD TNTC FOR LSV EMERGING MARKETS SMALL CAP EQUITY FUND, LP	690,100	0.25
25.	M&A NOMINEE (TEMPATAN) SDN BHD PLEDGES SECURITIES ACCOUNT FOR ZAILINI BINTI ZAINAL ABIDIN (M&A)	680,000	0.24
26.	HSBC NOMINEES (ASING) SDN BHD JPMBL SA FOR STICHTING SHELL PENSIONFONDS	647,600	0.23
27.	LIM KHUAN ENG	640,000	0.23
28.	PM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KHIAN BENG (D)	578,600	0.21
29.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR SHELL CONTRIBUTORY PENSION FUND (SHELL-TRUSTEE)	568,800	0.20
30.	TAI TSU KUANG @ TYE TSU HONG	550,000	0.20

SUBSTANTIAL SHAREHOLDERS

		DIRECT HOLDINGS		INDIRECT HOLDINGS	
No.	Name	No. of Shares	% of Shareholdings	No. of Shares	% of Shareholdings
1.	BHR ENTERPRISE SDN BHD	147,252,300	52.34	1,561,900 [(a)]	0.56
2.	SUBUR RAHMAT SDN BHD	11,509,200	4.09	8,706,000 [(b)]	3.09

Analysis of **Shareholdings**
As at 28 June 2019

Notes:

(a) Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir, Rozana Zeti binti Basir and Rozilawati binti Haji Basir's direct and indirect shareholdings, respectively, in the Company. Deemed interested by virtue of their shareholdings in BHR Enterprise Sdn. Bhd. ("BHR") of more than 20%. Puan Sri Datin Hamidah binti Abdul Rahman is the mother of Roshayati binti Basir, Rozilawati binti Haji Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir. Deemed interested by virtue of her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.

(b) Subur Rahmat Sdn Bhd's ("SRSB") indirect shareholding in the Company is held under M & A Nominee (Tempatan) Sdn. Bhd., Ahmad Riza bin Basir and Zailini binti Zainal Abidin. Ahmad Riza bin Basir and his wife, Zailini binti Zainal Abidin are deemed interested by virtue of their interest in SRSB pursuant to Section 8 of the Companies Act, 2016.

DIRECTORS' SHAREHOLDINGS

	DIRECT HOLDINGS		INDIRECT HOLDINGS	
Directors	**No. of Shares**	**% of Shareholdings**	**No. of Shares**	**% of Shareholdings**
DATO' IDRIS BIN KECHOT	-	-	-	-
DATO' ROSLAN BIN HAMIR	320,000	0.11	1,291,000 [(a)]	0.46
AZIZAN BIN MOHD NOOR	-	-	-	-
ROZANA ZETI BINTI BASIR	250,000	0.09	168,779,400 [(b)]	59.99
DATO' ROSMAN BIN ABDULLAH	-	-	-	-
ROZILAWATI BINTI HAJI BASIR	-	-	169,029,400 [(c)]	60.08
DATUK ANUAR BIN AHMAD	-	-	-	-

Notes:

(a) 1,291,000 shares are held under Maybank Nominees (Tempatan) Sdn. Bhd..

(b) Deemed interested by virtue of her shareholding in BHR of more than 20% and the direct and indirect shareholdings of her family members namely, Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir, Rozilawati binti Haji Basir and Ahmad Riza bin Basir, respectively, in the Company.

(c) Deemed interested by virtue of her indirect interest of 61,000 ordinary shares and 200,000 ordinary shares in the Company which is held under M & A Nominees (Tempatan) Sdn. Bhd. and JS Nominees (Tempatan) Sdn. Bhd., respectively and the direct and indirect shareholdings of her family members namely, Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir, respectively, in the Company.

Analysis of **Shareholdings**

As at 28 June 2019

DISTRIBUTION BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shareholdings
Less than 100	229	2.84	2,817	0.00
100 - 1,000	3,053	37.87	2,835,604	1.01
1,001 - 10,000	3,674	45.58	16,299,304	5.79
10,001 - 100,000	936	11.62	28,489,600	10.13
100,001 to less than 5% of issued shares	168	2.08	86,470,475	30.73
5% and above of issued shares	1	0.01	147,252,300	52.34
TOTAL	**8,061**	**100.00**	**281,350,100**	**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	923	11.45	6,498,000	2.31
b. Companies	29	0.36	159,037,500	56.53
c. Nominees Company	363	4.50	10,626,600	3.78
3. Non-Bumiputra				
a. Individuals	6,124	75.97	50,684,686	18.01
b. Companies	86	1.07	8,718,600	3.10
c. Nominees Company	384	4.76	20,325,820	7.22
MALAYSIAN TOTAL	**7,909**	**98.11**	**255,891,206**	**90.95**
4. Foreign				
a. Individuals	69	0.86	1,120,644	0.40
b. Companies	2	0.02	5,000	0.00
c. Nominees Company	81	1.00	24,333,250	8.65
FOREIGN TOTAL	**152**	**1.89**	**25,458,894**	**9.05**
GRAND TOTAL	**8,061**	**100.00**	**281,350,100**	**100.00**

