Annual Report

2013

FIMA

FIMA CORPORATION BERHAD
(21185-P)

Contents

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Eighth (38th) Annual General Meeting ("AGM") of FIMA CORPORATION BERHAD will be held on Tuesday, 24 September 2013 at 10.30 a.m at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur for the following purposes: -

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2013 and the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**

2. To declare a single-tier special dividend of 5% per share and a final dividend of 18.5% less 25% tax per share in respect of the financial year ended 31 March 2013 as recommended by the Directors. **Ordinary Resolution 2**

3. To re-elect the following Directors who retire by rotation pursuant to Article 113 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:-
   (i) Encik Roslan bin Hamir **Ordinary Resolution 3**
   (ii) Encik Rezal Zain bin Abdul Rashid **Ordinary Resolution 4**

4. To approve the payment of Directors' fees and the increase in Directors' fees amounting to RM99,500 effective from the financial year ending 31 March 2014. **Ordinary Resolution 5**

5. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorize the Directors to fix their remuneration. **Ordinary Resolution 6**

AS SPECIAL BUSINESS

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

6. **ORDINARY RESOLUTION**

   Proposed renewal of the authority for shares buy-back **Ordinary Resolution 7**

   "THAT subject to the Companies Act, 1965 (the Act), rules, regulations and orders made pursuant to the Act, provisions of the Company's Memorandum and Articles of Association and the requirements of the Bursa Securities and any other relevant authority, the Directors of the Company be and are hereby authorized to purchase such amount of ordinary shares of RM1.00 each in the Company's issued and paid-up share capital as may be determined by the Directors of the Company from time to time through the Bursa Securities subject further to the following :

i. the number of ordinary shares of RM1.00 each in the Company ("Shares") which may be purchased or held by the Company shall not exceed ten per cent (10%) of the issued and paid-up share capital of the Company;

ii. the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total retained profits, and share premium account, if any, of the Company. The audited retained profits of the Company as at 31 March 2013 amounted to RM86,003,000;

iii. the authority conferred by this resolution will be effective immediately upon passing of this ordinary resolution and shall continue to be in force until :

(a) the conclusion of the next AGM of the Company following the general meeting in which the authorization is obtained, at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) 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 guidelines issued by the Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

iv. upon completion of each purchase of Shares by the Company, the Directors of the Company be and are hereby authorized to cancel the Shares so purchased or to retain the Shares so purchased as treasury shares for re-sell on the Bursa Securities in accordance with the relevant rules of the Bursa Securities and/or for distribution as share dividends to the shareholders of the Company or retain part of the Shares so purchased as treasury shares and cancel all or part of them subsequently;

AND THAT the Directors of the Company be and are hereby authorized to take all such steps as are necessary or expedient to implement, finalize or to effect the purchase(s) or shares with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any), as may be imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company."

7. **ORDINARY RESOLUTION**

Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature — **Ordinary Resolution 8**

"THAT pursuant to Paragraph 10.09 of the Bursa Securities Main Market Listing Requirements, a mandate be and is hereby granted to allow recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries, entered into or to be entered into by the Company and/or its subsidiaries provided that such transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public, particulars of which are set out in Section 2.5 Part B of the Circular to Shareholders dated 29 August 2013 AND THAT such approval conferred by the mandate shall continue to be in force until:

(a) the conclusion of the next AGM of the Company following this AGM, at which time it shall lapse unless by ordinary resolution passed at general meeting, the mandate is renewed; or

(b) the expiration of the period within which the next AGM after that date is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorized to complete and do all such acts and things as they may consider expedient and necessary to give effect to the proposed mandate".

8. **ORDINARY RESOLUTION**

Continuing in office as an Independent Non-Executive Director

To retain the following Directors as Independent Non-Executive Directors of the Company:-

(i) Encik Rezal Zain bin Abdul Rashid — **Ordinary Resolution 9**

(ii) YBhg Dato' Adnan bin Shamsuddin — **Ordinary Resolution 10**

(iii) YBhg Datuk Alias bin Ali — **Ordinary Resolution 11**

9. **SPECIAL RESOLUTION**

Proposed amendments to the Articles of Association of the Company — **Special Resolution 1**

"THAT the Proposed Amendments to the Articles of Association of the Company as set out in Appendix I of the Annual Report 2013 be and are hereby approved and adopted AND THAT the Directors of the Company and/or the Company Secretaries be and are hereby authorized to execute all relevant documents and to do all acts and things as deemed necessary to give full effect to the Proposed Amendments to the Articles of Association".

10. To transact any other ordinary business for which due notice has been given.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining members who shall be entitled to attend the Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 17 September 2013. Only members whose names appear on the Record of Depositors as at 17 September 2013 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the AGM to be held on 24 September 2013, a single-tier special dividend of 5% per share and a final dividend of 18.5% less 25% tax per share for the financial year ended 31 March 2013 will be paid on 10 October 2013 to depositors whose names appear in the Record of Depositors on 26 September 2013.

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

a) shares transferred to the Depositor's Securities Account before 4.00 p.m. on 26 September 2013 in respect of transfers; and

b) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

By Order of the Board

LEE MO LENG (MIA 9505)
MOHD YUSOF BIN PANDAK YATIM (MIA 4110)
Secretaries

Kuala Lumpur
29 August 2013

NOTE

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company and a member may appoint more than two (2) proxies by specifying the proportion of his shareholding to be represented by each proxy. The instrument appointing the proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the time of holding the Meeting.

EXPLANATORY NOTE ON SPECIAL BUSINESS

Ordinary Resolution 7
Proposed Renewal of the Authority for Shares Buy-Back

The proposed Ordinary Resolution 7, if passed, will empower the Directors to purchase the Company's shares up to ten percent (10%) of the issued and paid-up share capital of Company by utilising the funds allocated out of the total retained profits and the share premium of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Based on the Company's audited financial statements for the year ended 31 March 2013, the Company's retained earnings and share premium stood at RM86,003,000 and RM534,000 respectively.

Ordinary Resolution 8
Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature

The proposed Ordinary Resolution 8, if passed, will empower the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

The details of the proposal are set out in the Circular to Shareholders dated 29 August 2013 which is circulated together with the Annual Report.

Ordinary Resolutions 9 to 11
Continuing in office as an Independent Non-Executive Director

The Board of Directors of the Company, after having assessed the independence of Encik Rezal Zain bin Abdul Rashid, YBhg Dato' Adnan bin Shamsuddin and YBhg Datuk Alias bin Ali, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, recommends to retain them as Independent Non-Executive Directors of the Company based on the following justifications:

a) Have fulfilled the criteria as an Independent Director as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore are able to bring independent and objective judgment 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 judgment, to the Board;

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

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

f) Having been with the Company for more than 9 years and are familiar with the Group's business operations, have contributed actively and effectively during deliberations or discussions at Committees and Board meetings.

Special Resolution 1
Proposed amendments to the Articles of Association of the Company

The proposed Special Resolution is made to comply with the provisions of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements.

The amendments to the Company's Articles of Association namely, appointment of multiple proxies by exempt authorized nominee, no restriction on proxy's qualification and according proxies same rights as members to speak at general meetings, are aimed at providing greater clarity and certainty to the market.

DETAILS OF THE PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY

Article No.	Existing Articles	Proposed Amended Articles
2.	**INTERPRETATION** **Words** / **Meanings** New provision New provision	**Words** / **Meanings** **Exempt Authorised Nominee** — **An authorized nominee defined under Central Depositories Act which is exempted from compliance with the provisions of subsection 25A (1) of the Cental Depositories Act.** **Share Issuance Scheme** — **A scheme involving a new issuance of share to the employees.**
5(1).(b)	**SHARES** ***Allotment of shares*** No Director shall participate in **an issue of shares to employees** of the Company unless the shareholders in general meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity.	No Director shall participate in **a Share Issuance Scheme** of the Company unless the shareholders in general meeting have approved of the specific allotment to be made to such Director and unless he holds office in an executive capacity.
89.	**VOTE OF MEMBERS** ***Instrument appointing proxy deemed authority*** A Power of Attorney or a certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer be a corporation, company, co-operative society or other society under its Common Seal or under the hand of the officer or attorney of the corporation, company, co-operative society. An instrument appointing a proxy to vote a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.	A Power of Attorney or a certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer be a corporation, company, co-operative society or other society under its Common Seal or under the hand of the officer or attorney of the corporation, company, co-operative society. An instrument appointing a proxy to vote a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor. **There shall be no restriction as to the qualification of the proxy.**

DETAILS OF THE PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION OF THE COMPANY *(continued)*

90.	***Instrument appointing proxy deemed authority*** The Directors may, but shall not be bound to require evidence of the authority any such attorney or officer. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll.	**90(1).** The Directors may, but shall not be bound to require evidence of the authority any such attorney or officer. A proxy may but need not be a Member of the Company and a Member may appoint any person to be his proxy without limitation and the provisions of Section 149(1)(b) of the Act shall not apply to the Company. The instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll. **A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the Member to speak at a meeting.** **90(2).** **Where a Member of the Company is an Exempt Authorised 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 Authorised Nominee may appoint in respect of each omnibus account it holds.**

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. **Directors who are standing for re-election at the Thirty-Eighth (38th) Annual General Meeting of Fima Corporation Berhad are :-**

   (i) Retiring under Article 113 of the Company's Articles of Association

   Encik Roslan bin Hamir *(Resolution 3)*

   (ii) Retiring under Article 113 of the Company's Articles of Association

   Encik Rezal Zain bin Abdul Rashid *(Resolution 4)*

2. **Details of Directors who are standing for re-election are set out under the Directors' Profile Section of this Annual Report.**

3. **Details of Attendance of Directors at Board meetings**

Total of five (5) meetings were held during the financial year ended 31 March 2013. The details of attendance of each Director at the Board Meetings held during the financial year are set out below.

	Number of Board Meetings	
Name of Directors	Held	Attended
Roslan bin Hamir	5	5
Dato' Adnan bin Shamsuddin	5	5
Rezal Zain bin Abdul Rashid	5	5
Datuk Alias bin Ali	5	5
Dr. Roshayati binti Basir	5	5

4. Details of place, date and time of Board Meetings

Five (5) Board Meetings were held during the financial year ended 31 March 2013 as follows:-

Venue	Date	Time
Boardroom Kumpulan Fima Berhad Suite 4.1, Level 4.1 Block C, Plaza Damansara 45, Jalan Medan Setia 1 Bukit Damansara 50490 Kuala Lumpur	16 May 2012 29 August 2012 28 November 2012 26 February 2013	12.35 p.m. 4.20 p.m. 11.35 a.m. 11.45 a.m.
Boardroom Percetakan Keselamatan Nasional Sdn Bhd No. 1, Jalan Chan Sow Lin 55200 Kuala Lumpur	26 June 2012	12.35 p.m.

CORPORATE INFORMATION

Board of Directors	Dato' Adnan bin Shamsuddin	*Chairman*
	Roslan bin Hamir	*Managing Director*
	Rezal Zain bin Abdul Rashid	*Senior Independent Non-Executive Director*
	Datuk Alias bin Ali	*Independent Non-Executive Director*
	Dr. Roshayati binti Basir	*Non-Independent Non-Executive Director*
Audit Committee	Rezal Zain bin Abdul Rashid	*Chairman/Senior Independent Non-Executive Director*
	Dato' Adnan bin Shamsuddin	*Independent Non-Executive Director*
	Datuk Alias bin Ali	*Independent Non-Executive Director*
Remuneration & Nomination Committee	Datuk Alias bin Ali	*Chairman/Independent Non-Executive Director*
	Dato' Adnan bin Shamsuddin	*Independent Non-Executive Director*
	Rezal Zain bin Abdul Rashid	*Senior Independent Non-Executive Director*

Company Secretaries

Lee Mo Leng (MIA 9505)
Mohd Yusof bin Pandak Yatim (MIA 4110)

Auditors

Hanafiah Raslan & Mohamad
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Share Registrar

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Tel : (603) 7841 8000 Fax: (603) 7841 8008

Registered Office

Suite 4.1, Level 4
Block C, Plaza Damansara
45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Tel : (603) 2092 1211 Fax: (603) 2094 5996
Website: www.fimacorp.com

Website

http://www.fimacorp.com

Principal Bankers

Malayan Banking Berhad
Public Bank Berhad

Stock Exchange Listing

Main Market of Bursa Malaysia Securities Berhad
Stock Name : FIMACOR
Stock Code : 3107
Sector : Industrial Products

PROFILE OF DIRECTORS

DATO' ADNAN BIN SHAMSUDDIN
(66 years of age, Malaysian)
Chairman
Independent Non-Executive Director
B.A (Hons) Second Class Upper in Economics (University of Malaya)
M.A Economics (University of Southern California)

On 20 May 2003, he was appointed as Director and member of the Audit Committee, Remuneration Committee and Nomination Committee. On 24 February 2010, he was appointed Chairman of the Company.

He began his career by joining the Administrative and Diplomatic Service, of the Government of Malaysia in 1971 and was appointed as Assistant Secretary, Ministry of Transport. After four years at the Ministry of Transport, he was awarded a scholarship to pursue post graduate studies in United States.

He returned to Malaysia in 1977 and was posted as Director of Air Transport in the Department of Civil Aviation and in 1983, promoted to the post of Deputy Director General of Civil Aviation. When the airport was corporatised in 1992, he opted to join Malaysia Airports Holdings Berhad and served as Executive Director until he retired in 2003. Presently, he is the Chairman of Percetakan Keselamatan Nasional Sdn Bhd, a wholly-owned subsidiary of Fima Corporation Berhad and a Board member of Nationwide Express Courier Services Berhad.

He had attended all five (5) board meetings held in the financial year.

ROSLAN BIN HAMIR
(46 years of age, Malaysian)
Managing Director
ACCA graduate with a Bachelor of Arts (Honours) in Accounting and Finance

He was appointed to the Board on 8 December 1998. In May 1999, he was made Executive Director and redesignated as Managing Director.

He was previously with Ernst & Young Consultants Sdn Bhd as an auditor as well as management consultant from 1993 till 1998 when he joined Kumpulan Fima Berhad as Senior Vice President, Corporate Services. He is presently the Group Managing Director of Kumpulan Fima Berhad and the Non-Executive Chairman of Riverview Rubber Estates Berhad, both companies listed on Bursa Malaysia Securities Berhad. He also the Non-Executive Chairman of Narborough Plantation Plc, a company listed on London Stock Exchange.

He had attended all five (5) board meetings held in the financial year.

REZAL ZAIN BIN ABDUL RASHID
(46 years of age, Malaysian)
Senior Independent Non-Executive Director
Accountancy degree (University of Canberra, Australia)

He joined the Board on 25 June 2002 and serves as the Chairman of the Audit Committee and a member of the Remuneration and Nomination Committees. He was appointed Senior Independent Non-Executive Director on 21 February 2012.

He is a Chartered Public Accountant with ASCPA and also a Public Accountant with the Malaysian Institute of Accountants. He was previously with KPMG Desa Megat & Co as a senior auditor and after 4 years of auditing, he was transferred to Peat Marwick Consultants. He subsequently joined the Corporate Finance Department of Arab Malaysia Merchant Bank, specializing in Mergers and Acquisitions.

In 1996, he joined TDM Berhad as the Manager of Corporate & Business Development and was appointed as the Chief Operating Officer in 1999. In July 2000, he left TDM Berhad, pursuant to a management-buy-out of one of its subsidiaries. He is presently a Board member and audit committee chairman of PJI Holdings Berhad. In August 2012, he was appointed to the Board of Matrix Concepts Holdings Berhad, which is due to be listed in mid-2013 and he is also the Chairman of the Audit Committee and a member of the Remuneration and Nomination Committees.

He had attended all five (5) board meetings held in the financial year.

DATUK ALIAS BIN ALI
(65 years of age, Malaysian)
Independent Non-Executive Director
Bachelor of Economics (Hons) (University of Malaya)
Master in Business Management (Asian Institute of Management, Manila, Philippines)
London Executive Program (LBS)
Diploma in Homeopathic Medicine (PPHM)

He was appointed to the Board on 26 August 2004 and serves as the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee.

He began his career in 1970 with the Prime Minister’s Department. During the 34 years of service with the Government, he held various senior positions in several Ministries. In 1995, he was appointed Deputy Secretary General (Cabinet) of the Prime Minister’s Department and in 2000, he was appointed Secretary General of the Ministry of Health until his retirement in March 2004. He is currently a Board member of Duopharma Biotech Berhad and Melati Ehsan Holdings Berhad.

He had attended all five (5) board meetings held in the financial year.

DR. ROSHAYATI BINTI BASIR
(49 years of age, Malaysian)
Non-Independent Non-Executive Director
MBBS (Mal) (University of Malaya)
Master in Med. Radiology (Universiti Kebangsaan Malaysia)

A doctor by profession, she was appointed to the Board on 23 November 2009. She did her Internship with Hospital Kuala Lumpur in 1989. She then served as Medical Officer (Surgery) with Universiti Kebangsaan Malaysia in 1990 and later in 1992 as Trainee Radiologist. In 1996, she joined Hospital Kuala Lumpur as a Radiologist. Currently, she is the Consultant Radiologist with Sunway Medical Centre and is a member of the Academy of Medicine (Malaysia). She is also a Board member of Nationwide Express Courier Services Berhad.

She had attended all five (5) board meetings held in the financial year.

Note :

i) Save as herein disclosed, none of the other Directors has any family relationship with each other and/or major shareholders of the Company.

ii) Save for that disclosed in the section on related party transactions, the Directors have no conflict of interest with the Company.

iii) None of the Directors has been convicted of any offences within the past ten (10) years.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of the Company and the Group for the financial year ended 31 March 2013.

