

Pre-AGM Questions

Note: Some questions / comments by shareholders have been edited for clarity and brevity.

No.	Participant	Questions/ Comments
Door Gifts/e-vouchers		
1.	Yong Joon Fah	<p>Question: Is the company giving any door gift to shareholders attending this AGM?</p> <p>Answer: As stated in our Administrative Guide for the 51st AGM, there will be no distribution of door gifts for today's AGM.</p>
Strategy, growth & business outlook		
2.	Au Yang Leong Kiat	<p>Question: Wages increased by 24% and revenue only increased by 4%. Any justifications? The growth in wages is not sustainable.</p> <p>Answer: The disparity between the 24% increase in wages and the 4% growth in revenue can be attributed to several factors that have influenced the financial performance of the Group during FY2023.</p> <p>One of the significant factors was the decline in the price of Crude Palm Oil (CPO), CPKO and FFB. This decline in commodity prices had a direct bearing on our plantation division's contribution to the overall revenue.</p> <p>The increase in staff salaries/wages was mainly attributable to higher costs incurred by:</p> <ul style="list-style-type: none"> (i) Bulking – The increase in wages within the Bulking Division is closely linked to our expansion efforts at North Port; (ii) Plantation – The increase is a direct outcome of estate development works being undertaken. In the development stage, most of the tasks are carried out by our own workers, and these costs are capitalised.
3.	Au Yang Leong Kiat	<p>Question: Any plan to privatize as the share price is very disappointing compare to other plantation counters (holding 188mil in unit trust + 158mil in bank = 346m or RM1.25 per shares)? Or better off is paying out special dividend instead of holding in unit trust.</p> <p>Answer: We don't have any plans for privatization at the moment.</p> <p>KFIMA has been paying special dividend for the last 3 years since FY21. In respect of FY23, KFIMA has paid to its shareholders a special dividend of 3 sen on top of normal dividend of 9 sen, with total dividend payment amounting to RM33.045M.</p>
Finance		
4.	Au Yang Leong Kiat	<p>Question: Why not pay off all the borrowing of RM70mil since the interest on borrowing was RM2.2mil? The borrowing costs is higher than FD.</p>

No.	Participant	Questions/ Comments
		<p>Answer: Our financial decisions are based on comprehensive assessment of our business objectives, risk tolerance and available opportunities. While the apparent difference between borrowing costs and FD returns is a factor, management has to consider the broader financial picture and the potential impact on KFIMA's liquidity and growth.</p>

Live AGM Questions

Note: Some questions / comments by shareholders have been edited for clarity and brevity.

No.	Participant	Question / Comments
Door Gifts/e-vouchers		
1.	Wong Ai Ming	E door gift?
2.	Teh Sue Wei	Would the bod kindly give touch n go e- wallet as a token of appreciation for attending this RPV
3.	Cheah Yew Boon	Kindly give refreshments in the form of e-voucher/e-wallet to attendees as a token of appreciation for this annual event
4.	Tan Boon Aik	What gift?
5.	Tan Boon Lye	What gift?
6.	Teh Peng Tin	Can the bod give touch n go e- wallet as a token of appreciation for partnership in today's RPV
7.	Daberah Ann Danker	Any door gifts for shareholders?
8.	Tan Mei Teng	What gift?
9.	Toh Kok Boon	Good afternoon, Tan Sri Datok chairman, in celebrating merdeka and as token of appreciation, I wish to minta from Tan Sri chairman to give the AGM attendee some food vouchers or e wallet thank you
10.	Tan Boon Lye	Any gift?
11.	Tan Mei Teng	Gift?
12.	Tan Kim Sing	What gift?
13.	Yong Joon Fah	Is the company giving any door gift to shareholders attending this AGM?
14.	Tham Wing Chueng	Can the board be kind to the shareholders by rewarding them with an e-voucher who attend who attend this AGM
<p>Answer for Questions/comments no. 1- 14: Our sole method of rewarding shareholders is through dividend payment. KFIMA has been paying special dividends for the last 3 years since FYE2021. For FYE2023, the Company has declared and paid dividend 12.0 sen per share (interim dividend: 9.0 sen per share and special dividend: 3.0 sen per share).</p>		