Directory of **Group Operation**

MANUFACTURING DIVISION

www.fimacorp.com

Fima Corporation Berhad (21185-P)
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2092 5923

Percetakan Keselamatan Nasional Sdn. Bhd. (166151-T)
No.1, Jalan Chan Sow Lin
55200 Kuala Lumpur
Telephone : +603-9222 2511
Facsimile : +603-9222 4401

Security Printers (M) Sdn. Bhd. (34025-W)
No.1, Jalan Chan Sow Lin
55200 Kuala Lumpur
Telephone : +603-9222 2511
Facsimile : +603-9222 4401

BULKING DIVISION

www.fimabulking.com

Fima Bulking Services Berhad (53110-X)
Jalan Parang
2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 7211
Facsimile : +603-3176 5641

Fimachem Sdn. Bhd. (151893-X)
Lot 6579, Jalan Parang
2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 6514
Facsimile : +603-3176 6799

Fima Biodiesel Sdn. Bhd. (715822-K)
Lot 11689, Jalan Parang
2nd Extension, North Port
42000 Port Klang, Selangor
Telephone : +603-3176 7211
Facsimile : +603-3176 5641

Fima Liquid Bulking Sdn. Bhd. (182904-W)
Lot 11689, Jalan Siakap
2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 7561
Facsimile : +603-3176 6739

Fima Freight Forwarders Sdn. Bhd. (223850-P)
Lot 6579, Jalan Parang
2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 2681
Facsimile : +603-3176 2679

Fima Palmbulk Services Sdn. Bhd. (61459-M)
PPSB Deep Water Wharves
P.O. Box 243
12720 Butterworth, Pulau Pinang
Telephone : +604-332 7019
Facsimile : +604-331 1685

Boustead Oil Bulking Sdn. Bhd. (81508-K)
PPSB Deep Water Wharves
P.O. Box 243
12720 Butterworth, Pulau Pinang
Telephone : +604-332 7019
Facsimile : +604-331 1685

PLANTATION DIVISION

Pineapple Cannery of Malaysia Sendirian Berhad (5367-U)
Ladang Kota Tinggi
Batu 6, Jalan Mawai
81900 Kota Tinggi, Johor
Telephone : +607-891 0054
Facsimile : +607-891 0054

Directory of **Group Operation**

Ladang Ayer Baloi
Jalan Parit Panjang
82100 Ayer Baloi
Pontian, Johor
Telephone : +607-679 2180
Facsimile : +607-679 2180

Ladang Ayer Hitam
Lot 49, Batu 8
Jalan Felda Ayer Hitam
86000 Kluang, Johor

Victoria Square Plantation Sdn. Bhd. (733298-K)
Lot 1, Block 10 Puyut Land District
Miri, Sarawak
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Amgreen Gain Sdn. Bhd. (655236-V)
Lot 1, Block 10 Puyut Land District
Miri, Sarawak
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

PT Nunukan Jaya Lestari
(NPWP 02.033.898.4-723.000)
Jln. Hasanuddin RT. 06
No. 62, Sungai Bolong
Kabupaten Nunukan
Kalimantan Utara 77482
Indonesia
Telephone : 006 2 55624551
Facsimile : 006 2 5562025081

Cendana Laksana Sdn. Bhd. (1024167-W)
Ladang Cendana
Batu 40, Jerangau-Jabor Highway
Air Putih, 24050 Kemaman
Terengganu
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Gabungan Warisan Sdn. Bhd. (327836-P)
Ladang Dabong
PT 4718, Mukim Kuala Stong
Jajahan Kuala Krai, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Next Oasis Sdn. Bhd. (1109497-D)
Ladang Aring
PT 6943 & PT 6944
Mukim Relai, Jajahan Gua Musang
Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Directory of **Group Operation**

Taka Worldwide Trading Sdn. Bhd. (714855-P)
Ladang Aring
PT 6943 Mukim Relai
Jajahan Gua Musang, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Etika Gangsa Sdn. Bhd. (754947-D)
Ladang Aring
PT 6944 Mukim Relai
Jajahan Gua Musang, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

R.N.E. Plantation Sdn. Bhd. (1067900-V)
HSD 16214, PT 14352 Mukim Sungai Siput
Daerah Kuala Kangsar, Perak
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

FCB Eastern Plantations Sdn. Bhd. (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. (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

FOOD DIVISION

International Food Corporation Limited (C.1-19260)
Portion 361, Busu Road
Malahang, P.O. Box 1334
Lae, Papua New Guinea
Telephone : 00 675 4720 655
Facsimile : 00 675 4720 607