FINANCIAL REVIEW

The Group achieved revenue of RM305.1 million for the year compared to RM300.2 million in the previous year, representing a marginal growth of 1.7%. The Group's revenue was impacted by a 3.2% drop in turnover from the Plantation Division, which was adversely affected by depressed crude palm oil (CPO) prices.

The Group posted a profit before tax of RM88.8 million against RM107.5 million registered last year, a decrease of 17.4%. This was mainly attributable to the lower pretax profit recorded by the plantation division.

OPERATIONS REVIEW

Production and Trading of Security and Confidential Documents

The production and trading of security and confidential documents division closed the financial year with a slight increase in its turnover as the demand for its core products remains strong. The division recorded revenue of RM202.0 million and pretax profit of RM53.1 million as compared to RM193.7 million and RM54.3 million respectively in the previous year.

The decrease in pretax profit was mainly due to less favourable sales mix and higher write down of inventories.

Postage stamps and certificates printed by PKN

Oil Palm Plantation

Yield of fresh fruit bunches ("FFB") grew 13.9% from 139,144 mt to 154,995 mt this year whilst purchase of FFB from third party increased to 32,796 mt from the previous year of 22,673 mt. Production of CPO and CPKO during the year was 43,817 mt (2012: 38,915 mt) and 601 mt respectively (2012: 2,464 mt). On average, an oil extraction rate of 23.36% (2012: 23.84%) was achieved, marginally lower mainly due to FFB with high Dura received from small holders.

FFB harvesting

FFB collection

Revenue registered from the Plantation Division was RM99.3 million, 3.2% lower than last year. A total of 46,082 mt (2012: 39,089 mt) CPO was sold at the average CIF selling price net of duty, of RM2,155 per mt (2012: RM2,430 per mt). No sale of CPKO (2012: 3,392 mt) was recorded during the year due to depressed selling price and lower demand in Indonesia.

On the back of lower CPO price and higher upkeep costs, profit before tax recorded by the Division was 30.6% lower at RM32.2 million (2012: RM46.5 million).

Property Management

Due to the current competitive rental market, our Plaza Damansara building is also affected with occupancy rate reduced to 72% (2012: 75%). The Bangi factory premise continued to provide good rental income and is expected to obtain full occupancy this year.

Recognizing the challenging property market, the property management division will continue its effort to reduce cost and embark on creative marketing strategy.

CORPORATE DEVELOPMENT

On 24 December 2012, Cendana Laksana Sdn Bhd ("Cendana Laksana"), a wholly-owned subsidiary of FCB Plantation Holdings Sdn Bhd which in turn is a wholly-owned subsidiary of Fima Corporation Berhad, had entered into a conditional Sale and Purchase Agreement ("SPA") with Lemo Sdn Bhd (Receiver and Manager Appointed), Khuzamy Musa bin Muhammad and Khuzairy Musa bin Muhammad for the acquisition of 2 parcels of agricultural leasehold land in Kemaman, Negeri Terengganu measuring approximately 1,940.73 acres for a total purchase consideration of RM29.11 million.

Cendana Laksana was incorporated on 9 November 2012 and has an authorized share capital of RM100,000 of which 2 ordinary shares of RM1.00 each have been issued and are fully paid up. Its intended principal activity is oil palm production.

The completion of the SPA is conditional upon the satisfaction of the conditions precedent stipulated in the SPA of which, as at todate, have yet to be completely fulfilled.

The new investment is projected to contribute positively towards the future earnings of the Group and ultimately enhancing the Group's shareholders value.

FUTURE OUTLOOK

The Malaysian economy is expected to remain on a steady growth path, with an expansion of 5% - 6% in 2013. Economic activity will be anchored by the continued resilience of domestic demand, and supported by a gradual improvement in the external sector.

(Source: Bank Negara Malaysia)

Revenue from the production and trading of security and confidential documents in the new financial year is expected to remain strong as most of its core products are under secured contracts. The Management will continue to be innovative in developing the niche in its products and ensure that the Company remains in the forefront of the security and confidential printing industry. An investment of RM4.0 million in equipment is projected for 2013 to fulfill the Company's commitment to constantly improve production efficiency and product quality.

Movement in CPO price is subject to market forces which are not within our control. It is envisaged that the year 2013 is likely to be a challenging year and the Management will continue its relentless efforts to manage and administer the operational costs to maximize operational efficiencies. The commissioning of our composting plant with an annual production capacity of 17,000 mt in March 2013 will further create value to our manuring regime and reduce fertilizer cost. Adopting good agricultural and agronomic practices and standards remains a high priority.

Composting plant at NJL

DIVIDEND

The Board is pleased to recommend for shareholders' approval at the forthcoming 38th Annual General Meeting, a single-tier special dividend of 5% and a final dividend of 18.5% less 25% tax. An interim dividend of 15% less 25% tax was paid on 28 December 2012. Total net dividend per share for the financial year under review will amount to 30.12% (2012: 26.25%).

APPRECIATION

On behalf of the Board, I wish to extend our appreciation to the management and staff for their continuous dedication, commitment and contributions. Our sincere thanks go out to all our valued shareholders, customers, business associates and government authorities for their continuous support and confidence to the Group.

To my colleagues on the Board, I would like to express my sincere appreciation for their advice and guidance.

DATO' ADNAN BIN SHAMSUDDIN
Chairman

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors is committed to establishing and maintaining a high standard of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders value and the financial performance of the Group of companies. This statement illustrates the extent of which the Board has embodied the spirit and principles of the Malaysian Code on Corporate Governance ("The Code"). Unless otherwise stated below, the Company is in compliance with the requirements of the Code.

The following paragraphs set out the Company's application of the stated principles and best practices of the Malaysian code on Corporate Governance.

BOARD OF DIRECTORS

A. The Board

The Board of Directors assumes responsibilities in corporate governance practices of the Group. It guides and monitors the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group. Where appropriate, formal structures and committees are in place to facilitate the Board in carrying out its duties.

The roles and responsibilities of the Board are formalized in a Board Charter which is available in the Governance section of the Company's website.

B. Board Balance

At the date of this statement, the Board consists of five (5) members, comprising four (4) Non-Executive Directors (three of whom are independent) and one (1) Managing Director. The composition of the Board, not only reflects the broad range of experience, skills and knowledge required to properly direct and supervise the Group's business activities, but also the importance of independence in decision-making at the Board level.

The Managing Director is generally responsible for making and implementing operational decisions whilst the Non-Executive Directors support the skills and experiences of the Managing Director, contributing to the formulation of policy and decision-making through their knowledge and experience of other business and sectors.

The Independent Non-Executive Directors are free from any business or other relationship that could materially interfere with exercise of their independent judgement. Together they play an important role in ensuring that the strategies proposed by the management are fully deliberated and examined, taking into account the long term interest of the shareholders, employees, customers, and the many communities in which the Group conducts its business.

Encik Rezal Zain bin Abdul Rashid is the Company's Senior Independent Director. The role of the Senior Independent Director is to serve as a point of contact to whom concerns may be conveyed.

In accordance with the Company's Articles of Association, all Directors are subjected to election by the shareholders at the Annual General Meeting ("AGM") subsequent to their appointment. At least one third of the remaining Directors are subject to re-election by rotation at each AGM.

C. Independence of Directors

Each of the three (3) Independent Non-Executive Directors has provided written declaration to the Nomination Committee and the Board confirming that they continue to fulfil the criteria of independence as set out in the Bursa Malaysia Main Market Listing Requirements.

The Board acknowledges the Code's recommendation that the tenure of an independent director should not exceed a cumulative term of 9 years. However, the Board does not consider that independence can be assessed with reference to a set period of time. Rather, regard must be given on their capacity to act in accordance with their fiduciary duties and whether there exist any relationships or interests which could materially interfere with the exercise of their independent judgement.

In the circumstances, the Nomination Committee and the Board, through the annual assessment carried out have concluded that the Company's three (3) Independent Non-Executive Directors i.e. Encik Rezal Zain bin Abdul Rashid, YBhg Dato' Adnan bin Shamsuddin and YBhg Datuk Alias bin Ali ("Independent Non-Executive Directors") who has served on the Board for a cumulative term of more than 9 years, remain independent in character and judgment and that they are each free from any business or other relationships which could materially impair the exercise of their independent judgement. The Company has diverse operations that have grown over time and, in the Board's view, derives the benefits from having long serving Directors with detailed knowledge of the history and experience of the operations.

The Board will table a proposal to retain the Independent Non-Executive Directors as Independent Directors for shareholders' approval at the forthcoming Annual General Meeting of the Company. Justifications on the continuation of the three (3) Independent Non-Executive Directors as independent directors are provided in the notice of meeting.

D. Board Meeting

The Board meets at least 4 times a year and has a formal schedule of matters reserved to it. Additional meetings are held as and when required. The Board is supplied with full and timely information to enable it to discharge its responsibilities. During the meetings, the Board reviews the Group's financial statements and results are deliberated and considered. Management and performance of the Group and any other strategic issues that affect or may affect the Group's businesses are also deliberated.

Total of five (5) meetings were held during the financial year ended 31 March 2013. The details of attendance of each Director at the Board Meetings held during the financial year are set out below.

Name of Directors	No. of Board Meetings	
	Held	Attended
Roslan bin Hamir	5	5
Dato' Adnan bin Shamsuddin	5	5
Rezal Zain bin Abdul Rashid	5	5
Datuk Alias bin Ali	5	5
Dr. Roshayati binti Basir	5	5

E. Board Performance Evaluation

During the year, an evaluation to assess the performance of the Board as a whole and its committees was conducted with the aim of improving the effectiveness of the Board and its members. This year's review took place in the final quarter of the financial year and was led by the Chairman of the Nomination Committee, who in turn provided feedback to the Board. Key areas of the evaluation included:

- Board structure, organization and dynamics;
- people issues, including succession planning;
- business performance, including level and quality of reporting measures;
- Board committees; and
- key issues and improvements.

The Board, upon receiving the Nomination Committee's report on the annual assessment carried out for year ended 31 March 2013, was satisfied that:

- The size and composition of the Board, given the Company's size and type of operation, is optimum with appropriate mix of knowledge, skills, attributes and core competencies;

- The Board has been able to discharge its duties professionally and effectively;

- All the Directors continue to uphold the highest governance standards in their conduct and that of the Board; and

- The Independent Non-Executive Directors comply with the definition of Independent Director as defined in the Bursa Malaysia Main Market Listing Requirements.

F. Supply of Information

In advance of each Board meeting, the members of the Board are each provided with relevant documents and information to enable them to discharge their duties. Comprehensive Board papers are presented which detail the Group's performance and any other issues that may require the Board's deliberation and decisions. The Directors have access to independent professional advice as well as the advice and services of the Company Secretary, who is responsible for ensuring that Board meeting procedures are followed and that applicable rules and regulations are complied with.

G. Board Committees

The Board of Directors is assisted by its Committees, which have been established under defined terms of reference. The Committees are the Nomination Committee, the Remuneration Committee and the Audit Committee.

i) Nomination Committee

The Nomination Committee was established on 28 August 2001. The members of the Nomination Committee are as follows:-

Datuk Alias bin Ali (Chairman)
Rezal Zain bin Abdul Rashid
Dato' Adnan bin Shamsuddin

The duties and responsibilities of the Nomination Committee are as follows:-

- Review contribution of individual Directors and effectiveness of the Board as a whole with its mix of skills and experience and other qualities, including core competencies which Non- Executive Director shall bring to the Board;

- Make recommendations to the Board on candidates for directorship on the Board of the Company and its Group;

- Recommend suitable orientation, educational and training programmes to continuously train and equip both existing and new Directors; and

- Examine the size of the Board to determine its effectiveness.

The Nomination Committee meets as and when necessary and can also make decisions by way of circular resolutions.

ii) Remuneration Committee

The Remuneration Committee was formed on 28 August 2001. Members of the Remuneration Committee are as follows:-

Datuk Alias bin Ali (Chairman)
Rezal Zain bin Abdul Rashid
Dato' Adnan bin Shamsuddin

The Committee will be responsible for setting the policy framework and making recommendations to the Board on remuneration packages and benefits extended to the Managing Director.

The Remuneration Committee shall have the authority to carry out the following:

- Make recommendations to the Board on the remuneration framework for the Managing Director and determine the remuneration arrangements for the Managing Director;
- Recommend to the Board changes in remuneration, if required or in the event the present structure and remuneration policy are deemed inappropriate;
- Review and recommend to the Board regarding any proposed new employees' share option scheme and/or amendments to the existing scheme; and
- Remuneration of the Non-Executive Directors shall be determined by the Board collectively, where individuals concerned shall abstain from discussion of their own remuneration.

For the current financial year, the remuneration package for the Managing Director was approved by the full Board with the Director affected not involved in the approval of his own package. Fees payable to Non-Executive Directors is determined by the Board with the approval from the shareholders at the AGM.

iii) Audit Committee

The Board is also assisted by the Audit Committee whose members, terms of reference and activities for the year under review are set out under the Audit Committee Report.

H. Directors' Training

The Directors continually attend relevant training programmes and seminars to keep abreast with the various issues facing the changing business environment within which the Group operates and further enhance their professionalism in discharging their fiduciary duties to the Company.

Details of training attended by Directors during the year are as follows:-

Roslan bin Hamir
- *CIMB 1st Regional Commodity Seminar 2013*
- *2012 Mid Year Global Economic Outlook – UBS AG*
- *Value-Based Performance Target Setting and Incentives*
- *Riverview Rubber Estates Berhad "Development of In-House Field Workers Checkroll system"*
- *Riverview Rubber Estates Berhad "Executive Conference 2012"*

Dato' Adnan bin Shamsuddin
- *CIMB 1st Regional Commodity Seminar 2013*
- *25th International Security Printers Conference*

Rezal Zain Abdul Rashid
- *CPA "Creative accounting resulting in fraud"*

Datuk Alias bin Ali
- *The Malaysian Code on Corporate Governance 2012 – Implication and Challenges to public-listed companies*
- *CCM "Lean Six Sigma Awareness"*
- *CIMB 1st Regional Commodity Seminar 2013*

Dr. Roshayati binti Basir
- *MICG "Directors Remuneration Seminar 2013"*

I. Re-election of Directors

In accordance with the Articles of Association of the Company, at least one-third of the Directors are required to retire from office at least once in every three (3) years at each Annual General Meeting but shall be eligible for re-election.

DIRECTORS' REMUNERATION

The breakdown of the remuneration of the Directors of the Group during the financial year ended 31 March 2013 is as follows:-

	Executive RM'000	Non-Executive RM'000	Total RM'000
Fees	-	170	170
Salaries and Other Emoluments	627	86	713
Bonus	353	-	353
Benefits-in-Kind	79	-	79

The number of Directors in the Company whose remuneration fall within the following bands:

	Number of Directors (Company)		
	Executive	Non-Executive	Total
Nil - RM50,000	-	1	1
RM50,001 – RM100,000	-	3	3
RM1,000,001 – RM1,050,000	1	-	1

The remuneration of the Executive Director is the remuneration attributable to the Managing Director, Encik Roslan bin Hamir.

SHAREHOLDERS

Consistent with the Bursa Malaysia Securities Berhad's objectives, it is the intention of the Board that the shareholders are well informed of all major developments that have an impact on the Company. The Board recognizes the importance of accountability to its shareholders through proper communication with its shareholders. The Company reaches out to its shareholders through its distribution of annual reports, quarterly results and corporate announcement released to the Bursa Malaysia. However, any information that may be regarded as undisclosed material information about the Group will not be given to any single shareholder.

All shareholders are encouraged to attend the AGM and to participate in the proceedings, as the AGM is the principal forum for dialogue with shareholders. At the AGM, opportunities are given to shareholders to raise questions and concerns with regards to the Company's business and performance.

ACCOUNTABILITY AND AUDIT

Financial Reporting

In presenting the annual financial statements and quarterly announcements to shareholders, the Directors aim to present a balance and understandable assessment of the Group's position and prospects. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy and adequacy. Efforts are made to ensure that the financial statements comply with the Companies Act, 1965, approved accounting standards in Malaysia and other regulatory provisions.

Internal Control

The Directors acknowledge their responsibilities for the Group's system of internal controls covering not only financial controls but also operational and compliance controls as well as risk management. Towards achieving this objective, the Board will ensure that there is full control and direction over appropriate strategic, financial, organizational and compliance issued through regular meetings. It also maintains a sound system of internal controls to safeguard the shareholders' investments and the Company's assets. However, such system can only provide reasonable but not absolute assurance against material misstatement or loss.

Relationship with the External Auditors

Through the Audit Committee, the Group has established transparent and appropriate relationship with the external auditors. The relationship between the Board and the external auditors is also formalized through the Audit Committee's terms of reference.

As at the date of this Annual Report, the Audit Committee had met with the external auditors without the Managing Director and management being present on two occasions i.e. 26 June 2012 and 26 February 2013, to discuss the adequacy of controls and any judgmental areas.

CORPORATE SOCIAL RESPONSIBILITY

Fima Corporation Group is always conscious of its responsibility to act as a good corporate citizen and is committed to caring for our communities and taking care of the welfare of our employees.

Workplace

The Group recognized its employees as major assets and their contribution and support are valued immeasurably. The Group strives to provide a positive and respectful culture across the organization, providing equal opportunities in pursuit of knowledge, social and physical health. Several personal development and skills training programmes were implemented during the year to enable the employees strengthen their capabilities and advance on their career paths.

To improve the living conditions for employees in our Indonesian plantation estate, we have built 190 units of new quarters and an additional crèche. Free transportation to school is also provided for their children.

