

KFIMA AGM – Q&A

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

Live AGM Questions

No.	Shareholders' Name	Question/ Comments	Answer / Response
1.	Choo Yi Ling (Corporate Representative of MSWG)	It has been five months since PTNJL's <i>Pelepasan Hutan</i> application was last reported. Is there any further update on the matter?	There has been no material development since the last update and is still pending. At this stage, management is unable to provide a definitive timeframe for completion, as the matter remains subject to the relevant regulatory and administrative processes in Indonesia. Management continues to engage with the relevant Indonesian authorities to seek the release of the planted areas from the forest-area classification and to regularise the position.
		What is the current utilization level of the Food Division's can-making operations?	The current utilization level of the can-making operations is approximately 70%.
2.	Tee Kim Hor	What is the current capacity utilization rate for the bulking operation in Johor and Port Klang?	The current capacity utilization rate for the bulking operation in Johor and Port Klang is 100% and more than 95% respectively.
		Is there any room to expand the bulking operations in Johor and Port Klang, and by when can Port Klang achieve 100% utilization rate?	At our Tanjung Langsat operations in Johor, at the tanks built Phase 1 are at 100% utilization. There is room to expand as there is still empty land to develop the terminal. For the Port Klang operation, the Company is building 13 additional tanks, expected to be completed this year.
		With regards to the earlier question on PTNJL's land matter, please clarify if it is a legal dispute, or does it relate to an investigation by the authorities?	It is actually a legal matter. By way of background, PT NJL commenced its plantation operations in 2002 premised on the Hak Guna Usaha (HGU), or right to cultivate the land, approvals and licences issued by the relevant authorities. Subsequently, differences in land-use classification and administration between Indonesia's central and regional authorities resulted in part of PT NJL's land being subject to overlapping classifications as both

No.	Shareholders' Name	Question/ Comments	Answer / Response
			forest area and agricultural land. This ultimately affected PT NJL's HGU which was effectively revoked in 2019. PT NJL has since continued to engage with the relevant authorities, through its appointed Indonesian legal counsel, to seek the release of the planted areas from the forest-area classification and regularise the position.
3.	Teh Kian Lang	With regards to the one-off bearer plant write-off of RM3.0 million in relation to palms damaged beyond economic recovery following severe elephant intrusions across several affected plantation estates, is this insurable? Is this a recurring problem?	Yes, it is insurable. However, the coverage is limited to the plants and does not extend to the infrastructure or the loss of income arising from the elephant intrusions. Approximately RM3.0 million has been incurred to date. Yes. The Company is now using drones to monitor and drive the elephants out of the estates, and has to be prepared for recurrence. For now, the Company is holding back on replanting in the affected areas.
4.	Choo Min Chyam	What is the current utilization rate of the tanks at Tanjung Langsat, Port Klang and Penang, given the many new players entering the bulking business as mentioned at the last AGM, has there been any impact on margins so far, and what are the future plans for growth?	The current utilization rates at Tanjung Langsat, Port Klang and Penang are 100%, 95% to 96% and 70% respectively. Tanjung Langsat has a storage capacity of approximately 46,000 cbm, while the Group's total capacity is close to 600,000 cbm. Despite the entry of new players into the bulking business, there has been no material impact on margins to date. A significant proportion of the Company's customers are long-term clients, with tanks constructed to meet their specific requirements. For future growth, the Company is considering the refurbishment of existing facilities and the construction of taller tanks at Port Klang. At Tanjung Langsat, more than half of the available land remains undeveloped, providing further expansion potential and the opportunity for better margins as additional capacity is developed. The Company is currently still negotiating with clients, and will not build any new capacity without secured customer commitments.