No.	Participant	Question / Comments
Strategy, growth & business outlook		
15.	Au Yang Leong Kiat	Question: Will Japan's recent event affect the food industry outlook?
16.	Wong Ai Ming	Question: Will KFima be affected by Fukushima?
<p>Answer for Questions no. 15 and 16: We do not purchase any fish from Japan for our fish canning businesses in Papua New Guinea. Therefore our operations are not affected by these events.</p>		
17.	Wong Ai Ming	<p>Question: Will 2023 be a better year than 2022 or be worse due to new challenges?</p> <p>Answer: Despite strong headwinds, we anticipate that the current year will be similar to last year. We are continuing to reposition our portfolios as our strategic focus is geared towards the long-term rather than short-term.</p>
18.	Lew Tuck Wai	<p>Question: The biodiesel plant only operated at 14.3% of its total utilisation capacity in FY2023. Utilisation is expected to triple in FY2024 (Page 21 of AR) (1) What is the current utilisation of the installed capacity? (2) In view of the expected increase in utilisation of capacity, what is the management's revenue target for FY2023?</p> <p>Answer: Current utilisation is approximately 15%. We cannot triple the utilisation rate at the moment due to market conditions and feedstock availability. Management is actively addressing these challenges and improve plant utilization.</p>
19.	Lew Tuck Wai	<p>Question: The Government's increasing focus on food production and food sustainability will open up opportunities for Malaysian corporations like Kumpulan Fima. Is this one area of business activity that the Group will consider expanding in view of the huge hectarage of plantation yet to be planted?</p> <p>Answer: The Group is exploring the possibility of planting durian and cattle farming. Trials for these initiatives are underway, and if successful, the Group plans to expand them on a commercial scale. Specifically, the Group has planted durian on a 5-acre test plot in Sungai Siput, Perak, and has a cattle farming project in Ayer Hitam, where it currently has 82 Brahman breed cattle.</p>

No.	Participant	Question / Comments
20.	Lew Tuck Wai	<p>Question: In previous AGMs of the Company, shareholders have asked about the possibility of Kumpulan Fima and Fima Corporation carrying out a corporate exercise to merge all its plantation operations under one entity and list it as Fima Plantations Berhad. With the recent acquisition of additional plantation hectarage, is the timing right for such an exercise? Appreciate the Board's comments on this.</p> <p>Answer: Merging all plantation operations under one entity is complicated and very costly (stamp duty etc) given the involvement of 2 listed companies (KFIMA & FimaCorp), each with a different set of minority shareholders. While we do not rule out the possibility of such an exercise entirely, it would require careful consideration taking into account the various stakeholders involved.</p>
21.	Lew Tuck Wai	<p>Question: Kumpulan Fima Berhad can be considered to be amongst some of the most undervalued companies listed on Bursa. At the current price of RM1.90, KFIMA is trading at a huge 42% discount to its NAV and giving a very attractive dividend yield of more than 6%. Furthermore, the Net Cash is approx. RM1.00 per share at Group level. The Board must look into more effective Investor Relations activities to showcase the Company's strong fundamentals.</p> <p>Answer: We take note of your suggestion to look into more effective Investor Relations activities.</p>
22.	Lew Tuck Wai	<p>Question: Inventories written down increased substantially to RM3.704 million in FY2023 (FY2022 : RM106,000) (Note 10 - Page 166 of AR) (1) Which business segment that incurred this inventories write-down? (2) Steps taken to avoid similar write-down in future.</p> <p>Answer: The increase in inventories written down in FY2023 was primarily incurred by the Manufacturing division. This write-down was related to transport documents, specifically road tax and driving licenses, due to the push towards digitisation by the customer.</p> <p>These write-downs are considered one-off events and are unlikely to recur in the future.</p>
23.	Chan Kang Peng	<p>Question: Why biodiesel production is lump together with Bulking income?</p> <p>Answer: The biodiesel plant is located within the Bulking terminal and is under the same management. This is why the income generated from the biodiesel plant is reported together with the income from the Bulking segment.</p>

No.	Participant	Question / Comments
24.	Au Yang Leong Kiat	<p>Question: What is the current cost per ton? Since the CPO price is RM4000, if the costs per ton is RM3500. Then at least can know how much is fix and variable.</p> <p>Answer: Our current CPO cost for our Indonesian estate is RM2,100/mt.</p>

No.	Participant	Question / Comments
Finance		
25.	Lew Tuck Wai	<p>Question: The Group's total Cash, Bank Balances and Financial Investments amounted to RM 346.42 million in FY2023. However, the Group increased its Terms Loans from RM7.9 million in FY2022 to RM19.196 million. Why is the Group obtaining further loans despite having such a huge cash and cash equivalent on its Balance Sheets in FY2023?</p> <p>Answer: The RM 346.42 million in cash, bank balances, and financial investments represents the total for the entire Group. These cash balances are sitting in FimaCorp and our subsidiaries in Indonesia and Papua New Guinea.</p> <p>The loans you see in the financial statements are taken at the subsidiary level to finance specific projects, such as the new tank development projects under the Bulking Division for the expansion and growth of the business. We do not practice inter-company advances.</p>
26.	Chan Kang Peng	<p>Question: Why KFima earned so little interest even though having huge sum of cash/FD?</p> <p>Answer: Not all of the Group's funds are held in Malaysia. The fixed deposit rates in Papua New Guinea in FY23 ranged between 1.25% to 2.00%, which is lower than the prevailing rates in Malaysia, hence the overall lower returns.</p>
27.	Liew Chee Seng	<p>Question: Our share price is so much lower than our company NAV. What the Board have to comment on this?</p> <p>Answer: The share price of Kumpulan Fima is determined by market forces. We deliver value and reward our shareholders via consistent dividend payouts rather than the share price.</p>