As part of the Group's focus on the importance of staff health and safety, the Group has in place a comprehensive health and safety framework. Safety measures in place include periodic briefings on safety practices and appropriate safety notices placed at strategic locations.

In promoting greater engagement and networking amongst employees, we had organized several social activities such as weekend retreat at Sunway Lagoon Resort, annual dinner, Hari Raya open house and various sport tournaments.

Annual dinner PKNSB at Sunway Lagoon

Volleyball competition at NJL estate

Community

As a conscientious corporate citizen, the Group recognizes the need to make a positive difference in the lives of the needy and less fortunate. In view of this, we have embarked on initiatives aimed at giving back to the local community and had supported good causes through donations.

Purple Walk participation by PKN

Hari raya gathering at NJL estate

During the financial year, Fima Corporation Berhad and it's subsidiary, Percetakan Keselamatan Nasional Sdn Bhd had provided financial aid to the following deserving causes:

1. Masjid Kampung Tunku – "Program Tuisyen 2013".
2. Kelab Belia 1 Malaysia Kota Damansara - "Program Titian Kasih Siri ke-5: Bantuan Pelajar Miskin".
3. Yayasan Aminul Ummah Malaysia - "Program Mengimarahkan Masjid Sepanjang Bulan Ramadan".
4. Award sponsor for graduates of International Islamic University Malaysia.

Our subsidiary in Indonesia, PT Nunukan Jaya Lestari had undertaken the following activities in its effort to contribute back to the local community.

1. Flood relief donation.
2. Contribution for the construction of a mosque.
3. Contribution to Independence Day and Aidil Adha's celebration.
4. Supply of electricity and water to a local school.
5. Donation of school uniforms and computers.

AUDIT COMMITTEE REPORT

Members

Members of the Audit Committee ("Committee") are as follows:-

Rezal Zain bin Abdul Rashid	*Chairman/Senior Independent Non-Executive Director (Member of Malaysian Institute of Accountants)*
Dato' Adnan bin Shamsuddin	*Independent Non-Executive Director*
Datuk Alias bin Ali	*Independent Non-Executive Director*

Meetings

During the financial year, the Committee convened five (5) meetings. The attendance records of each member are as follows:

Member	Meetings Attended	Date of Meeting				
		16/05/12	26/06/12	29/08/12	28/11/12	26/02/13
Rezal Zain bin Abdul Rashid	5/5	Present	Present	Present	Present	Present
Dato' Adnan bin Shamsuddin	5/5	Present	Present	Present	Present	Present
Datuk Alias bin Ali	5/5	Present	Present	Present	Present	Present

The Audit Committee had met with the external auditors without the presence of the Managing Director and management on 26 June 2012 and 26 February 2013, to discuss the adequacy of controls and any judgmental areas.

Activities

In line with the terms of reference of the Committee, the following main activities were carried out during the financial year in discharging its duties and responsibilities.

1. Reviewed the quarterly unaudited financial results and annual audited financial statements of the Company and Group before submission to the Board of Directors ("Board") for consideration and approval.

2. Reviewed the compliance of Main Market Listing Requirements of Bursa Securities, applicable Financial Reporting Standards and provisions of the Companies Act, 1965.

3. Reviewed the external auditors' scope of work and audit plan, prior to the commencement of audit work.

4. Reviewed the audit findings, audit report, management letters and responses with the external auditors.

5. Reviewed the internal audit plan and programme, considered the major findings of internal audit and actions taken by the management in response to the audit findings.

6. Reviewed related party transactions and conflict of interest situations that may arise in the Company.

7. Met with the external and internal auditors without the presence of the Managing Director and the management.

Internal audit function

The Audit Committee has been supported by the Group Internal Audit Department (GIA) of the penultimate holding company, Kumpulan Fima Berhad, which undertakes internal audit functions of the Group and Company based on an internal audit plan that is duly approved by the Audit Committee. The GIA reports directly to the Audit Committee to ensure impartiality and independence.

The internal audits were undertaken to provide independent assessments on the adequacy, efficiency and effectiveness of the Group's internal control systems in anticipating potential risk exposures over key business processes within the Group.

Terms of Reference

1.0 Composition

The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three (3) members, a majority of whom must be independent Directors.

The members of the Committee shall elect a Chairman from among their number who shall be an independent non-executive Director. No alternate director is appointed as a member of the Committee.

The Committee shall include at least one (1) Director who is a member of the Malaysian Institute of Accountants (MIA) or alternatively a Director who must have at least three (3) years working experience and have passed the examinations specified in Part I of the 1st Schedule of the Accountants Act 1967 or is a member of one of the associations specified in Part II of the said Schedule.

If a member of the Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced below three (3), the Board of Directors shall, within three (3) months of that event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

The term of office and performance of the Committee and each of its members must be reviewed by the Board at least once every three (3) years.

2.0 Authority

The Committee is authorised by the Board to:-

- Have authority to investigate any matter within its terms of reference;
- Have the resources which are required to perform its duties;
- Have full and unrestricted access to any information pertaining to the Company or Group;
- Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- Obtain legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it is deemed necessary; and
- Convene meetings with the external auditors, without the presence of the Managing Director and the management of the Company, whenever deemed necessary.

3.0 Functions

The functions of the Committee shall be:-

- To review the following and report the same to the Board :-
    - The audit plan with the external auditors;
    - The evaluation of the system of internal accounting controls with the external auditors;
    - The management letter and management's response with the external auditors;
    - The assistance given by the employees to the external auditors;
    - The adequacy of the scope, functions and resources of the internal audit functions;
    - The scope and results of the internal audit programmes;
    - The quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly to:-

        (i) changes in or implementation of major accounting policy changes;

        (ii) significant and unusual events; and

        (iii) compliance with accounting standards and other legal requirements.

- Any related party transaction and conflict of interest situations that may arise within the company or group including any transaction, procedure or course of conduct that raises the question of management integrity;

- Any letter of resignation from the external auditors; and

- Whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment.

- To recommend the nomination of a person or persons as external auditors.

- To monitor the implementation of the Group's risk management policies, ensuring an appropriate enterprise-wide risk management system is in place with adequate and effective processes.

- With the Board's approval and consistent with the Committee's oversight responsibilities, the Committee shall be authorized to delegate certain functions to sub-committees. These sub-committees shall act within agreed terms of reference and shall report all of their recommendations to the Committee for full deliberation and discussion. These sub-committees are not authorized to implement its recommendations on behalf of the Committee but shall make the relevant recommendations to the Committee for its consideration and implementation.

4.0 Meetings

Meetings shall be held at least four (4) times a year or at a frequency to be decided by the Committee. At least twice a year, the Committee shall meet with the external auditors without the presence of the Managing Director and the management of the Company. Other Directors and employees may be invited to attend any particular meeting only at the Committee's invitation, specific to the relevant meeting.

The quorum for each meeting shall be at least two (2) members. In order to form a quorum in respect of a meeting, the majority of members present must be independent directors.

The Company Secretary shall be the Secretary of the Committee and shall circulate the minutes of meetings to the Committee members and to all members of the Board and shall keep record of all meetings.

Training

The training attended by the Committee members during the financial year ended 31 March 2013 is reported in the Statement of Corporate Governance in this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RESPONSIBILITY OF THE BOARD

The Board recognizes the importance of a sound risk management framework and internal control systems for good corporate governance. The Board affirms its overall responsibility for the adequacy and integrity of the Group's risk management and internal control system.

The Group's system of risk management and internal control covers, inter alia, controls relating to financial control, risk management, operational and compliance with applicable laws, regulations, rules, directives and guidelines.

The process for identifying, evaluating and managing the significant risks faced by the Group is on going, regularly reviewed by the Board through its Audit Committee and has been in place for the whole year under review. In view of the limitations that are inherent in any system of internal control, the Group's internal control system is designed to manage rather than eliminate risks that may impact the achievement of the Group's business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

SYSTEM OF INTERNAL CONTROLS

The key elements of the Group's internal control system are as follows:

- Clear organization structure with defined reporting lines.
- Documented internal policies, standards, procedures and limits of approving authorities for operating and capital expenditure.
- Quarterly management report on key business performance, operating statistics and regular matters are provided to the members of the Board to review and monitor the achievements of the Group's performance.
- A meeting of the Heads of Division chaired by the Managing Director is held monthly to deliberate on operational, financial and key management issues.
- Each line of business submits an annual budget for approval by the Board. The results of the lines of business are monitored monthly and variances are analysed against the budget and acted on in a timely manner.
- Ongoing reviews on the system of the internal controls are carried out by the Group Internal Audit Department established by the penultimate holding company, Kumpulan Fima Berhad. Results of such reviews are reported to the Audit Committee. The work of the internal auditors is focused on areas of priority as identified by the Group's enterprise risk management process.
- The Audit 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 internal controls. The minutes of the Audit Committee meetings are tabled to the Board.
- Adequate insurance and physical security of major assets.

- The Group has in place a whistle blowing policy to provide an avenue for employees or other stakeholders to raise genuine concerns about possible improprieties in matters relating to financial reporting, compliance and other malpractices or misconduct that may have occurred. The policy is available in the Governance section of the Company's website. The procedure for reporting is as follows:

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

Name	:	Encik Roslan bin Hamir
Via Email	:	whistleblowing@fimacorp.com
Via Mail	:	*Mark: Strictly Confidential* Fima Corporation Berhad Suite 4.1, Level 4, Block C, Plaza Damansara 45, Jalan Medan Setia 1, Bukit Damansara 50490 Kuala Lumpur Attention: Managing Director

  - In the case where reporting to management is a concern, then the report should be made to the Chairman of Audit Committee. The communication channel to the Chairman of Audit Committee are:

Name	:	Encik Rezal Zain bin Abdul Rashid
Via Email	:	ac.chairman@fimacorp.com
Via Mail	:	*Mark: Strictly Confidential* Fima Corporation Berhad Suite 4.1, Level 4, Block C, Plaza Damansara 45, Jalan Medan Setia 1, Bukit Damansara 50490 Kuala Lumpur Attention: Chairman of Audit Committee

ENTERPRISE RISK MANAGEMENT

The Audit Committee and the Board are supported by a Risk Management Committee, headed by the Senior Independent Non-Executive Director. The Risk Management Committee identifies and communicates to the Audit 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 Audit Committee and the Board in discharging their duties are supported by the Risk Management Unit, comprising senior management and is headed by the Managing Director.

The Risk Management Committee is entrusted with the responsibility of implementing and maintaining the appropriate risk management framework to achieve the following objectives:

- Create a high-level risk strategy policy aligned with the Group's strategic business objectives.
- Communicate Group's vision, strategy, policy, responsibilities and reporting lines to all employees.
- Identify and report the critical risks the Group faces and the management action plans to manage the risks.
- Perform risk oversight and review risk profiles.

An enterprise risk management framework encompassing risk management policy and procedures was developed and adopted by the Risk Management Committee. The framework sets out the Group's underlying approach to manage the risks and clearly defines the reporting structure. The following is a summary of the enterprise risk management approach applied throughout the risk management exercise carried out by the Group:

1. Identify risks through business process mapping and understanding;
2. Assess the risks identified;
3. Quantify the impact of the potential risk;
4. Document strategies and policies to address the risk identified above;
5. Assign responsibility of managing specific risks to specific operating personnel; and
6. Set procedures for regular review and update risk profile for any new risks as a result from changing business environment and thus modify the Group's risk management policies to cater for the new risks.

The principal risks identified are those relating to operational, finance, environment, technology, human resources, integrity and reputation.

The process of reviewing the adequacy and the integrity of internal control is a continuous process and the Board will from time to time review the monitoring and reporting process to ensure their effectiveness as a whole.

INTERNAL AUDIT FUNCTION

The Audit Committee has been supported by the Group Internal Audit Department (GIA) of the penultimate holding company, Kumpulan Fima Berhad, which undertakes internal audit functions of the Group and Company based on an audit plan that is reviewed and approved by the Audit Committee. The GIA reports directly to the Audit Committee on a quarterly basis and is independent of the activities it audits. Follow-up reviews and deliberation of internal audit reports are carried out to ensure that appropriate actions are taken to address internal control weaknesses highlighted.

During the year, the GIA has evaluated the adequacy, integrity and effectiveness of the Group's internal controls in safeguarding shareholders' investment and the Group's assets. The internal controls cover financial, operational and compliance and enterprise risk management. The cost incurred by the GIA in respect of internal audit function during the financial year was RM132,000.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board has received assurance from the Managing Director and Financial Controller that the Group's overall risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. No material losses, contingencies or uncertainties have arisen from any inadequacy or failure of the Group's risk management and internal control system that would require separate disclosure in the Group's Annual Report.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.24 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement for inclusion in the Annual Report for the year ended 31 March 2013 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 internal controls.

This Statement is made in accordance with the resolution of the Board dated 24 June 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation of the Annual Audited Accounts and the Board always ensures that proper accounting records are kept and the accounts and other financial reports of the Group are prepared in accordance with the provisions of the Companies Act, 1965 and applicable approved accountings standards in Malaysia.

The directors also have a general responsibility for taking such steps as are reasonable open to them to control and safeguard the assets of the Group and to prevent and detect fraud and other irregularities. In the opinion of the directors, the Company has applied the appropriate accounting policies and standards consistently in the preparation of the financial statements for the financial year ended 31 March 2013, which give a true and fair view of the state of affairs of the Group and the Company.

ADDITIONAL COMPLIANCE INFORMATION

- **Utilisation of Proceeds**

  No proceeds were raised by the Company from any corporate exercise during the financial year.

- **Share Buy-Backs**

  During the financial year, the Company did not repurchase any of its issued ordinary shares from the open market.

- **Options, Warrants or Convertible Securities**

  There were no issues or exercise of options, warrants or convertible securities during the financial year.

- **American Depository Receipt (ADR)/Global Depository Receipt (GDR) Programmes**

  During the financial year, the Company did not sponsor any ADR or GDR programmes.

- **Imposition of Sanctions/Penalties**

  There was no public imposition of sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the regulatory bodies during the financial year.

- **Non-Audit Fees**

  Non-audit fees paid to the external auditors during the financial year was RM1,000 (2012: RM1,000).

- **Profit Estimate, Forecast or Projection**

  The Company did not release any profit estimate, forecast or projection for the financial year.

- **Profit Guarantee**

  During the financial year, there were no profit guarantees given by the Company.

- **Material Contracts and Contracts Relating to Loans**

  There were no material contracts and contracts relating to loans entered into by the Company and its subsidiaries which involve the Directors or substantial shareholders entered into since the previous financial year ended 31 March 2012.

- **Family Relationship of Director with any Directors and/or Major Shareholders**

  None of the Directors has family relationships to one another.

- **Conflict of Interest and Convictions for Offences of Directors**

  None of the Directors has any conflict of interest in Fima Corporation Berhad or has been convicted of any offence within the past ten (10) years.

FIVE YEAR FINANCIAL HIGHLIGHTS OF THE GROUP YEAR ENDED 31 MARCH

(RM'000)	2013	2012	2011	2010	2009
REVENUE	305,145	300,174	298,480	280,095	223,465
PROFIT					
Profit before Taxation	88,839	107,505	111,566	88,649	62,093
Profit after Taxation	61,899	78,917	84,757	64,570	59,481
Profit attributable to Non-controlling Interests	3,670	7,010	5,271	3,879	2,351
ASSETS AND LIABILITIES					
Total Assets	562,975	547,153	515,838	457,181	377,902
Total Liabilities	73,552	91,520	114,975	125,801	119,128
Financed By:					
Shareholders' Equity	466,828	435,189	380,814	315,458	245,196
Non-controlling Interests	22,595	20,444	20,049	15,922	13,578
EARNINGS AND DIVIDEND					
Earnings per share	72.4 sen	89.4 sen	98.8 sen	75.4 sen	70.7 sen
Dividends per share - Gross	38.5 sen	35.0 sen	30.0 sen	20.0 sen	17.0 sen
Dividends per share - Net	30.13 sen	26.25 sen	22.5 sen	15.0 sen	12.8 sen
SHARE PRICES					
Transacted price per share (RM)					
Highest	6.65	6.95	6.52	4.70	2.30
Lowest	5.60	4.88	3.92	1.92	1.79

PLANTATION STATISTICS YEAR ENDED 31 MARCH

	2013	2012	2011	2010	2009
Planted Area (hectare)					
Mature					
8 - 10 years	5,614.30	3,645.40	1,693.00	-	-
4 - 7 years	739.20	2,708.10	4,585.25	6,164.10	5,655.80
	6,353.50	6,353.50	6,278.25	6,164.10	5,655.80
Immature	47.98	47.98	95.82	209.97	718.27
Total Planted Area	6,401.48	6,401.48	6,374.07	6,374.07	6,374.07
FFB Production (mt)					
Own estates	154,996	139,144	117,975	113,888	90,735
Purchased	32,796	22,673	33,611	52,857	26,517
Total processed	187,575	163,203	150,144	166,745	117,252
Oil Extraction Rate (OER) (%)	23.36	23.84	24.55	24.95	25.29
Yield per mature hectare (mt FFB)	24.40	21.90	18.79	18.48	16.04

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Financial STATEMENTS

annual report 2013 | **FIMA CORPORATION BERHAD** (21185-P)

FIMA

FIMA CORPORATION BERHAD

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 2013.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries and associates are production of security and confidential documents, oil palm production and processing and production and sale of bank notes as described in Notes 16 and 17 to the financial statements, respectively.