No.	Shareholders' Name	Question/ Comments	Answer / Response
5.	Lew Tuck Wan	With regards to segmental information on page 274 of the Annual Report, under the “others” segment, what does the segment comprise, and why did it record a loss in both FY2026 and FY2025 despite generating relatively high revenue and high assets?	The “Others” segment mainly comprises headquarters costs rather than revenue-generating activities. Revenue at the Company level is mainly derived from dividends and management fees.
		What does the share of profit of associates relate to, and why was there a significant increase?	The increase in the share of profit of associates relates to Marushin and Giesecke & Devrient Malaysia (GDMal), in which the Group holds a 38% and 20% interest respectively. The increase was because GDMal performed better this year.
6.	Lee Hean Hik	Why did the physical copies of the Annual Report run out, and can the Company provide more physical copies at next year’s Annual General Meeting?	The Company is mindful of both sustainability considerations and the need to avoid unnecessary printing and wastage. Moreover, Bursa Malaysia Main Market Listing Requirements permit documents such as the Annual Report to be issued to shareholders by electronic means, subject to the applicable requirements. This is not intended to restrict shareholders’ access to the Annual Report. Shareholders who prefer a physical copy may request one from the Company, and the Company will provide it in accordance with the applicable requirements.
7.	Reen Hashim	With reference to paragraph 13.4 of the Corporate Governance Report, the shareholder felt that shareholder engagement was not effective and shared that he had been badly treated at the last AGM where he was denied entry to the meeting and was escorted by security. The shareholder also commented that the luncheon was ‘chaotic’ and that food was	The Board acknowledged the shareholder’s concern and will take them into consideration for future AGM arrangements. With regard to the Annual Report, the decision not to provide physical copies at the AGM forms part of the Company’s sustainability initiatives to reduce printing, paper usage and associated costs. The Company issues its Annual Report electronically in accordance with the Bursa Malaysia Main Market Listing Requirements, and it is made available on the Company’s website and through Bursa Malaysia. Shareholders who prefer a printed copy may request one from the Company, and the

No.	Shareholders' Name	Question/ Comments	Answer / Response
		replenished late, and proposed that the Company consider providing Touch 'n Go e-wallet credit in future. The shareholder also highlighted the high cost of petrol and suggested that the Company consider locating its location for AGM in a suitable area with convenient access to public transportation.	printed copy will be provided in accordance with the applicable requirements, generally within four market days of receipt of the request.
8.	Tan Ching Meng	The shareholder expressed concerns regarding the plantation, food, printing and bulking business, particularly in light of the challenges faced, including rising operating costs due to increment of fish price, fuel price, the Gulf war and heating cost, and sought Management's outlook for the four divisions. The shareholder also raised concerns about the high printing cost.	For the Plantation Division, costs have increased, mainly transportation and fertiliser costs. On the other hand, CPO prices have also appreciated. For the Food Division, the biggest cost in fishing operations is fuel. The Company cannot immediately pass on the higher costs to consumers and has to do so gradually. For the Manufacturing Division, raw materials have become more expensive although printing costs have not increased significantly. For the Bulking Division, the impact is quite minimal. The main cost that has increased is heating cost, which the Company is able to pass on to clients within the month. Overall, the ongoing geopolitical conflicts and wars have contributed to higher costs and volatility on the fuel, transportation, and raw material prices, which have had an impact on the Group's business.
9.	Leo Ann Puat	What is the Company's long-term strategic plan? Does Kumpulan have a clear five- or ten-year plan for the future? For example, will the Company continue to focus primarily on the Bulking and Plantation Divisions, particularly given that the Bulking Division appears to be generating attractive profits?	Before investing, the Group considers a few key criteria: (i) return on investment; (ii) sustainability, i.e. whether the investment is sustainable for more than 10 years; and (iii) risk. For example, while certain investment opportunities in Indonesia may offer attractive returns, the associated risks may be considered too high for the Group to pursue. The Bulking and Plantation Divisions are the Group's two key focus areas. The Group will also continue to look at how best to utilise its assets in the Food and Manufacturing Divisions. For the Manufacturing Division in particular, contracts are generally shorter-term in nature,