Directory of **Group Operation**

Fima Instanco Sdn. Bhd. (19196-T)
1st Floor, Main Building
Lot 6, Jalan P/1A
Seksyen 13
43650 Bandar Baru Bangi
Selangor
Telephone : +603-8927 5650
Facsimile : +603-8927 5654

OTHERS

Fima Technology Sdn. Bhd. (264746-K)
(formerly known as FCB Property Management Sdn. Bhd.)
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 COMPANIES

Marushin Canneries (Malaysia) Sdn. Bhd. (162963-U)
PLO 213, Jalan Timah Satu
Pasir Gudang Industrial Estate
81700 Johor Bahru, Johor
Telephone : +607-251 4802
Facsimile : +607-251 4798

**Giesecke & Devrient Malaysia Sdn. Bhd.
(573030-M)**
Lot 6, Off Jalan Delima 1/1
Batu 3, 40150 Shah Alam, Selangor
Telephone : +603-5629 2929
Facsimile : +603-5629 2820

This page is intentionally left blank.

PROXY FORM

KUMPULAN FIMA BERHAD
(11817-V)

I/We ______________________________ NRIC/Company No. ______________
(Full Name in Capital Letters)

of ____
(Full Address)

being a Member of **KUMPULAN FIMA BERHAD** ("the Company"), do hereby appoint

______________________________ NRIC/Company No. ______________
(Full Name in Capital Letters)

of ____
(Full Address)

or failing him/her ______________________________ NRIC/Company No. ______________
(Full Name in Capital Letters)

of ____
(Full Address)

as my/our* proxy to vote for me/us* and on my/our* behalf at the Forty-Seventh (47th) Annual General Meeting ("AGM") of the Company to be held at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 28 August 2019 at 3.00 p.m.

Please indicate the manner in which you wish your votes should be cast with an "X" in the appropriate spaces below. Unless voting instructions are specified herein, the proxy will vote or abstain from voting as he/she thinks fit.

RESOLUTIONS		FOR	AGAINST
1.	To approve the payment of final dividend of 9.0 sen under the single-tier system in respect of the financial year ended 31 March 2019. **- Ordinary Resolution 1**		
2.	To re-elect Dato' Roslan bin Hamir who retire in accordance with Article 102 of the Company's Constitution. **- Ordinary Resolution 2**		
3.	To re-elect Cik Rozilawati binti Haji Basir who retire in accordance with Article 102 of the Company's Constitution. **- Ordinary Resolution 3**		
4.	To re-elect Dato' Idris bin Kechot who retire in accordance with Article 84 of the Company's Constitution. **- Ordinary Resolution 4**		
5.	To re-elect Datuk Anuar bin Ahmad who retire in accordance with Article 84 of the Company's Constitution. **- Ordinary Resolution 5**		
6.	To approve the payment of Directors' fees for the Non-Executive Directors of the Company for the ensuing financial year. **- Ordinary Resolution 6**		
7.	To approve the payment of Directors' fees for the Non-Executive Directors who sit on the Boards of subsidiary companies from 29 August 2019 until the conclusion of the next AGM of the Company. **- Ordinary Resolution 7**		
8.	To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors from 29 August 2019 until the conclusion of the next AGM of the Company. **- Ordinary Resolution 8**		
9.	To appoint Messrs. Ernst & Young, who have given their consent to act, as Auditors of the Company in place of the retiring Auditors, Messrs. Hanafiah Raslan & Mohamad and to authorize the Directors to determine their remuneration. **- Ordinary Resolution 9**		
AS SPECIAL BUSINESS			
10.	Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature. **- Ordinary Resolution 10**		
11.	Proposed renewal of the authority for shares buy-back. **- Ordinary Resolution 11**		
12.	Proposed retention of Encik Azizan bin Mohd Noor as Independent Non-Executive Director. **- Ordinary Resolution 12**		
13.	Proposed retention of Dato' Rosman bin Abdullah as Independent Non-Executive Director. **- Ordinary Resolution 13**		

* *Strike out whichever not applicable.*

No. of Shares held

CDS Account No.

____

Signature *(If Shareholder is a Corporation, this part should be executed* under seal)

Dated this ______________ **day of** ______________ **2019**

Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may not be a Member of the Company and a Member may appoint up to two (2) proxies by specifying the proportion of his shareholding to be represented by each proxy.
2. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
3. The instrument appointing a proxy must be completed and deposited at the registered office of the Company not less than twenty-four (24) hours before the time of holding the meeting or any adjournment thereof.
4. Only members registered in the General Meeting Record of Depositors as at 23 August 2019 shall be eligible to attend the AGM or appoint proxy(ies) to attend and/or vote on their behalf.
5. The voting at the 47th AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the results of the poll.

Fold here

KUMPULAN FIMA BERHAD
(11817-V)

AFFIX
STAMP

The Company Secretaries

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

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

Fold here

www.fima.com.my

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

Tel: +603-2092 1211 Fax: +603-2092 5923 Email: info@fima.com.my