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

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	61,899	14,269
Attributable to:		
Equity holders of the Company	58,229	14,269
Non-controlling interests	3,670	-
	61,899	14,269

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 dividends paid by the Company since 31 March 2012 were as follows:

	RM'000
In respect of the financial year ended 31 March 2012 as reported in the directors' report for that year:	
Final dividend of 15% less 25% taxation, paid on 10 October 2012	9,053
Special dividend of 5% less 25% taxation, paid on 10 October 2012	3,018
	12,071
In respect of the financial year ended 31 March 2013:	
Interim dividend of 15% less 25% taxation, paid on 28 December 2012	9,053
	21,124

The directors recommend the payment of a final dividend of 18.5% less taxation of 25% and a single-tier special dividend of 5% on 80,470,710 ordinary shares, amounting to a total dividend of RM15,188,847 (15.0 sen net per share), which subject to the shareholders' approval at the forthcoming Annual General Meeting will be paid on a date to be determined. The financial statements for the current financial 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 next financial year ending 31 March 2014.

DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Adnan bin Shamsuddin	(Chairman)
Roslan bin Hamir	(Managing Director)
Datuk Alias bin Ali	
Rezal Zain bin Abdul Rashid	
Dr. Roshayati binti Basir	

In accordance with Article 113 of the Company's Articles of Association, Encik Roslan bin Hamir and Encik Rezal Zain bin Abdul Rashid 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 anytime during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted pursuant to the Kumpulan Fima Berhad Employee Share Scheme ("ESS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in Note 32 to the financial statements.

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 Each			
	As at 1 April 2012	Bought	Sold	As at 31 March 2013
The Company				
Direct				
Roslan bin Hamir	205,600	-	-	205,600
Indirect *(1) (2) (3)				
Dr. Roshayati binti Basir	50,127,886	-	-	50,127,886

DIRECTORS' INTERESTS (CONTD.)

	Number of Ordinary Shares of RM1 Each					
	As at 1 April 2012	Options exercised	Shares vested under Restricted Share Grant	Bought	Sold	As at 31 March 2013
Kumpulan Fima Berhad						
Penultimate Holding Company						
Direct						
Roslan bin Hamir	111,000	130,000	60,000	-	-	301,000
Dato' Adnan bin Shamsudc	10,000	-	-	-	-	10,000
Indirect *(1) (2)						
Dr. Roshayati binti Basir	146,202,300	-	-	-	-	146,202,300

* Deemed interested by virtue of the following:

(1) Her shareholding in BHR Enterprise Sdn Bhd ("BHR"), the ultimate holding company of the Company;

(2) Her mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding in the Company; and

(3) Fima Metal Box Holdings Sdn Bhd, the major shareholder of the Company, is a wholly-owned subsidiary of Kumpulan Fima Berhad in which BHR has 55.55% equity interest.

	Number of Options Over Ordinary Shares of RM1.00 Each				
	Exercised Price RM	As at 1 April 2012	Granted	Exercised	As at 31 March 2013
Kumpulan Fima Berhad Penultimate Holding Company					
Roslan bin Hamir	1.48	1,200,000	-	(130,000)	1,070,000

DIRECTORS' INTERESTS (CONTD.)

	Number of Ordinary Shares of RM1.00 Each Granted under the Restricted Share Grant Scheme			
	As at 1 April 2012	Granted	Vested	As at 31 March 2013
Kumpulan Fima Berhad Penultimate Holding Company				
Roslan bin Hamir	-	60,000	(60,000)	-

The options and ordinary shares were granted pursuant to the Kumpulan Fima Berhad Employee Share Scheme ("ESS") which are subject to By-Laws governing their issues. The ESS will expire on 17 November 2016. The salient features and terms of the ESS are disclosed in Note 25(c).

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

TREASURY SHARES

During the financial year, the Company did not repurchase any of its issued ordinary shares.

As at 31 March 2013, the Company held as treasury shares a total of 1,956,100 of its 82,426,810 issued ordinary shares. Such treasury shares are held at a carrying amount of approximately RM3,604,000. Further details are disclosed in Note 24 to the financial statements.

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 are 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.

OTHER STATUTORY INFORMATION (CONTD.)

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

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements 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.

(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 and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

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

(f) In the opinion of the directors:

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

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

SIGNIFICANT EVENT DURING THE YEAR

The significant event during the year are as disclosed in Note 34 to the financial statements.

DIRECTORS' REPORT *(continued)*

AUDITORS

The auditors, Hanafiah Raslan & Mohamad, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 10 July 2013.

Dato' Adnan bin Shamsuddin	Roslan bin Hamir
Chairman	Managing Director

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 169(15) OF THE COMPANIES ACT, 1965

We, Dato' Adnan bin Shamsuddin and Roslan bin Hamir, being two of the directors of Fima Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 54 to 134 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 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 2013 and of their financial performance and cash flows for the year then ended.

The information set out in Note 39 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 10 July 2013.

Dato' Adnan bin Shamsuddin	Roslan bin Hamir
Chairman	Managing Director

STATUTORY DECLARATION
PURSUANT TO SECTION 169(16) OF THE COMPANIES ACT, 1965

I, Lee Mo Leng, being the officer primarily responsible for the financial management of Fima Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 54 to 134 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 Lee Mo Leng
at Kuala Lumpur in the Federal
Territory on 10 July 2013.

Lee Mo Leng

Before me,
Kapt (B) Affandi bin Ahmad
Pesuruhjaya Sumpah
No. W 602

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF FIMA CORPORATION BERHAD
Incorporated in Malaysia

Report on the financial statements

We have audited the financial statements of Fima Corporation Berhad, which comprise the statements of financial position as at 31 March 2013 of the Group and of the Company, and the 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 a summary of significant accounting policies and other explanatory information, as set out on pages 54 to 134.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Financial Reporting Standards and the requirement of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2013 and of the financial position of the Group and of the Company as at 31 March 2013 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 ("the Act') in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of a subsidiary of which we have not acted as auditors, which is indicated in Note 16 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other reporting responsibilities

The supplementary information set out in Note 39 on page 135 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysia Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Hanafiah Raslan & Mohamad	Wan Daneena Liza binti Wan Abdul Rahman
AF: 0002	No. 2978/03/14(J)
Chartered Accountants	Chartered Accountant

Kuala Lumpur, Malaysia
10 July 2013

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Revenue	3	305,145	300,174	22,364	22,180
Cost of sales		(183,700)	(163,027)	-	-
Gross profit		121,445	137,147	22,364	22,180
Other income	4	6,677	6,211	2,120	9,690
Other items of expense					
Administrative expenses		(19,618)	(18,478)	(1,596)	(1,471)
Selling and marketing expenses		(5,748)	(2,742)	-	-
Other expenses		(16,091)	(18,839)	(3,466)	(3,647)
Finance costs	5	(52)	(1,044)	-	(391)
Share of results from associates		2,226	5,250	-	-
Profit before tax	6	88,839	107,505	19,422	26,361
Income tax expense	9	(26,940)	(28,588)	(5,153)	(5,399)
Profit net of tax		61,899	78,917	14,269	20,962
Other comprehensive loss					
Foreign currency translation loss		(5,605)	(92)	-	-
Other comprehensive loss for the year, net of tax		(5,605)	(92)	-	-
Total comprehensive income for the year		56,294	78,825	14,269	20,962
Profit attributable to:					
Equity holders of the Company		58,229	71,907	14,269	20,962
Non-controlling interest		3,670	7,010	-	-
Profit for the year		61,899	78,917	14,269	20,962
Total comprehensive income attributable to:					
Equity holders of the Company		52,624	71,815	14,269	20,962
Non-controlling interest		3,670	7,010	-	-
Total comprehensive income for the year		56,294	78,825	14,269	20,962
Earnings per share attributable to equity holders of the Company (sen per share)					
Basic/diluted earnings per share	11	72.36	89.36		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013

	Note	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	12	36,566	38,913	1,814	1,741
Investment properties	13	68,209	69,720	55,260	56,426
Biological assets	14	60,616	67,186	-	-
Goodwill on consolidation	15	510	510	-	-
Investments in subsidiaries	16	-	-	23,663	23,663
Investments in associates	17	29,741	27,515	10,000	10,000
Other investment	18	-	-	22,200	24,200
Deferred tax assets	27	3,835	4,522	502	439
		199,477	208,366	113,439	116,469
CURRENT ASSETS					
Trade and other receivables	19	87,703	60,664	5,441	5,622
Inventories	20	54,757	61,222	-	-
Due from related companies	21	13	1	3,365	1
Cash and cash equivalents	22	221,025	216,900	48,602	56,402
		363,498	338,787	57,408	62,025
TOTAL ASSETS		562,975	547,153	170,847	178,494
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	23	82,427	82,427	82,427	82,427
Share premium		534	534	534	534
Treasury shares	24	(3,604)	(3,604)	(3,604)	(3,604)
Other reserves	25	(4,921)	545	2,006	1,972
Retained earnings	26	392,392	355,287	86,003	92,858
		466,828	435,189	167,366	174,187
Non-controlling interests		22,595	20,444	-	-
Total equity		489,423	455,633	167,366	174,187

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2013 *(continued)*

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities	27	1,026	-	-	-
Retirement benefit obligations	28	1,232	1,058	-	-
Borrowings	29	-	2,037	-	-
		2,258	3,095	-	-
CURRENT LIABILITIES					
Trade and other payables	30	66,164	79,542	3,330	3,408
Tax payable		4,991	8,726	151	328
Due to related companies	21	33	69	-	571
Retirement benefit obligations	28	106	88	-	
		71,294	88,425	3,481	4,307
Total liabilities		73,552	91,520	3,481	4,307
TOTAL EQUITY AND LIABILITIES		562,975	547,153	170,847	178,494

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 2013

		Attributable to owners of the parent									
			Non-distributable			Distributable	Non-distributable				
Group	Note	Equity, total RM'000	Equity attributable to equity holders of the Company total RM'000	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total (Note 25) RM'000	Asset revaluation reserve RM'000	Foreign currency translation deficit RM'000	Equity contribution from parent RM'000	Non-controlling interest RM'000
At 1 April 2011		400,863	380,814	82,427	534	(3,604)	304,504	(3,047)	1,530	(4,577)	-	20,049
Total comprehensive income for the year		78,825	71,815	-	-	-	71,907	(92)	-	(92)	-	7,010
Transaction with owners												
Dividends	10	(25,835)	(21,124)	-	-	-	(21,124)	-	-	-	-	(4,711)
Grant of equity settled share options		3,684	3,684	-	-	-	-	3,684	-	-	3,684	-
Redemption of loan stock		(1,904)	-	-	-	-	-	-	-	-	-	(1,904)
Total transactions with owners		(24,055)	(17,440)	-	-	-	(21,124)	3,684	-	-	3,684	(6,615)
At 31 March 2012		455,633	435,189	82,427	534	(3,604)	355,287	545	1,530	(4,669)	3,684	20,444
At 1 April 2012		455,633	435,189	82,427	534	(3,604)	355,287	545	1,530	(4,669)	3,684	20,444
Total comprehensive income for the year		56,294	52,624	-	-	-	58,229	(5,605)	-	(5,605)	-	3,670
Transaction with owners												
Dividends	10	(21,124)	(21,124)	-	-	-	(21,124)	-	-	-	-	-
Grant of equity settled share options		139	139	-	-	-	-	139	-	-	139	-
Redemption of loan stock		(1,519)	-	-	-	-	-	-	-	-	-	(1,519)
Total transactions with owners		(22,504)	(20,985)	-	-	-	(21,124)	139	-	-	139	(1,519)
At 31 March 2013		489,423	466,828	82,427	534	(3,604)	392,392	(4,921)	1,530	(10,274)	3,823	22,595

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2013 *(continued)*

Company	Note	Equity, total RM'000	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total (Note 25) RM'000	Asset revaluation reserve RM'000	Equity contribution from parent RM'000
			|--------- Non-distributable---------		|	Distributable	|--------------- Non-distributable-------------		|
At 1 April 2011		173,907	82,427	534	(3,604)	93,020	1,530	1,530	-
Total comprehensive income for the year		21,404	-	-	-	20,962	442	-	442
Transaction with owners									
Dividends	10	(21,124)	-	-	-	(21,124)	-	-	-
Total transactions with owners		(21,124)	-	-	-	(21,124)	-	-	-
At 31 March 2012		174,187	82,427	534	(3,604)	92,858	1,972	1,530	442
At 1 April 2012		174,187	82,427	534	(3,604)	92,858	1,972	1,530	442
Total comprehensive income for the year		14,303	-	-	-	14,269	34	-	34
Transaction with owners									
Dividends	10	(21,124)	-	-	-	(21,124)	-	-	-
Total transactions with owners		(21,124)	-	-	-	(21,124)	-	-	-
At 31 March 2013		167,366	82,427	534	(3,604)	86,003	2,006	1,530	476

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	88,839	107,505	19,422	26,361
Adjustments for:				
Depreciation for property, plant and equipment	12,032	11,783	55	57
Depreciation of investment properties	1,511	1,510	1,166	1,167
Amortisation of biological assets	3,932	4,130	-	-
Impairment loss on trade receivables	225	592	-	-
Write-back of impairment loss on trade receivables	(298)	(56)	-	(52)
Impairment loss on other receivables	-	620	-	-
Provision for retirement benefit obligations	271	184	-	-
Write down of inventories	1,344	409	-	-
Gain on disposal of property, plant and equipment	(49)	(126)	-	-
Shares and options granted under ESS	139	3,684	34	442
Gain on disposal of equity interest in associate	-	-	-	(6,812)
Share of results of associates	(2,226)	(5,250)	-	-
Dividend income	-	-	(18,450)	(18,200)
Interest income	(6,551)	(5,914)	(1,671)	(1,835)
Interest expense	52	1,044	-	391
Operating profit before working capital changes	99,221	120,115	556	1,519
(Increase)/decrease in trade and other receivables	(25,798)	17,382	254	(1,900)
Decrease/(increase) in inventories	4,589	(17,996)	-	-
(Decrease)/increase in trade and other payables	(13,700)	14,928	(78)	(501)
(Decrease)/increase in related company balances	(48)	(84)	(3,935)	16,454
Cash generated from/(used in) operations	64,264	134,345	(3,203)	15,572
Taxes paid	(30,508)	(29,929)	(854)	(860)
Interest paid	(52)	(1,044)	-	(391)
Retirement benefits paid	(40)	(47)	-	-
Interest income received	6,551	5,914	1,671	1,835
Net cash generated from/(used in) operating activities	40,215	109,239	(2,386)	16,156

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013 *(continued)*

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(10,772)	(10,494)	(128)	(23)
Additions to biological assets	(581)	(673)	-	-
Proceeds from disposal of property, plant and equipment	109	126	-	-
Proceeds from part disposal of investment in an associate	-	11,812	-	11,812
Dividends received	-	-	13,838	13,650
Net cash (used in)/generated from investing activities	(11,244)	771	13,710	25,439
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(21,124)	(21,124)	(21,124)	(21,124)
Dividends paid by a subsidiary to non-controlling interests	-	(4,711)	-	-
Redemption of loan stocks investment	(3,556)	(4,444)	2,000	10,800
Repayment of short term borrowings	-	(35,000)	-	(20,000)
Net cash used in financing activities	(24,680)	(65,279)	(19,124)	(30,324)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,291	44,731	(7,800)	11,271
Effect of exchange rate changes in cash and cash equivalents	(166)	3,368	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	216,900	168,801	56,402	45,131
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 22)	221,025	216,900	48,602	56,402

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2013

1. CORPORATE INFORMATION

The principal activities of the Company are those of property management and investment holding. The principal activities of the subsidiaries and associates are described in Notes 16 and 17, respectively. There have been no significant changes in the nature of these activities during the financial year.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 April 2012 as described fully in Note 2.2.

The financial statements of the Group and of the Company have been prepared on a historical cost basis except as disclosed in the accounting policies below.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 New FRSs, Amendments to FRS and IC Interpretations

(a) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except for the adoption of the following new and revised FRSs and Issues Committee ("IC") Interpretations which are relevant to the Group's operation with effect from 1 April 2012:

- Amendments to FRS 7 Disclosures - Transfers of Financial Assets
- Amendments to FRS 7 Disclosures - Mandatory Effective Date of FRS 9 and transition disclosures
- Amendments to FRS 112 Deferred Tax Recovery of Underlying Assets
- Amendments to FRS 124 Related Party Transactions
- IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (Amendments relating to prepayments of a minimum funding requirement)
- IC Interpretation 19 - Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above standards and interpretations did not have significant any effect on the financial performance or position of the Group and of the Company.

(b) Standards Issued but Not Yet Effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

	Effective for annual period beginning on or after
FRS 101 Presentation of Items of Other Comprehensive Income (Amendments to FRS 101)	1 July 2012
Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))	1 January 2013
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associate and Joint Ventures	1 January 2013
Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 New FRSs, Amendments to FRS and IC Interpretations (Contd.)

(b) Standards Issued but Not Yet Effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective (contd.).

	Effective for annual period beginning on or after
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans	1 January 2013
Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs (2012))	1 January 2013
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities	1 January 2014
FRS 9: Financial Instruments	1 January 2015

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:

FRS 10: Consolidated financial statements

FRS 10 replaces part of FRS 127 Consolidated and Separate Financial Statements that deals with consolidated financial statements and IC Interpretation 112 Consolidation - Special Purpose Entities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 New FRSs, Amendments to FRS and IC Interpretations (Contd.)

(b) Standards and Interpretations Issued but Not Yet Effective (Contd.)

FRS 10: Consolidated financial statements (Contd.)