No.	Shareholders' Name	Question/ Comments	Answer / Response
			and the Group therefore needs to remain selective and disciplined in committing further capital.
10.	Chee Sai Mun	a) For Bulking, apart from storage, what other services does it provide? b) For our fishing operations, do we outsource the activities or manage them internally? Do we allow other parties to use our fishing licence?	a) Besides storage, the Bulking Division provides total transportation solutions for its clients, including freight forwarding. b) The Group does not conduct the fishing activities itself. Most of the fish supplied to the Food Division are caught through the Group's affiliated fishing operators, with only a small proportion sourced through external or outsourced fishing operators. The fishing licence is used only within the Group's affiliated fishing arrangements.
		The bulking business covers storage and logistics, and there appear to be good profits in biodiesel. Is the Group looking to venture into biodiesel?	The Group is not looking to pursue commercial biodiesel, as it is not viable without subsidies.
		What is the additional capacity from the 13 new tanks at Port Klang?	Approximately 26,000 cbm. The last tank was completed this month, and the Company is currently marketing the last three tanks to clients.
		Is the Group involved in the Pulau Carey development?	The Group is open to it but has no information on this at present.
		Is the Penang terminal operation underperforming?	The Penang operation is not performing as well compared to Port Klang and Tanjung Langsat, principally because the Penang facility is limited to the storage of edible oils and does not handle chemicals. Given this narrower operating scope, the Group has maintained the facility at its existing capacity rather than expanding pursuing further expansion. Notwithstanding this, the Penang operation remains profitable.

No.	Shareholders' Name	Question/ Comments	Answer / Response
		For the plantation division, the Q1 results for FY2027 showed a decline in profit. Does the management expect the division's performance to improve for the remainder of FY2027? In addition, with regard to Malaysia palm oil industry, is the overall industry currently profitable? The shareholder also commented that, with approximately 16,000 hectares of land, the Group should be performing better.	The decline in Q1 of FY2027 was mainly attributable to lower FFB yields, which was a broader industry trend during the quarter. Higher diesel and fertiliser costs also affected the Group's profit margin per tonne of FFB. In addition, unlike some plantation companies that own their plantation land, the Group's estates in Kelantan and Perak are operated under sublease arrangements. The Group therefore incurs lease costs irrespective of production levels, which places additional pressure on margins when yields are lower. Management expects the division's performance to improve over the remainder of FY2027, subject to improvements in yields and prevailing commodity prices and operating costs. As for the Malaysian palm oil industry generally, the industry remains profitable, although profitability varies considerably between operators depending on factors such as yield, cost structure, age profile of the estates and land ownership or lease arrangements.
		The Food Division appears to be concentrating more on tuna and holds a fishing licence. How much improvement is expected from the focus on tuna?	The Food Division's focus on tuna is intended to improve production volumes. The Division has a relatively high fixed-cost base, particularly staff (expatriates) and logistics costs, and therefore benefits from higher production. There is also a currency advantage in the tuna business. Mackerel is sourced from temperate waters and purchased in USD, while the finished products are largely sold in Kina, resulting in a currency mismatch. Tuna products, on the other hand, are generally sold in USD, which provides a better natural hedge against input and operating costs denominated in USD.
		The Manufacturing Division's business appears to be seasonal. Could Management explain?	The business is relatively "chunky" in nature, as production and billing do not necessarily occur evenly throughout the financial year. Depending on the timing and delivery of major orders, production costs may be incurred over several months before billing

No.	Shareholders' Name	Question/ Comments	Answer / Response
			takes place. As a result, the Division's quarterly performance can fluctuate significantly, with weaker results in some quarters followed by stronger results when major orders are completed and billed.
11.	Tan Ching Meng	The shareholder commented that, based on a ChatGPT query on KFIMA, the recommendation was to hold rather than sell, with a sum-of-parts valuation of RM3 to RM4 per share.	Noted.
12.	Lew Tuck Wan	With regard to the coffee trial, what is the business case and the future plan, given that Malaysia historically planted coffee but faced problems?	A significant portion of Ladang Sg Siput in Perak, which has a total land area of approximately 2,000 hectares, comprises steeper terrain that is less suitable for oil palm cultivation. These areas may, however, be suitable for coffee, and the Group has therefore planted approximately 36 hectares on a trial basis to assess its agronomic and commercial viability.
13.	Chuah So Seong Aun	Does the Company have a Dividend policy?	Since 2019, the Group has adopted 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, subject to financial and internal parameters, external factors or any other factors that may be considered relevant to the Board.
		Can the Board consider paying interim dividends?	The Board will take note of the suggestion.
		Going forward, can the Group do better than last year?	Management is doing its best.