No.	Participant	Question / Comments
28.	Liew Chee Seng	<p>Question: Will be Company be able to pay more dividend for the coming year?</p> <p>Answer: We have a formal dividend policy which aims to distribute to the shareholders at least 40% of the consolidated profit after taxation and non-controlling interest (“PATANCI”) for the relevant financial year.</p> <p>Any increase in the dividend pay-out will depend on the Company’s financial performance and cashflow position as well as capital and investment requirements. The Board will also ensure that the Company satisfies the solvency test for each declaration of dividend.</p>

No.	Participant	Question / Comments
Litigation		
29.	Wong Ai Ming	<p>Question: What is the status of the lawsuit against Datasonic Technologies Sdn Bhd (DTSB)?</p> <p>Answer: The Court of Appeal had affirmed the decision of the High Court i.e. DTSB to pay PKN a sum of RM10 per Passport Booklet.</p> <p>The Court of Appeal also ruled:</p> <ul style="list-style-type: none"> i. Post-judgment interest rate has been increased from 4% to 5% per annum; ii. Costs of RM30,000 which was ordered by the High Court against PKN has been set aside. In addition, DTSB has been ordered to pay PKN costs in the sum of RM30,000 for the High Court action; iii. Costs of RM5,000 to be paid by DTSB to PKN. <p>There is no further appeal by PKN on the matter. Both parties have fulfilled their obligations based on the judgements of the High Court and Court of Appeal.</p>
30.	Wong Ai Ming	<p>Question: What is the status of the litigation cases between the Indonesian Government and PTNJL involving its plantation land title?</p> <p>Answer: At present there are no more on-going litigation cases between Indonesia Government and PTNJL involving its land title.</p> <p>To recap, following the decision of the courts, PTNJL’s land area under its Izin Usaha Perkebunan (IUP) has been reduced to 16,589 Ha from 19,974 Ha, as the disputed/overlapping areas with a third party measuring 3,500 Ha within PTNJL’s land area have been carved out. In light of these developments, PTNJL continues to operate its plantation activities based on the revised IUP license.</p>

No.	Participant	Question / Comments
		Meanwhile, the application process for the new Hak Guna Usaha (land title) based on the revised IUP and court decision is ongoing.

No.	Participant	Question / Comments
Administrative		
31.	Liew Chee Seng	Can the company hold physical AGM for the next year? Will be company be able to pay more dividend for the coming year can you please send me a copy of the annual report
32.	Chong Lim Fah	When the company hold physical AGM?
33.	Teh Sue Wei	How much does the company spend on this virtual AGM?
34.	Teh Sue Wei	I would like to request a printed hard copy of the company annual report
35.	Cheong Seng Tin	I am cheong seng tin please send me a print annual report t q
36.	Tan Chun Kiat	How much to be spent on this virtual agm? Also will this virtual agm to be continued since it is more convenient for shareholders especially senior citizens? I strongly support this virtual agm, also send me a copy of your annual report 2023, thank you.
37.	Ong Chow Peng	Pls send me printed annual report - ong chow peng 39, jln bayu laut 12, laman kehijauan, 41200 klang , selangor. 0163222712 for perusal! Tqvm!
38.	Ngee Geok Choo	Kindly send me a copy of the latest annual report thank you. Please also distribute e vouchers for today's attendees tks.
<p>Answer for Questions/comments no. 31-38:</p> <ol style="list-style-type: none"> 1. The cost of today's virtual AGM is less than RM50,000. The Board will look into various aspects including the interests of shareholders before implementing physical meeting for future AGMs. 2. We take note of your requests to have a copy of the Annual Report. Kindly provide your address to our Share Registrar and they will make the necessary arrangements accordingly. The soft copy of the Annual Report can be accessed and downloaded from our website. 3. Our sole method of rewarding shareholders is through dividend payment. KFIMA has been paying special dividends for the last 3 years since FYE2021. For FYE2023, the Company has declared and paid dividends of 12.0 sen per share (interim dividend: 9.0 sen per share and special dividend: 3.0 sen per share). 		