Under FRS 10, an investor controls an investee when (a) the investor has power over an investee, (b) the investor has exposure, or rights, to variable returns from its involvement with the investee, and in (c) the investor has ability to use its power over the investee to affect the amount of the investor's returns. Under FRS 127 Consolidated and Separate Financial Statements, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

FRS 10 includes detailed guidance to explain when an investor has control over the investee. FRS 10 requires the investor to take into account all relevant facts and circumstances.

This standard is expected to have no impact on the Group's financial position or performance in the period of initial application.

FRS 11 Joint Arrangements

FRS 11 replaces FRS 131 Interest in Joint Ventures and IC Interpretation 113 Jointly-Controlled Entities- Non-Monetary Contributions by Venturers.

The classification of joint arrangements under FRS 11 is determined based on the rights and obligations of the parties to the joint arrangements by considering the structure, the legal form, the contractual terms agreed by the parties to the arrangement and when relevant, other facts and circumstances. Under FRS 11, joint arrangements are classified as either joint operations or joint ventures.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

This standard is expected to have no impact on the Group's financial position or performance in the period of initial application.

FRS 12: Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interest in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are required. This standard affects disclosures only and has no impact on the Group's financial position or performance.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 New FRSs, Amendments to FRS and IC Interpretations (Contd.)

(b) Standards and Interpretations Issued but Not Yet Effective (Contd.)

FRS 127 Separate Financial Statements

As a consequence of the new FRS 10 and FRS 12, FRS 127 is limited to accounting for subsidiaries, jointly controlled entities and associates in separate financial statements.

FRS 128 Investments in Associates and Joint Ventures

As a consequence of the new FRS 11 and FRS 12, FRS 128 is renamed as FRS 128 Investments in Associates and Joint Ventures. This new standard describes the application of the equity method to investments in joint ventures in addition to associates.

This standard is expected to have no impact on the Group's financial position or performance in the period of initial application.

FRS 13 Fair Value Measurement

FRS 13 establishes a single source of guidance under FRS for all fair value measurements. FRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted.

Under the adoption of FRS 13, the Group will take into consideration the highest and best use of certain properties in measuring the fair value of such properties. The adoption of FRS 13 is expected to result in higher fair value of certain properties of the Group.

FRS 119 Employee Benefits

The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the "corridor approach" as permitted under the previous version of FRS 119 and accelerate the recognition of past service costs. The amendments require all actuarial gains and losses to be recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. The application of the amendments to this standard will not materially impact the financial position of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 New FRSs, Amendments to FRS and IC Interpretations (Contd.)

(b) Standards and Interpretations Issued but Not Yet Effective (Contd.)

Amendments to FRS 101: Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)

The amendments to FRS 101 change the grouping of items presented in other comprehensive income. Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net loss or gain on available-for-sale financial assets) would be presented separately from items which will never be reclassified (for example, actuarial gains or losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position and performance.

FRS 9 Financial Instruments: Classification and Measurement

FRS 9 reflects the first phase of the work on the replacement of FRS 139 Financial Instruments: Recognition and Measurement and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139 Financial Instruments: Recognition and Measurement. The adoption of the first phase of FRS 9 will have an effect on the classification and measurement of the Group's financial assets. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

(c) Malaysian Financial Reporting Standards ("MFRS") Framework

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework ("MFRS Framework") in conjunction with its planned convergence of FRSs with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board on 1 January 2012.

The MFRS Framework is a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2013. Transitioning Entities also include those entities that consolidate, equity account or proportionately consolidate an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2012.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 New FRSs, Amendments to FRS and IC Interpretations (Contd.)

(c) Malaysian Financial Reporting Standards ("MFRS") Framework (Contd.)

On 30 June 2012, MASB has decided to allow agriculture and real estate companies ("Transitioning Entities") to defer the adoption of the MFRS Framework for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2014. This decision comes after an extensive deliberation by MASB and taking into account both local and international developments affecting these standards.

The Group falls within the scope definition of Transitioning Entities and has opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS interim financial statements for the quarter ending 30 June 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

Currently, the Group is in the process of assessing the gap between current Group accounting policies and the requirements of MFRS Framework and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2015.

2.3 Summary of Significant Accounting Policies

(a) Revenue Recognition

Revenue is recognised when it is probable that economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably. Specific income streams are recognised as follows:

(i) Sale of goods

Revenue relating to sale of goods is recognised net of sales taxes and discounts, and upon transfer of significant risks and rewards of ownership to the buyer.

(ii) Rental income

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(a) Revenue Recognition (Contd.)

(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) Receipts in advance

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

(vi) Interest income

Interest income is recognised using the effective interest method.

(vii) Management fees

Management fees are recognised when the Group's right to receive payment is established.

(b) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(b) Subsidiaries and Basis of Consolidation (Contd.)

(ii) Basis of Consolidation

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

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in income statement. The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. The identifiable assets acquired and the liabilities assumed are measured at their fair values at the acquisition date. Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition. The accounting policy for goodwill is set out in Note 2.3(e). Discount on acquisition which represents negative goodwill is recognised immediately as income in profit or loss.

In business combinations achieved in stages, previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at the acquisition date either at fair value or at the proportionate share of the acquiree's identifiable net assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(c) Transaction with Non-Controlling Interest

Non-controlling interest represents the equity in a subsidiary not attributable, directly or indirectly, to the owners of the parent, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from shareholders' equity. Losses of a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their respective interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in shareholders' equity.

(d) Associates

Associates are entities in which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not in control or joint control over those policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associates is carried in the statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associates. The Group's share of the net profit or loss of the associate is recognised in the statement of comprehensive income. Where there has been a change recognised directly in the equity of the associate, the Group recognises its share of such changes.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The 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 (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(d) Associates (Contd.)

Goodwill relating to associates is included in the carrying amount of the investment and is not amortised. 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 in 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.

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.

In the Company's separate financial statements, investments in associates 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 the profit or loss.

(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 (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(f) Inventories

Inventories are stated at the lower of cost, determined on the First-In, First-Out ("FIFO") basis, and net realisable value. However, inventories of the foreign subsidiary in Indonesia are valued based on the weighted average method. 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 costs to be incurred in marketing, selling and distribution.

(g) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the assets carrying amount or recognised as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment except for certain freehold land and buildings are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land and buildings other than office buildings are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Revaluations are made at least once in every five years based on a revaluation by an independent valuer on an open market value basis. Any revaluation surplus is credited to the revaluation reserve included within equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss to the extent of the decrease previously recognised.

A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(g) Property, Plant and Equipment and Depreciation (Contd.)

Freehold land has an unlimited useful life and therefore is not depreciated. Work-in-progress are also not depreciated as these assets are not available for use.

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

Buildings	2% to 10%
Leasehold land	Over lease period
Plant and machinery	10% - 25%
Factory and office renovations	2% to 20%
Equipment, furniture and fittings and motor vehicles	10% - 33.3%

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 items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained earnings.

(h) Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Such property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property except for freehold land is stated at cost less accumulated depreciation and any accumulated impairment losses. Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation of investment properties is provided for on a straight-line basis to write off the cost of the property to its residual value over its estimated useful life, at the following annual rate:

Leashold building	2% to 3%
Leasehold land	Over lease period

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(h) Investment Properties (Contd.)

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the investment property.

An investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year in which they arise.

(i) Biological Assets - Oil Palm Planting Expenditure

All expenses incurred in land preparation, planting and developing of oil palm up to maturity are capitalised as biological assets. A portion of the indirect overheads which include general and administrative expenses incurred on immature plantation is similarly capitalised under biological assets until such time when the plantation attains maturity at the age of 36 months. All expenses subsequent to maturity are recognised in the profit or loss. Upon attaining maturity, oil palm planting expenditure is amortised over 20 years. Replanting expenditure and nursery assets are capitalised under oil palm planting expenditure in the year in which they are incurred until maturity.

(j) Leases

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 the 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(k) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of the assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit or taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(l) Provision for Liabilities

Provision for liabilities are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

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 (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(m) Impairment of Non-financial Assets

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

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

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(n) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities within the scope of FRS 139 Financial Instruments: Recognition and Measurement, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities include Redeemable Convertible Loan Stocks ("RCLS") and other financial liabilities.

(i) Redeemable Convertible Loan Stocks ("RCLS")

The Redeemable Convertible Loan Stocks ("RCLS") issued by the Group is regarded as compound instruments, consisting of a liability component and an equity component. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for equivalent loan stocks and preference shares. The difference between the proceeds of issue of the RCLS and the fair value assigned to the liability component, representing the conversion option is included in equity. The liability component is subsequently stated at amortised cost using the effective interest rate method until extinguished on conversion or redemption whilst the value of the equity component is not adjusted in subsequent periods. Attributable transaction costs are apportioned and deducted directly from the liability and equity component based on their carrying amounts at the date of issue.

Under the effective interest rate method, the interest expense on the liability component is calculated by applying the prevailing market interest rate for equivalent loan stocks to the instrument at the date of issue. The difference between this amount and the interest paid is added to the carrying value of the RCLS.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(n) Financial Liabilities (Contd.)

(ii) Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities, unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(o) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit or loss as incurred.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(o) Employee Benefits (Contd.)

(iii) Defined benefit plan

A local subsidiary sets aside provision for retirement benefits based on fixed entitlement in relation to the subsidiary's employees period of employment. The subsidiary has performed its own computation to determine the provision needed in respect of the scheme and an actuarial valuation has not been carried out. The directors are of the opinion that if an actuary is engaged, the effect of additional provision if any, in the financial statements is not material and as such does not justify the cost of the engagement of an actuary.

The foreign subsidiary in Indonesia provides for unfunded retirement benefits to eligible employees that are under permanent employment and confirmed in service. The liability in respect of the unfunded defined benefit plan is the present value of the defined benefit obligation at the reporting date adjusted for unrecognised actuarial losses. The foreign subsidiary in Indonesia determines the present value of the defined benefit obligation with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

The defined benefit obligation of the foreign subsidiary in Indonesia is calculated using the projected unit credit method and 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 2013.

Actuarial gains and losses arise from experience adjustments and changes in actuarial assumptions. The amount of net actuarial gains and losses recognised in the profit or loss is determined by the corridor method in accordance with FRS 119 Employee Benefits and is charged or credited to the profit or loss over the average remaining service lives of the related employees participating in the defined benefit plan.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(o) Employee Benefits (Contd.)

(iv) Employees' Share Scheme ("ESS")

The Kumpulan Fima Berhad Employee's Share Scheme ("ESS") comprises the following:

- Employee Share Option Scheme ("ESOS")

The ESOS is an equity-settled share-based compensation plan that allows the directors and employees of the Company and its subsidiaries to acquire shares of Kumpulan Fima Berhad ("KFima"). The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the equity contribution from parent reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the equity contribution from parent reserve.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. The equity contribution from parent reserve is transferred to retained earnings upon expiry of the share options.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(o) Employee Benefits (Contd.)

(iv) Employees' Share Scheme ("ESS") (Contd.)

- Restricted Share Grant Scheme ("RSGS")

Senior management personnel of the Group are entitled to performance-based restricted shares as consideration for services rendered. The RSGS may be settled by way of issuance and transfer of new KFima shares or by cash at the absolute discretion of the Options Committee. The total fair value of RSGS granted to senior management employees is recognised as an employee cost with a corresponding increase in the equity contribution from parent reserve within equity over the vesting period and taking into account the probability that the RSGS will vest.

The fair value of RSGS is measured at grant date, taking into account, the market vesting conditions upon which the RSGS were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of share that are expected to be awarded on the vesting date.

At each reporting date, the Group revises its estimates of the number of RSGS that are expected to be awarded on vesting date. It recognises the impact of the revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the equity contribution from parent reserve.

(p) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(p) Foreign Currencies (Contd.)

(ii) Foreign Currency Transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(p) Foreign Currencies (Contd.)

(iii) Foreign Operations

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

(q) 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.

(r) Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(s) Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition. Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables classified as current asset. All financial assets of the Group and of the Company are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(i) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(s) Financial Assets (Contd.)

(i) Loans and receivables (Contd.)

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(ii) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in the preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group or the Company's right to receive payment is established.

Investments equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(t) Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the assets does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

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) Income tax

The Group and the Company are subject to income taxes in Malaysia and Indonesia. Significant judgment is required in determining the allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax matters based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made. The Group's and Company's tax expense for the current financial year is RM26,940,000 (2012: RM28,588,000) and RM5,153,000 (2012: RM5,399,000) respectively, as disclosed in Note 9.

(ii) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The Group's and Company's net deferred tax assets as at 31 March 2013 is RM2,809,000 (2012: RM4,522,000) and RM502,000 (2012: RM439,000) respectively, as disclosed in Note 27.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgments (Contd.)

Key Sources of Estimation Uncertainty (Contd.)

(iii) Depreciation

Management uses key source of estimation and critical judgment in the process of applying the Group's accounting policies for depreciation in respect of plant and machinery.

The cost of plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates that the useful lives of the plant and machinery to be within 4 to 10 years. These are common life expectancies applied in the industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iv) Employee Share Scheme ("ESS")

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions, sensitivity analysis and the carrying amounts are disclosed in Note 25.

3. REVENUE

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Dividend income from subsidiaries	-	-	18,450	18,200
Dividend income from associate	-	-	-	-
Production and trading of security and confidential documents	201,914	193,613	-	-
Net sale of oil palm products	99,325	102,564	-	-
Property management services	3,906	3,997	3,914	3,980
	305,145	300,174	22,364	22,180

4. OTHER INCOME

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Interest income	6,551	5,914	1,671	1,835
Gain on disposal of property, plant and equipment	49	126	-	-
Management fees	24	24	24	24
Marketing fees	-	-	425	1,018
Gain on part disposal of investment in an associate	-	-	-	6,812
Others	53	147	-	1
	6,677	6,211	2,120	9,690

5. FINANCE COSTS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Interest expense on borrowings:				
Revolving credit (Note 29)	-	673	-	391
Redeemable Convertible Loan Stocks ("RCLS") (Note 29)	52	371	-	-
	52	1,044	-	391

6. PROFIT BEFORE TAXATION

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

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Staff costs (Note 7)	21,904	23,676	1,189	1,411
Non-executive directors' remuneration (Note 8)	256	250	230	228
Statutory audit fees				
- Auditors of the Company	131	128	38	38
- Others	45	40	-	-
Other non-audit fees:				
- Auditors of the Company	1	1	1	1
Factory rental	700	557	-	-
Repairs and maintenance	2,712	2,554	126	108
Depreciation of property, plant and equipment (Note 12)	12,032	11,783	55	57
Depreciation of investment properties (Note 13)	1,511	1,510	1,166	1,167
Amortisation of biological assets (Note 14)	3,932	4,130	-	-
Impairment loss on trade receivables	225	592	-	-
Write back of impairment loss on trade receivables	(298)	(56)	-	(52)
Impairment loss on other receivables	-	620	-	-
Write down of inventories	1,344	409	-	-
Gain on disposal of property, plant and equipment	(49)	(126)	-	-
Gain on part disposal of investment in an associate (Note 4)	-	-	-	6,812
Provision for retirement benefit obligations (Note 28)	271	184	-	-
Realised foreign exchange loss	48	3,476	-	-

7. STAFF COSTS

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	18,258	17,169	973	835
EPF contribution	2,052	1,704	112	94
Social security costs	192	146	10	3
Provision for retirement benefits (Note 28)	271	184	-	-
Shares and options granted under ESS	139	3,684	34	442
Other staff related expenses	992	789	60	37
	21,904	23,676	1,189	1,411

Included in staff costs of the Group and of the Company is the executive director's remuneration amounting to RM1,059,000 (2012: RM822,000) and RM429,000 (2012: RM319,000) respectively as further disclosed in Note 8. Direct wages of employees amounting to RM7,748,000 (2012: RM6,868,000) have been included in the Group's cost of sales.

8. DIRECTORS' REMUNERATION

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

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Executive director's remuneration				
Salaries and other emoluments	627	336	245	134
Bonus	353	444	140	178
Benefits-in-kind	79	42	44	7
	1,059	822	429	319
Non-executive directors' remuneration				
Fees	170	169	152	152
Other emoluments	86	81	78	76
	256	250	230	228
Total	1,315	1,072	659	547
Total excluding benefits-in-kind	1,236	1,030	615	540

8. DIRECTORS' REMUNERATION (CONTD.)

The number of directors of the Company whose total remuneration during the year fall within the following bands is analysed below:

	Number of Directors	
	2013	2012
Executive:		
RM1,000,001 - RM1,050,000	1	-
RM800,001 - RM850,000	-	1
Non-Executive:		
Up to RM50,000	1	1
RM50,001 - RM100,000	3	3

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2013 and 2012 are:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Current income tax	24,550	29,653	5,239	5,350
Under/(over) provision in prior year	729	(475)	(23)	42
	25,279	29,178	5,216	5,392
Deferred tax (Note 27):				
Origination and reversal of temporary differences	(536)	(559)	8	10
Under/(over) provision in prior year	2,197	(31)	(71)	(3)
	1,661	(590)	(63)	7
Income tax expense recognised in profit or loss	26,940	28,588	5,153	5,399

9. INCOME TAX EXPENSE (CONTD.)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2013 and 2012 are as follows:

	2013 RM'000	2012 RM'000
Group		
Profit before tax	88,839	107,505
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	22,210	26,876
Effect of tax rates in foreign jurisdiction	-	1,866
Effect of expenses not deductible for tax purposes	2,635	2,049
Effect of partial tax exemption	(275)	(384)
Effect of share of results of associates	(556)	(1,313)
Under/(over) provision of deferred tax in prior year	2,197	(31)
Under/(over) provision of income tax expense in prior year	729	(475)
Income tax expense recognised in profit or loss	26,940	28,588

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2012 : 25%) of the estimated assessable profit for the year. The corporate tax rate applicable to the Indonesian subsidiary of the Group is 25% (2012 : 25%).

	2013 RM'000	2012 RM'000
Company		
Profit before tax	19,422	26,361
Taxation at Malaysian statutory tax rate of 25% (2012: 25%)	4,855	6,590
Effect of income not subject to tax	-	(1,703)
Effect of expenses not deductible for tax purposes	392	473
Over provision of deferred tax in prior years	(71)	(3)
(Over)/under provision of income tax expense in prior year	(23)	42
Income tax expense recognised in profit or loss	5,153	5,399

10. DIVIDENDS

	Dividends in Respect of Year		Dividends Recognised in Year	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Interim				
Interim dividend for year ended 31 March 2012 of 15% less 25% taxation paid on 23 December 2011	-	9,053	-	9,053
Interim dividend for year ended 31 March 2013 of 15% less 25% taxation paid on 28 December 2012	9,053	-	9,053	-
Final				
Final dividend for year ended 31 March 2011 of 15% less 25% taxation paid on 7 October 2011	-	-	-	9,053
Final dividend for year ended 31 March 2012 of 15% less 25% taxation paid on 10 October 2012	-	9,053	9,053	-
Special				
Special dividend for year ended 31 March 2011 of 5% less 25% taxation paid on 7 October 2011	-	-	-	3,018
Special dividend for year ended 31 March 2012 of 5% less 25% taxation paid on 10 October 2012		3,018	3,018	
	9,053	21,124	21,124	21,124

The Directors recommend the payment of a final dividend of 18.5% less taxation of 25% and a single-tier special dividend of 5% on 80,470,710 ordinary shares, amounting to a total dividend of RM15,188,847 (15.0 sen net per share), which subject to the shareholders' approval at the forthcoming Annual General Meeting will be paid on a date to be determined. The financial statements for the current financial 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 next financial year ending 31 March 2014.

11. EARNINGS PER SHARE

(a) Basic

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.

	Group 2013	Group 2012
Profit attributable to equity holders of the Company (RM'000)	58,229	71,907
Weighted average number of ordinary shares in issue ('000)	80,471	80,471
Basic earnings per share (sen)	72.36	89.36

(b) Diluted

For the financial year, there are no shares in issuance which will have a dilutive effect to the earnings per share of the Group.

12. PROPERTY, PLANT AND EQUIPMENT

Group

	At Valuation	|--------------------	At Cost	--------------------	--------------------|	
	Land and Buildings* RM'000	Plant and Machinery RM'000	Factory and Office Renovations RM'000	Equipment, Furniture and Fittings and Motor Vehicles RM'000	Work In Progress RM'000	Total RM'000
At 31 March 2013						
At Valuation/Cost						
At 1 April 2012	3,168	67,960	22,578	18,773	3,339	115,818
Additions	109	1,729	29	2,725	6,180	10,772
Disposals	(77)	(60)	-	(501)	-	(638)
Transfers	4,759	716	-	33	(5,508)	-
Write-offs	-	-	-	(141)	-	(141)
Exchange differences	(69)	(366)	(952)	(480)	(160)	(2,027)
At 31 March 2013	7,890	69,979	21,655	20,409	3,851	123,784

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group

	At Valuation	At Cost				
	Land and Buildings* RM'000	Plant and Machinery RM'000	Factory and Office Renovations RM'000	Equipment, Furniture and Fittings and Motor Vehicles RM'000	Work In Progress RM'000	Total RM'000
At 31 March 2013						
Accumulated Depreciation						
At 1 April 2012	244	51,070	12,966	12,625	-	76,905
Charge for the year	411	6,487	2,059	3,075	-	12,032
Disposals	(17)	(60)	-	(501)	-	(578)
Write-offs	-	-	-	(141)	-	(141)
Exchange differences	(10)	(153)	(524)	(313)	-	(1,000)
At 31 March 2013	628	57,344	14,501	14,745	-	87,218
Net carrying amount	7,262	12,635	7,154	5,664	3,851	36,566

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group

	At Valuation	At Cost				
	Land and Buildings* RM'000	**Plant and Machinery RM'000**	**Factory and Office Renovations RM'000**	**Equipment, Furniture and Fittings and Motor Vehicles RM'000**	**Work In Progress RM'000**	**Total RM'000**
At 31 March 2012						
At Valuation/Cost						
At 1 April 2011	2,705	63,568	23,352	17,112	320	107,057
Additions	8	4,419	-	2,146	3,921	10,494
Disposals	-	(170)	-	(144)	-	(314)
Transfers	493	397	-	-	(890)	-
Exchange differences	(38)	(254)	(774)	(341)	(12)	(1,419)
At 31 March 2012	3,168	67,960	22,578	18,773	3,339	115,818

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group

	At Valuation	At Cost				
	Land and Buildings* RM'000	Plant and Machinery RM'000	Factory and Office Renovations RM'000	Equipment, Furniture and Fittings and Motor Vehicles RM'000	Work In Progress RM'000	Total RM'000
At 31 March 2012						
Accumulated Depreciation						
At 1 April 2011	106	44,459	11,161	10,313	-	66,039
Charge for the year	142	6,844	2,153	2,644	-	11,783
Disposals	-	(170)	-	(144)	-	(314)
Exchange differences	(4)	(63)	(348)	(188)	-	(603)
At 31 March 2012	244	51,070	12,966	12,625	-	76,905
Net carrying amount	2,924	16,890	9,612	6,148	3,339	38,913

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

*** Land and Buildings of the Group**

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 March 2013				
At Valuation				
At 1 April 2012	1,500	127	1,541	3,168
Additions	-	-	109	109
Transfers	-	-	4,759	4,759
Disposals	-	-	(77)	(77)
Exchange differences	-	(6)	(63)	(69)
At 31 March 2013	1,500	121	6,269	7,890
Accumulated Depreciation				
At 1 April 2012	-	-	244	244
Charge for the year	-	-	411	411
Disposals	-	-	(17)	(17)
Exchange differences	-	-	(10)	(10)
At 31 March 2013	-	-	628	628
Net carrying amount	1,500	121	5,641	7,262
At 31 March 2012				
At Cost				
At 1 April 2011	1,500	132	1,073	2,705
Additions	-	-	8	8
Transfers	-	-	493	493
Exchange differences	-	(5)	(33)	(38)
At 31 March 2012	1,500	127	1,541	3,168
Accumulated Depreciation				
At 1 April 2011	-	-	106	106
Charge for the year	-	-	142	142
Exchange differences	-	-	(4)	(4)
At 31 March 2012	-	-	244	244
Net carrying amount	1,500	127	1,297	2,924

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company

	At Valuation	|----------------At Cost----------------|			
At 31 March 2013	**Land and Buildings* RM'000**	**Plant and Machinery RM'000**	**Office Renovations RM'000**	**Equipment, Furniture, and Fittings and Motor Vehicles RM'000**	**Total RM'000**
At Valuation/Cost					
At 1 April 2012	1,700	2	53	530	2,285
Additions	-	-	29	99	128
Disposal	-	-	-	(12)	(12)
Write-offs	-	-	-	(141)	(141)
At 31 March 2013	1,700	2	82	476	2,260
Accumulated Depreciation					
At 1 April 2012	27	2	53	462	544
Charge for the year	13	-	1	41	55
Disposal	-	-	-	(12)	(12)
Write-offs	-	-	-	(141)	(141)
At 31 March 2013	40	2	54	350	446
Net carrying amount	1,660	-	28	126	1,814
At 31 March 2012					
At Cost					
At 1 April 2011	1,700	2	53	507	2,262
Additions	-	-	-	23	23
At 31 March 2012	1,700	2	53	530	2,285
Accumulated Depreciation					
At 1 April 2011	13	2	53	419	487
Charge for the year	14	-	-	43	57
At 31 March 2012	27	2	53	462	544
Net carrying amount	1,673	-	-	68	1,741

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

*** Land and Buildings of the Company**

At 31 March 2013	Freehold land RM'000	Buildings RM'000	Total RM'000
At Cost			
At 1 April 2012/31 March 2013	1,500	200	1,700
Accumulated Depreciation			
At 1 April 2012	-	27	27
Charge for the year	-	13	13
At 31 March 2013	-	40	40
Net carrying amount	1,500	160	1,660
At 31 March 2012			
At Cost			
At 1 April 2011/31 March 2012	1,500	200	1,700
Accumulated Depreciation			
At 1 April 2011	-	13	13
Charge for the year	-	14	14
At 31 March 2012	-	27	27
Net carrying amount	1,500	173	1,673

(a) The factory extension of the Group with a net book value of RM670,000 (2012: RM670,000) was constructed on a piece of land leased from the lessor. The lease will expire on 30 April 2020.

(b) Included in the property, plant and equipment of the Group and the Company are cost of fully depreciated assets still in use of RM38,469,000 (2012: RM38,469,000) and RM463,000 (2012: RM478,000) respectively.

13. INVESTMENT PROPERTIES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Cost				
At 1 April 2012/2011 and 31 March	87,559	87,559	72,116	72,116
Accumulated Depreciation				
At 1 April 2012/2011	17,839	16,329	15,690	14,523
Charge for the year	1,511	1,510	1,166	1,167
At 31 March	19,350	17,839	16,856	15,690
Net carrying amount	68,209	69,720	55,260	56,426
Fair value	68,950	73,100	55,950	59,100

(a) The land title of a freehold land and building of the Company with a net book value of approximately RM54,359,000 (2012: RM55,507,000) is pledged as securities for certain unutilised credit facilities of the Group.

(b) The land title of a building of the Company which is located at Pekan Nenas, Johor with a net book value of approximately RM901,000 (2012: RM919,000) is in the process of being transferred.

(c) Factory buildings of a subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. with a net book value of RM6,753,000 (2012: RM7,012,000) are situated on a piece of leasehold land which will expire on 29 September 2086.

14. BIOLOGICAL ASSETS

	Group	
	2013	2012
OIL PALM PLANTING	RM'000	RM'000
Cost		
At 1 April 2012/2011	84,230	86,809
Additions	581	673
Exchange difference	(4,035)	(3,252)
At 31 March	80,776	84,230
Accumulated Amortisation		
At 1 April 2012/2011	(17,044)	(13,417)
Amortisation for the year	(3,932)	(4,130)
Exchange difference	816	503
At 31 March	(20,160)	(17,044)
Net carrying amount	60,616	67,186

15. GOODWILL ON CONSOLIDATION

	Group RM'000
At 1 April 2012/31 March 2013	510

The entire goodwill is in respect of the acquisition of the subsidiary in Indonesia.

(a) 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:

(i) Budgeted Gross Margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements.

(ii) Growth Rates

The weighted average growth rates used for oil palm production are consistent with the long-term average growth rate for the industry.

(iii) Discount Rates

The discount rates used are pre-tax and reflect specific risks relating to the subsidiary.

(b) Sensitivity to Changes in Assumptions

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.

16. INVESTMENTS IN SUBSIDIARIES

	Company 2013 RM'000	Company 2012 RM'000
Unquoted shares, at cost	23,663	23,663

Details of the new subsidiary is disclosed in Note 34(a).

Details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Equity Interest Held 2013 %	Equity Interest Held 2012 %	Principal Activities
Security Printers (M) Sdn. Bhd.	Malaysia	100	100	Trading of security and confidential documents.
Percetakan Keselamatan Nasional Sdn. Bhd.	Malaysia	100	100	Production of security and confidential documents.
FCB Property Management Sdn. Bhd.	Malaysia	100	100	Property management.
FCB Plantation Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding.
Cendana Laksana Sdn. Bhd.	Malaysia	100	-	Oil palm plantation.
PT Nunukan Jaya Lestari #	Indonesia	80	80	Oil palm production and processing.

Audited by a firm of chartered accountants other than Hanafiah Raslan & Mohamad.

17. INVESTMENTS IN ASSOCIATES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Unquoted shares, at cost	10,000	10,000	10,000	10,000
Share of post acquisition results	19,741	17,515	-	-
	29,741	27,515	10,000	10,000

17. INVESTMENTS IN ASSOCIATES (CONTD.)

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Represented by:				
Share of net assets	29,741	27,515	10,000	10,000

Details of the associates, which are all incorporated in Malaysia, are as follows:

Name of Associates	Principal Activities	Group's effective interest 2013 %	Group's effective interest 2012 %
KadKash Sdn. Bhd.	Dormant.	40	40
Giesecke and Devrient Malaysia Sdn. Bhd.	Production and sale of bank notes.	20	20

The financial statements of the above associates are coterminous with those of the Group, except for 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 2012 have been used and appropriate adjustments have been made for the effects of significant transactions between 31 December 2012 and 31 March 2013.

The summarised financial information of the associates are as follows:

	2013 RM'000	2012 RM'000
Gross assets and liabilities		
Current assets	116,457	48,632
Non-current assets	167,438	111,465
Total assets	283,895	160,097
Current liabilities	45,395	25,505
Non-current liabilities	90,495	2,664
Total liabilities	135,890	28,169
Gross results		
Revenue	94,916	63,919
Profit for the year	11,130	23,988

18. OTHER INVESTMENT

Available for Sale
Redeemable Convertible Loan Stock ("RCLS")

	Number of RCLS of RM100,000 each		Company	
	2013	2012	2013	2012
			RM'000	RM'000
At 1 April	242	350	24,200	35,000
Redemption during the year	(20)	(108)	(2,000)	(10,800)
At 31 March	222	242	22,200	24,200

On 9 April 2007, the Company subscribed to RM35.0 million (350 units) of redeemable convertible loan stocks issued by a subsidiary, FCB Plantation Holdings Sdn. Bhd. with a nominal value of RM100,000 per loan stock at zero coupon rate by capitalising its advances previously made to the subsidiary.

The fair value of this investment cannot be reliably measured, hence, the investment is stated at cost.

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Current				
Trade receivables				
Third parties	61,872	45,006	338	502
Less: Allowance for impairment	(624)	(794)	-	-
Trade receivables, net	61,248	44,212	338	502
Other receivables				
Deposits	3,867	765	147	155
Sundry receivables	18,264	10,516	4,579	4,752
Tax recoverable	1,736	88	161	88
Prepayments	2,729	5,265	216	125
Staff loan	479	438	-	-
Less: Allowance for impairment	(620)	(620)	-	-
	26,455	16,452	5,103	5,120
Total trade and other receivables	87,703	60,664	5,441	5,622

19. TRADE AND OTHER RECEIVABLES (CONTD.)

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2012: 30 to 90 day) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for a balance of RM48,641,000 (2012: RM39,783,000) due from the Government of Malaysia.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Neither past due nor impaired	27,613	16,212	119	157
1 to 60 days past due but not impaired	13,063	23,899	60	148
61 to 120 days past due but not impaired	10,179	813	-	34
More than 121 days past due but not impaired	10,393	3,288	159	163
	33,635	28,000	219	345
Impaired	624	794	-	-
	61,872	45,006	338	502

Trade receivables that are neither past due nor impaired

Trade 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.

Trade receivables that are past due but not impaired

The Group and the Company has trade receivables amounting to RM33,635,000 (2012: RM28,000,000) and RM219,000 (2012: RM345,000), respectively 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.

19. TRADE AND OTHER RECEIVABLES (CONTD.)

Receivables that are impaired

The Group 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 Individually Impaired 2013 RM'000	Group Individually Impaired 2012 RM'000	Company Individually Impaired 2013 RM'000	Company Individually Impaired 2012 RM'000
Trade receivables	624	794	-	-
Less: Allowance for impairment loss	(624)	(794)	-	-
	-	-	-	-

Movement in allowance accounts:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
At 1 April	794	278	-	72
Allowance for impairment loss (Note 6)	225	592	-	-
Write back of impairment loss (Note 6)	(298)	(56)	-	(52)
Written off	(97)	(20)	-	(20)
As 31 March	624	794	-	-

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.

20. INVENTORIES

	Group 2013 RM'000	Group 2012 RM'000
At cost:		
Work-in-progress	23,712	32,666
At net realisable value:		
Printing materials	9,415	9,919
Oil palm products	6,107	6,384
Fertilizer	1,228	1,200
Consumables	14,295	11,053
	31,045	28,556
	54,757	61,222

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM118,810,000 (2012: RM105,112,000).

21. DUE FROM/(TO) RELATED COMPANIES

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Due from subsidiaries	-	-	3,365	-
Due from other related companies	-	1	-	1
Due from associate company	13	-	-	-
	13	1	3,365	1
Due to penultimate holding company	(33)	(69)	-	-
Due to subsidiaries	-	-	-	(571)
	(33)	(69)	-	(571)

The amounts due to penultimate holding company, subsidiaries, associate and related companies are unsecured, non-interest bearing and are repayable upon demand.

22. CASH AND CASH EQUIVALENTS

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Cash in hand and at bank	6,173	5,800	4,722	902
Deposits with:				
Licensed banks	214,852	211,100	43,880	55,500
	221,025	216,900	48,602	56,402

The weighted average effective interest rates ("WAEIR") per annum of deposits at the reporting date are as follows:

	Group 2013 %	Group 2012 %	Company 2013 %	Company 2012 %
Licensed banks	3.52	3.25	3.23	3.17

The average maturity of deposits as at the end of the financial year are as follows:

	Group 2013 Days	Group 2012 Days	Company 2013 Days	Company 2012 Days
Licensed banks	26	32	26	16

23. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM1 Each		Amount	
	2013 '000	2012 '000	2013 RM'000	2012 RM'000
Authorised:				
At 1 April 2012/2011 and 31 March	100,000	100,000	100,000	100,000
Issued and fully paid-up:				
At 1 April 2012/2011 and 31 March	82,427	82,427	82,427	82,427

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

24. TREASURY SHARES

This amount relates to the acquisition cost of treasury shares.

The shareholders of the Company, by a special resolution passed in a general meeting held on 10 September 2007, 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 current and prior financial year, the Company did not repurchase any of its issued ordinary shares.

Of the total 82,426,810 (2012: 82,426,810) issued and fully paid ordinary shares as at 31 March 2013, 1,956,100 (2012: 1,956,100) are held as treasury shares by the Company. As at 31 March 2013, the number of outstanding ordinary shares in issue and fully paid-up is therefore 80,470,710 (2012: 80,470,710) ordinary shares of RM1 each.

25. OTHER RESERVES

	Asset Revaluation Reserve RM'000	Foreign Currency Translation Deficit RM'000	Equity Contribution from Parent RM'000	Total RM'000
Group				
At 1 April 2011	1,530	(4,577)	-	(3,047)
Foreign currency translation	-	(92)	-	(92)
Grant of equity-settled share options	-	-	3,684	3,684
At 31 March 2012	1,530	(4,669)	3,684	545
At 1 April 2012	1,530	(4,669)	3,684	545
Foreign currency translation	-	(5,605)	-	(5,605)
Grant of equity-settled share options	-	-	139	139
At 31 March 2013	1,530	(10,274)	3,823	(4,921)
Company				
At 1 April 2011	1,530	-	-	1,530
Grant of equity-settled share options	-	-	442	442
At 31 March 2012	1,530	-	442	1,972
At 1 April 2012	1,530	-	442	1,972
Grant of equity-settled share options	-	-	34	34
At 31 March 2013	1,530	-	476	2,006

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/(deficit)

The foreign currency translation reserve/(deficit) is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional 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.

25. OTHER RESERVES (CONTD.)

(c) Equity contribution from parent

On 19 November 2011, the penultimate holding company, Kumpulan Fima Berhad ("KFima") implemented an Employees Share Scheme ("ESS") comprising of the Share Option Scheme and the Restricted Share Grant Scheme. The ESS is governed by By-Laws which was approved by KFima's shareholders at the extraordinary general meeting held on 21 September 2011. The ESS will expire on 17 November 2016. The ESS comprises the following:

- **Employee Share Option Scheme ("ESOS")**; whereby eligible employees are granted the right to subscribe for a number of KFima's shares at the prescribed subscription price subject to the terms and conditions of the By-Laws. No performance targets are required to be met before the options may be granted under the ESOS.

- **Restricted Share Grant Scheme ("RSGS")**; whereby the employees having a designation of general manager and above will be granted the right to have a number of KFima's shares vested in them, subject to the terms and conditions of the By-Laws. The RSGS requires performance targets to be met prior to the vesting of KFima's shares.

  In implementing the RSGS, KFima has established a trust for the purposes of subscribing for the new shares and transferring such new shares to the entitled employees as the Options Committee shall direct.

Equity contribution from parent represents the equity-settled share options and shares granted by KFima to the employees of the Group. The reserve is made up of the cumulative value of services received from employees recorded on grant of share options and shares by KFima.

The eligibility criteria of the ESS are as follows:

(i) Full time employment in the Company or other company within the Group for more than one (1) year;

(ii) A resident who is a citizen of Malaysia, non-citizen with permanent resident status or non-citizen who holds a valid work permit in Malaysia and has entered into a full time or fixed term employment with any company within the Group, having the designation of Manager or above;

25. OTHER RESERVES (CONTD.)

(c) Equity contribution from parent (Contd.)

(iii) If the employee is working under a fixed-term contract basis, the term of contract must not be less than two (2) years and renewal of contract must take place six (6) months before expiration; and

(iv) Fullfills such other criteria as determined by the Options Committee from time to time.

The ESS is for a period of 5 years and the Options Committee has the discretion to extend the duration of the ESS for up to another 5 years provided that the scheme does not exceed 10 years in its entirety.

(i) ESOS

The following table illustrates the number of share options ("No.") and weighted average exercise prices ("WAEP") of, and movements during the financial year as disclosed in the financial statements of Kumpulan Fima Berhad:

Movement of share options under ESOS during the financial year

	Group			
	2013		2012	
	No.	WAEP (RM)	No.	WAEP (RM)
Outstanding at 1 April	17,654,300	1.48	-	-
-Granted	773,400	1.78	19,680,000	1.48
-Forfeited	(703,500)	1.48	(117,000)	1.48
-Exercised	(4,708,700)	1.48	(1,908,700)	1.48
Outstanding at 31 March	13,015,500	1.50	17,654,300	1.48
Exercisable at 31 March	9,192,000	1.50	7,862,300	1.48

The weighted average share price at the date of exercise of the options exercised during the financial year was RM1.97 (2012: RM1.97).

25. OTHER RESERVES (CONTD.)

(c) Equity contribution from parent (Contd.)

Fair value of share options granted

The fair value of the share options granted is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted. The weighted average fair value of options granted during the financial year was RM0.47 (2012: RM0.41).

The following table lists the inputs to the pricing models for the years ended 31 March 2013 and 2012:

	Binomial option pricing model	
	2013	**2012**
Dividend Yield (%)	3.40	3.50
Expected volatility (%)	42.33	40.11
Risk-free interest rate (% p.a.)	3.10	3.34
Expected life of option (years)	3.42	4.89
Weighted average share price (RM)	1.89	1.74

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

(ii) RSGS

The following table illustrates the movements of shares vested under the RSGS during the financial year:

Movement of shares under RSGS during the financial year

	Group	
	2013 Number	**2012 Number**
Outstanding at 1 April	-	-
Granted	210,000	-
Vested	(210,000)	-
Outstanding at 31 March	-	-

The vesting of the RSGS shares is conditional upon the satisfaction of the performance targets of the Group and all other conditions as set out in the ESS Bye-Laws.

26. RETAINED EARNINGS

In the past, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividend paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the Section 108 of the Income Tax Act, 1967 ("Section 108") balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the Section 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 March 2013, the Company has sufficient credit in the Section 108 balance to pay franked dividends amounting to RM14,924,000 (2012: RM43,088,000). If the balance of the retained earnings of RM71,079,000 (2012: RM49,770,000) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

27. DEFERRED TAXATION

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
At 1 April	(4,522)	(3,978)	(439)	(446)
Recognised in profit or loss (Note 9)	1,661	(590)	(63)	7
Exchange differences	52	46	-	-
At 31 March	(2,809)	(4,522)	(502)	(439)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(3,835)	(4,522)	(502)	(439)
Deferred tax liabilities	1,026	-	-	-
	(2,809)	(4,522)	(502)	(439)

27. DEFERRED TAXATION (CONTD.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax liabilities of the Group:

	Accelerated Capital Allowances RM'000
At 1 April 2011	1,202
Recognised in profit or loss	(223)
At 31 March 2012	979
Recognised in profit or loss	1,017
At 31 March 2013	1,996

Deferred tax assets of the Group:

	Retirement Benefit Obligations RM'000	Other Payables RM'000	Total RM'000
At 1 April 2011	(259)	(4,921)	(5,180)
Recognised in profit or loss	(28)	(293)	(321)
At 31 March 2012	(287)	(5,214)	(5,501)
Recognised in profit or loss	(48)	744	696
At 31 March 2013	(335)	(4,470)	(4,805)

Deferred tax liability of the Company:

	Accelerated Capital Allowances RM'000
At 1 April 2011	84
Recognised in profit or loss	7
At 31 March 2012	91
Recognised in profit or loss	(63)
At 31 March 2013	28

27. DEFERRED TAXATION (CONTD.)

Deferred tax assets of the Company:

	Provision for Liabilities RM'000
At 1 April 2011	(530)
Recognised in profit or loss	-
At 31 March 2012	(530)
Recognised in profit or loss	-
At 31 March 2013	(530)

28. RETIREMENT BENEFIT OBLIGATIONS

	Group	
	2013 RM'000	2012 RM'000
At 1 April	1,146	1,035
Provision for the year (Note 7)	271	184
Contributions paid	(40)	(47)
Exchange differences	(39)	(26)
At 31 March	1,338	1,146

The foreign subsidiary in Indonesia operates an unfunded defined benefit plan for its eligible employees. The obligations under the retirement benefit are calculated using the projected unit credit method, is determined by a qualified independent actuary, considering the estimated future cash outflows using market yields at the reporting date of high quality corporate bonds. The latest actuarial valuation was carried out using the employee data as at 31 March 2013.

The amounts recognised in the statement of financial position are determined as follows:

	Group	
	2013 RM'000	2012 RM'000
Present value of unfunded defined benefits obligations	1,338	1,146
Analysed as:		
Current	106	88
Non-current:		
Later than 1 year but not later than 5 years	1,232	1,058
	1,338	1,146

28. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

The amounts recognised in the profit or loss are as follows:

	Group	
	2013 RM'000	2012 RM'000
Current service cost	227	133
Interest cost	44	51
Total, included in employee benefits expense (Note 7)	271	184

The principal assumptions used by the foreign subsidiary in Indonesia in determining employee benefits liability as of 31 March 2013 and 2012 are as follows:

	2013	2012
Discount rate	6.5%	6.5%
Annual salary increase	7.5%	8.0%
Retirement age	55	55

29. BORROWINGS

	Note	Group		Company	
		2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Long term borrowing:					
Unsecured:					
Redeemable Convertible Loan Stocks ("RCLS")		-	2,037	-	-
Total borrowings		-	2,037	-	-

i) On 9 April 2007, the non-controlling interest subscribed 405,000 of Redeemable Convertible Loan Stocks ("RCLS") issued by the foreign subsidiary in Indonesia at a nominal amount of Rp100,000 each for working capital purposes. The terms of the RCLS are as follows:

(a) Conversion rights - the registered holders of the RCLS will have the option at any time during the conversion period to convert the RCLS at the conversion rate into new ordinary shares of Rp100,000 each in the Indonesian subsidiary.

(b) Conversion rate - on the basis of Rp100,000 nominal amount of RCLS for 1 new ordinary share of Rp100,000 in the Indonesian subsidiary.

29. BORROWINGS (CONTD.)

(c) Redemption - the RCLS may be redeemed at par by the Indonesian subsidiary subject to the consent of the RCLS holders.

(d) The RCLS bear interest at 8% per annum payable semi-annually, where payment had been made on the date of issue and subsequently on every consecutive six months thereafter.

(e) The RCLS holders do not carry any right to vote at any meeting of the Indonesian subsidiary.

Based on the above terms, the RCLS is regarded as a compound instrument, consisting a liability and an equity component. The RCLS was fully redeemed during the current financial year.

The weighted average effective interest rates ("WAEIR") per annum of the borrowings as at the reporting date are as follows:

	Group		Company	
	2013	2012	2013	2012
	%	%	%	%
RCLS	-	8.00	-	-

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables				
Third parties	39,769	54,100	3	3
Other payables				
Tenants' rental deposits	981	1,032	981	1,032
Accruals and other liabilities	3,568	2,757	226	253
Provision for bonus	2,900	2,529	-	-
Receipts in advance	1,638	1,247	-	-
Provision for compensation claim	2,120	2,120	2,120	2,120
Others	15,188	15,757	-	-
	26,395	25,442	3,327	3,405
Total trade and other payables	66,164	79,542	3,330	3,408

30. TRADE AND OTHER PAYABLES (CONTD.

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 day (2012: 30 to 90 day) terms.

(b) Provision for compensation claim

Following the termination of the Tenancy Agreement by Malaysia Airports Holdings Berhad ("MAHB") on 11 May 2000, the Company as the principal tenant issued a termination notice dated 15 May 2000 to all its respective sub-tenants at Airtel Complex.

Pursuant to the above, on 28 September 2001, the Company was served a Writ of Summons dated 9 August 2001 from a tenant ("plaintiff") claiming for a compensation sum of approximately RM2.12 million being the renovation costs and general damages arising from the early termination of the tenancy agreement at Airtel Complex, in Subang. The Board of Directors had sought the advice of the solicitors and was of the opinion that there should be no compensation payable to the plaintiff as the demised premises was acquired by a relevant authority, MAHB, which was provided in the Tenancy Agreement between the Company and the plaintiff.

On 11 November 2008, the Court had disposed off this matter summarily in favour of the plaintiff and on 4 March 2009, the Company had filed its Record of Appeal to the Court of Appeal to appeal against the decision. The Company made full provision for the compensation claim during the financial year ended 31 March 2009.

On 27 September 2011, the Court of Appeal had allowed the Company's appeal against the decision handed down by the High Court and directed that the matter be remitted back to the High Court for a full trial. There has been no development since 27 September 2011.

(b) Others

Included in others is a provision of RM11,654,405 (2012: RM11,654,405) made in respect of return of certain goods for which the actual amount is subject to the agreement of several parties.

31. COMMITMENTS

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Capital expenditure:				
Approved but not contracted for:				
Property, plant and equipment	10,101	5,126	330	200
	10,101	5,126	330	200
Approved and contracted for:				
Property, plant and equipment	6,760	623	273	-
	6,760	623	273	-
	16,861	5,749	603	200
Share of capital commitments of associated companies:				
Approved but not contracted for:				
Property, plant and equipment	282	-	-	-
Approved and contracted for:				
Property, plant and equipment	13,581	12,560	-	-

32. RELATED PARTY DISCLOSURES

(a) Related party transactions

In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year.

Group	2013 RM'000	2012 RM'000
Kumpulan Fima Berhad, penultimate holding company		
Rental income receivable	497	461
Sales made	-	20
Management fees/services payable	(267)	(220)

32. RELATED PARTY DISCLOSURES (CONTD.)

(a) Related party transactions (Contd.)

	2013 RM'000	2012 RM'000
Group (Contd.)		
Fellow subsidiaries:		
Malaysian Transnational Trading (MATTRA) Corporation Berhad		
Rental income receivable	5	5
Related by virtue of having common director/(s) of the Company:		
Nationwide Express Courier Services Berhad		
Purchases made	(90)	(114)
Rental income receivable	82	94
Nationwide Freight Forwarders Sdn. Bhd.		
Purchases made	(89)	(53)
Fima Instanco Sdn Bhd		
Rental income receivable	60	-
Related by virtue of director/(s) of the Company and/or Group having substantial interest:		
TD Technologies Sdn. Bhd.		
Services payable	(91)	(67)
First Zanzibar Sdn. Bhd.		
Services payable	(10)	(32)
PT Pohon Emas Lestari		
Purchases made	(6,982)	(5,608)
Associate:		
Giesecke & Devrient Malaysia Sdn. Bhd.		
Management services receivable	24	24

32. RELATED PARTY DISCLOSURES (CONTD.)

(a) Related party transactions (Contd.)

Company	2013 RM'000	2012 RM'000
Kumpulan Fima Berhad, penultimate holding company		
Rental income receivable	497	461
Management fees/services payable	(29)	(12)
Fellow subsidiaries:		
Malaysian Transnational Trading (MATTRA) Corporation Berhad		
Rental income receivable	5	5
Subsidiaries:		
FCB Property Management Sdn. Bhd.		
Rental income receivable	17	17
Management services receivable	151	120
Purchases made	(895)	(852)
Percetakan Keselamatan Nasional Sdn. Bhd.		
Management services receivable	248	220
Purchases made	(37)	(34)
Security Printers (M) Sdn. Bhd.		
Management services receivable	35	33
PT Nunukan Jaya Lestari		
Marketing fees receivable	425	1,018
Related by virtue of having common director/(s):		
Nationwide Express Courier Services Berhad		
Rental income receivable	15	15
Purchases made	(2)	(2)
Associate:		
Giesecke & Devrient Malaysia Sdn. Bhd.		
Management services receivable	24	24

32. RELATED PARTY DISCLOSURES (CONTD.)

(a) Related party transactions (Contd.)

All the transactions above have been entered into in the normal course of business and have been established on mutually agreed terms and conditions.

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, including the directors (whether executive or otherwise).

The key management personnel compensation is as follows:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short-term employee benefits	2,317	2,116	554	490
Post-employment benefits:				
Defined contribution plan	340	310	61	50
Other benefits	182	70	44	7
	2,839	2,496	659	547

Included in the total key management personnel above are the remuneration in respect of the directors of the Company:

	Group		Company	
	2013	**2012**	**2013**	**2012**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors' remuneration (Note 8)	1,315	1,072	659	547

33. SEGMENTAL INFORMATION

(a) Business segments:

The Group's major business segments are:

(i) Production and trading - Production and trading of security and confidential documents.

(ii) Oil palm production and processing.

(iii) Investment holding and property management - Investment holding, rental and management of commercial properties.

(b) Geographical segments

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's two business segments predominately operate in two separate geographical areas:

(i) Malaysia - the operations in this area are principally printing and trading of security and confidential documents, property management and investment holding.

(ii) Indonesia - Oil palm production and processing.

33. SEGMENT INFORMATION (CONTD.)

Business Segments

The following table provides an analysis of the Group's revenue, results, assets and liabilities and other information by business segment:

	Production and trading of security documents		Investment holding and Property management		Oil Palm Production		Eliminations		Consolidated	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue										
External sales	201,914	193,613	3,906	3,997	99,325	102,564	-	-	305,145	300,174
Inter-segment sales	49	71	1,278	1,339	-	-	(1,327)	(1,410)	-	-
Total revenue	201,963	193,684	5,184	5,336	99,325	102,564	(1,327)	(1,410)	305,145	300,174
Results							(1,410)			
Profit from operations	53,145	54,611	1,230	1,846	32,290	46,842	-	-	86,665	103,299
Finance costs	-	(282)	-	(391)	(1,888)	(371)	1,836	-	(52)	(1,044)
Share of results of associates	-	-	2,226	5,250	-	-	-	-	2,226	5,250
Profit before tax									88,839	107,505
Income tax expense									(26,940)	(28,588)
Profit net of tax									61,899	78,917
Assets and Liabilities										
Segment assets	259,482	248,825	162,456	179,918	216,301	205,270	(105,005)	(114,375)	533,234	519,638
Interest in associates	-	-	29,741	34,077	-	-	-	-	29,741	27,515
Consolidated total assets									562,975	547,153
Segment liabilities	59,805	74,657	3,541	4,371	13,858	11,478	(3,652)	1,014	73,552	91,520
Consolidated total liabilities									73,552	91,520
Other Information										
Capital expenditure	609	4,548	129	23	10,034	5,923	-	-	10,772	10,494
Depreciation and amortisation	6,316	6,666	1,224	1,226	9,935	9,531	-	-	17,475	17,423
Non-cash expenses other than depreciation and amortisation	1,460	1,048	-	(52)	82	133	-	-	1,542	1,129

Geographical Segments

The following table provides an analysis of the Group's revenue, carrying amount of segment assets and capital expenditure, analysed by geographical segments:

	Revenue		Segment Assets		Capital Expenditure	
	2013	2012	2013	2012	2013	2012
Malaysia	205,820	197,610	373,220	371,811	738	4,571
Indonesia	99,325	102,564	160,014	147,827	10,034	5,923
	305,145	300,174	533,234	519,638	10,772	10,494

34. SIGNIFICANT EVENTS DURING THE YEAR

(a) On 12 December 2012, a wholly-owned subsidiary, FCB Plantation Holdings acquired two (2) ordinary shares of RM1.00 each, representing 100% of the total issued and paid-up share capital of Cendana Laksana Sdn Bhd ("Cendana Laksana") for a total cash consideration of RM2.00. Cendana Laksana was incorporated on 9 November 2012 and has an authorised share capital of RM100,000. The intended principal activity of the Company is oil palm plantation.

(b) On 24 December 2012, Cendana Laksana had entered into a conditional Sale and Purchase Agreement ("SPA") with Lemo Sdn Bhd (Receiver and Manager Appointed), Khuzamy Musa bin Muhammad and Khuzairy Musa bin Muhammad for the acquisition of 2 parcels of agricultural leasehold land in Kemaman, Negeri Terengganu measuring approximately 1,940.73 acres (hereinafter referred to as the "Lands") for a total purchase consideration of RM29,110,000.

Save and except for the conditions precedent stated below, the conditions precedent stipulated in the abovementioned conditional SPA have yet to be fulfilled.

i. Under the Guidelines for Acquisition of Properties, approval of the Economic Planning Unit of the Prime Minister's Department is not required and therefore, the condition precedent is deemed fulfilled.

ii. The consent to transfer the Lands in favour of the Purchaser from Lembaga Kemajuan Terengganu Tengah pursuant to the express conditions endorsed on the Lands was obtained on 27 January 2013.

iii. The approval of the Estate Land Board to the transfer of the Lands in favour of the Purchaser was obtained on 10 March 2013.

Pursuant to Clause 3.9 of the SPA, the period for fulfillment of the Conditions Precedent as set out in the SPA has been automatically extended for a further period of 6 months i.e. from 24 June 2013 to 23 December 2013.

35. 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.

(b) Foreign Exchange Risk

The Group operates internationally and is exposed to various currencies, mainly Indonesian Rupiah. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. There are no material unhedged financial assets and financial liabilities that are not denominated in the functional currencies of the Company and its subsidiaries.

<u>Sensitivity analysis</u>

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the Indonesian Rupiah ("IDR") exchange rates against the functional currency of the affected group companies ("RM") with all other variables held constant.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(b) Foreign Exchange Risk (Contd.)

The carrying amounts of the Group's financial assets and liabilities denominated in foreign currency are as follows:

	2013 RM'000	2012 RM'000
IDR		
Assets		
- Trade and other receivables	26,251	11,095
- Cash and cash equivalents	34,103	35,739
	60,354	46,834
Liabilities		
- Trade and other payables	7,191	6,728

	Group 2013 Effect on profit net of tax RM'000	Group 2012 Effect on profit net of tax RM'000
IDR - strengthens 5% (2012: 4%)	875	40
IDR - weakens 5% (2012: 4%)	(875)	(40)

(c) Liquidity/Funding Risk

The Group defines liquidity/funding risk as the risk that funds will not be available to meet its liabilities as and when 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.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(c) Liquidity/Funding Risk (Contd.)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group and of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2013		
	<---------Contractual Cashflow-------->		
	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	66,164	-	66,164
Amount due to related companies	33	-	33
Total undiscounted financial liabilities	66,197	-	66,197

	2013		
	<---------Contractual Cashflow-------->		
	On demand or within one year RM	One to five years RM	Total RM
Company			
Financial liabilities:			
Trade and other payables	3,330	-	3,330
Amount due to related companies	-	-	-
Total undiscounted financial liabilities	3,330	-	3,330

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTD.)

(c) Liquidity/Funding Risk (Contd.)

Analysis of financial instruments by remaining contractual maturities (Contd.)

	2012		
	<---------Contractual Cashflow-------->		
	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	79,542	-	79,542
Borrowings	-	2,200	2,200
Amount due to related companies	69	-	69
Total undiscounted financial liabilities	79,611	2,200	81,811
Company			
Financial liabilities:			
Trade and other payables	3,408	-	3,408
Amount due to related companies	571	-	571
Total undiscounted financial liabilities	3,979	-	3,979

(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 of Malaysia as disclosed in Note 19. The Group does not have any major concentration of credit risk related to any financial instruments.

36. FINANCIAL INSTRUMENTS

(a) The carrying amounts of financial assets and liabilities of the Group and of the Company at the reporting date approximated their fair values except for the following:

	Note	Group Carrying Amount RM'000	Group Fair Value RM'000
Financial Liabilities			
At 31 March 2013			
Long term borrowings	29	-	-
At 31 March 2012			
Long term borrowings	29	2,037	2,412

(i) Cash and Cash Equivalents, Trade and Other Receivables/Payables and Short Term Borrowings

The carrying amounts approximate their fair values due to the relatively short term maturity of these financial instruments.

(ii) Borrowings

The fair value of borrowings is estimated using discounted cash flow analysis, based on prevailing lending rates for similar types of lending, borrowing and leasing arrangements as at reporting date.

(b) The financial instruments of the Group and of the Company as at the reporting date are categorised into the following classes:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
(i) Loans and receivables				
Current:				
Trade receivables (Note 19)	61,248	44,212	338	502
Other receivables (Note 19)	26,455	16,452	5,103	5,120
Less: Prepayments (Note 19)	(2,729)	(5,265)	(216)	(125)
Tax recoverable (Note 19)	(1,736)	(88)	(161)	(88)
	21,990	11,099	4,726	4,907
Amount due from related companies (Note 21)	13	1	3,365	1
Add: Cash and cash equivalents (Note 22)	221,025	216,900	48,602	56,402
Total loans and receivables	304,276	272,212	57,031	61,812

36. FINANCIAL INSTRUMENTS (CONTD.)

(b) The financial instruments of the Group and of the Company as at the reporting date are categorised into the following classes (Contd.):

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
(ii) Financial liabilities measured at amortised cost				
Trade payables (Note 30)	39,769	54,100	3	3
Other payables (Note 30)	26,395	25,442	3,327	3,405
Amount due to related companies (Note 21)	33	69	-	571
Borrowings (Note 29)	-	2,037	-	-
Total financial liabilities measured at amortised cost	66,197	81,648	3,330	3,979

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure in order to support its business and maximise shareholder 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 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.

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2013 were authorised for issue in accordance with a resolution of the directors on 10 July 2013.

39. SUPPLEMENTARY INFORMATION

The following analysis of realised and unrealised retained earnings of the Group and the Company is prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits and Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements as issued by the Malaysian Institute of Accountants and presented in accordance with the directive issued by Bursa Malaysia.

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Total retained profits of the Company and its subsidiaries				
Realised	369,576	329,313	87,621	94,539
Unrealised	(10,965)	(9,251)	(1,618)	(1,681)
	358,611	320,062	86,003	92,858
Total share of retained earnings from associated companies				
Realised	23,530	21,208	-	-
Unrealised	(3,789)	(3,693)	-	-
	19,741	17,515	-	-
Add : Consolidation adjustments	14,040	17,710	-	-
Retained profits as per financial statements	392,392	355,287	86,003	92,858

The disclosure of realised and unrealised retained profits above is solely for compliance with the directive issued by the Bursa Malaysia and should not be used for any other purpose.

LIST OF PROPERTIES
Held by the group at 31 March 2013

No.	Location	Description/ Existing Use	Tenure	Land Area (Acre)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/3/2013 (RM)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	FIMA CORPORATION BERHAD							
1.	Lot 3767 & 3768 Grant 24531 & 24532 Mukim Jeram Batu Pontian, Johor	Industrial land and building	Freehold	2.71	66,608	900,401	07 July 1993	45
2.	Lot 1176 Mukim Pasir Panjang Port Dickson, Negeri Sembilan	Bungalow	Feeehold	0.82	3,114	1,659,998	07 July 1993/ 02 January 2010	64
3.	Lot 50575 Grant 12754 Mukim of Kuala Lumpur Wilayah Persekutan	Office Building	Freehold	1.45	270,372	54,359,176	17 August 1995	15
	Sub Total			**4.98**	**340,094**	**56,919,575**		
	PERCETAKAN KESELAMATAN NASIONAL SDN BHD							
1.	Lot 27306 Section 13, Mukim Kajang District of Hulu Langat, Selangor	Industrial land and building	Leasehold expiring 29/09/2086	8.30	250,560	12,949,399	26 January 2006	26
	Sub Total			**8.30**	**250,560**	**12,949,399**		
	PT NUNUKAN JAYA LESTARI							
1.	Hak Guna Usaha (HGU) No. 1 and Hak Guna Bangunan (HGB) No. 50 Kelurahan Nunukan Barat Kabupaten & Kecamatan Nunukan Propinsi Kalimantan Timur, Indonesia	Agriculture/ oil palm plantation and palm oil mill	Leasehold expiring 12/05/2038 (HGU) 17/03/2035 (HGB)	49,199.22	112,375	6,742,783	9 April 2007	8
	Sub Total			**49,199.22**	**112,375**	**6,742,783**		
	GRAND TOTAL			**49,212.50**	**703,029**	**76,611,757**		

ANALYSIS OF SHAREHOLDINGS
AS AT 31 JULY 2013

SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	93	4.48	2,097	0.00
100 - 1,000	417	20.11	324,135	0.39
1,001 - 10,000	1,163	56.07	4,844,847	5.88
10,001 - 100,000	336	16.20	10,059,410	12.20
100,001 to less than 5% of issued shares	64	3.09	18,114,535	21.98
5% and above of issued shares	1	0.05	49,081,786	59.55
	2,074	100.00	82,426,810	100.00

CATEGORY OF SHAREHOLDINGS

Category of Shareholders	Shareholders	%	Shareholdings	%
1. Government Agencies/Institutions	1	0.05	2,500	0.00
2. Bumiputra				
a. Individual	47	2.27	1,081,032	1.31
b. Companies	9	0.43	51,521,486	62.52
c. Nominees	122	5.88	3,779,821	4.59
3. Non-Bumiputra				
a. Individual	1,527	73.63	19,345,315	23.47
b. Companies	56	2.70	2,246,162	2.73
c. Nominees	153	7.38	2,384,260	2.89
Malaysian Total	**1,915**	**92.34**	**80,360,576**	**97.51**
4. Foreign				
a. Individual	91	4.39	488,000	0.58
b. Companies	4	0.19	65,141	0.08
c. Nominees	64	3.08	1,513,093	1.83
Foreign Total	**159**	**7.66**	**2,066,234**	**2.49**
GRAND TOTAL	**2,074**	**100.00**	**82,426,810**	**100.00**

ANALYSIS OF SHAREHOLDINGS
AS AT 31 JULY 2013 *(continued)*

Director	No.	%	No.	%
Roslan bin Hamir	205,600	0.25	-	-
Dr. Roshayati binti Basir	-	-	50,127,886	60.82

INFORMATION OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

		No. of Shares	%
1.	Fima Metal Box Holdings Sdn Bhd	49,081,786	59.55

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Names	No. of Shares	%
1.	Fima Metal Box Holdings Sdn Bhd	49,081,786	59.55
2.	Fima Corporation Berhad Share Buy-Back Account	1,956,100	2.37
3.	Wong Yu @ Wong Wing Yu	900,000	1.09
4.	Tan Ah Kow @ Tan Toong Soon	810,000	0.98
5.	Liau Choon Hwa & Sons Sdn Bhd	624,300	0.76
6.	Hamidah binti Abdul Rahman	605,600	0.73
7.	Chin Kian Fong	600,000	0.73
8.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged securities account for Sow Gek Pong (MLK)	520,900	0.63
9.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Liau Thai Min (MY0918)	516,800	0.63
10.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LPF)	491,600	0.60
11.	BHR Enterprise Sdn Bhd	440,500	0.53
12.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Liau Thai Min	416,200	0.50
13.	Wong Yu @ Wong Wing Yu	400,000	0.49
14.	Leong Kok Tai	381,400	0.46
15	Yeo Khee Huat	355,000	0.43
16.	Wong Soo Ping	350,100	0.42

ANALYSIS OF SHAREHOLDINGS
AS AT 31 JULY 2013 *(continued)*

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (CONTD.)

No.	Names	No. of Shares	%
17.	Gan Kho @ Gan Hong Leong	333,000	0.40
18.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C - NR)	329,635	0.40
19.	Introscape Sdn Bhd	324,100	0.39
20.	Ong Teck Peow	321,600	0.39
21.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Ong Kok Yon	312,500	0.38
22.	RHB Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Yee Ming	270,000	0.33
23.	Tan Siew Yoke	238,000	0.29
24.	Lim Siew Geok	235,000	0.29
25.	ECML Nominees (Asing) Sdn Bhd Monex Boom Securities (HK) Limited for Chen Guangxin	229,000	0.28
26.	Ong Siok Bee	229,000	0.28
27.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Ong Teng Fong	224,700	0.27
28.	Tan Siew	223,700	0.27
29.	Lee Siew Peng	219,000	0.27
30.	Roslan bin Hamir	205,600	0.25

FIMA CORPORATION BERHAD
(21185-P)

PROXY FORM

I / We,____
(Full Name in Capital Letters)

of____
(Full Address)

being a Member / Members of Fima Corporation Berhad, do hereby appoint

____
(Full Name in Capital Letters)

of____
(Full Address)

or failing him____
(Full Name in Capital Letters)

of____
(Full Address)

as my/our proxy to vote for me/us* and on my/our* behalf at the Thirty-Eighth Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 24 September 2013 at 10.30 a.m. and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:-

No.	Resolutions	For	Against
Ordinary Resolution 1	To receive and adopt the Audited Financial Statements for the year ended 31 March 2013 and the Reports of the Directors and Auditors thereon.		
Ordinary Resolution 2	To declare a single-tier special dividend of 5% per share and a final dividend of 18.5% less 25% tax per share in respect of the financial year ended 31 March 2013 as recommended by the Directors.		
Ordinary Resolution 3	To re-elect Encik Roslan bin Hamir pursuant to Article 113 of the Company's Articles of Association.		
Ordinary Resolution 4	To re-elect Encik Rezal Zain bin Abdul Rashid pursuant to Article 113 of the Company's Articles of Association.		
Ordinary Resolution 5	To approve the payment of Directors' fees and the increase in Directors' fees amounting to RM99,500 effective from the financial year ending 31 March 2014.		
Ordinary Resolution 6	To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration.		
AS SPECIAL BUSINESS			
Ordinary Resolution 7	Proposed renewal of the authority for shares buy-back.		
Ordinary Resolution 8	Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature.		
Ordinary Resolution 9	To retain Encik Rezal Zain bin Abdul Rashid as Independent Non-Executive Director of the Company.		
Ordinary Resolution 10	To retain YBhg Dato' Adnan bin Shamsuddin as Independent Non-Executive Director of the Company.		
Ordinary Resolution 11	To retain YBhg Datuk Alias bin Ali as Independent Non-Executive Director of the Company.		
Special Resolution 1	Proposed Amendments to the Articles of Association of the Company.		

Please indicate with a tick (/) whether you wish your votes to be cast for or against the Resolutions. In the absence of specific directions, your proxy will vote or abstain as he thinks fit.

Dated this day of 2013

No. of shares held

....
Signature / Seal

NOTES:

1. A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company and a Member may appoint more than two (2) proxies by specifying the proportion of his shareholding to be represented by each proxy. The instrument appointing the proxy must be deposited at the Registered Office of the Company, not less than before the time of holding the Meeting or any adjournment thereof.

2. Only members whose names appear on the Record of Depositors as at 17 September 2013 shall be entitled to attend the Annual General meeting or appoint proxy(ies) to attend and vote on their behalf.

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Postage
Stamp

FIMA CORPORATION BERHAD
(Company No: 21185-P)

Suite 4.1, Level 4
Block C, Plaza Damansara
45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur

Fold Here

FIMA CORPORATION BERHAD
(21185-P)

FIMA CORPORATION BERHAD (Company No: 21185-P)
Suite 4.1, Level 4, Block C, Plaza Damansara,
45, Jalan Medan Setia 1,Bukit Damansara,
50490 Kuala Lumpur.