ANNUAL REPORT 2014

FIMA CORPORATION BERHAD
(21185-P)

Contents

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Ninth (39th) Annual General Meeting ("AGM") of FIMA CORPORATION BERHAD will be held on Wednesday, 24 September 2014 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 the Audited Financial Statements for the financial year ended 31 March 2014 and the Reports of the Directors and Auditors thereon. **Ordinary Resolution 1**

2. 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) YBhg Datuk Alias bin Ali **Ordinary Resolution 2**

   (ii) Dr. Roshayati binti Basir **Ordinary Resolution 3**

   The profile of the above directors is set out on Page 10 and Page 11 of the Annual Report 2014.

3. To approve the payment of Directors' fees. **Ordinary Resolution 4**

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

AS SPECIAL BUSINESS

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

5. **ORDINARY RESOLUTION**

   Proposed renewal of the authority for shares buy-back **Ordinary Resolution 6**

   "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 Malaysia Securities Berhad ("Bursa Securities") and any other relevant authority, the Directors of the Company be and are hereby authorized to purchase such amount of ordinary shares 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 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 2014 amounted to RM82,146,000;

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."

6. **ORDINARY RESOLUTION**

Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature — **Ordinary Resolution 7**

"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 18 August 2014 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".

7. **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 8**

(ii) YBhg Dato' Adnan bin Shamsuddin — **Ordinary Resolution 9**

(iii) YBhg Datuk Alias bin Ali — **Ordinary Resolution 10**

8. 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 2014. Only members whose names appear on the Record of Depositors as at 17 September 2014 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.

By Order of the Board

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

Kuala Lumpur
18 August 2014

NOTE

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.
2. Where a member 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.
3. 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 6
Proposed Renewal of the Authority for Shares Buy-Back

The proposed Ordinary Resolution 6, 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 2014, the Company's retained earnings and share premium stood at RM82,146,000 and RM534,000 respectively.

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 18 August 2014 which is circulated together with the Annual Report.

Ordinary Resolutions 8 to 10
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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. **Directors who are standing for re-election at the Thirty-Ninth (39th) Annual General Meeting of Fima Corporation Berhad are :-**

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

   YBhg Datuk Alias bin Ali *(Resolution 2)*

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

   Dr. Roshayati binti Basir *(Resolution 3)*

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 2014. 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 2014 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	23 May 2013 24 June 2013 27 August 2013 26 November 2013 20 February 2014	12.05 p.m. 5.05 p.m. 3.20 p.m. 11.10 a.m. 4.30 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*
	Rezal Zain bin Abdul Rashid	*Senior Independent Non-Executive Director*
	Dato' Adnan bin Shamsuddin	*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

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
(67 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
(47 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
(47 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, Audit Committee chairman and a member of the Remuneration and Nomination Committees of YFG Berhad and Matrix Concepts Holdings Berhad.

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

DATUK ALIAS BIN ALI
(66 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 and Remuneration Committee and a member of the Audit 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
(50 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 2014.

FINANCIAL REVIEW

For financial year 2013/2014, the Group's revenue improved by 14.2% to RM348.4 million compared to RM305.1 million registered in the previous year. The growth in revenue was mainly due to higher sales of certain security and confidential documents.

The profit before tax ("PBT") for the year increased by 14.0% from RM88.8 million in the previous year to RM101.2 million. The higher PBT recorded arose from higher revenue and RM5.6 million higher profit in share of results of associate.

OPERATIONS REVIEW

Production and Trading of Security and Confidential Documents

Revenue from the production and trading of security and confidential documents division increased by 19.6% to RM241.6 million from RM202.0 million registered in the previous year. In tandem with higher revenue, the division recorded a PBT of RM63.4 million, an improvement of 19.3% from the previous year.

Oil Palm Plantation

Revenue from PT Nunukan Jaya Lestari ("PT NJL") closed higher at RM102.8 million compared to RM99.3 million recorded in the previous year. The growth in revenue was mainly due to sales of crude palm kernel oil ("CPKO"), albeit lower sales revenue from crude palm oil ("CPO").

CPO and CPKO sold during the financial year was 44,215 mt (2013: 46,082 mt) and 3,125 mt (2013: Nil) respectively. The average CIF selling price for CPO fell from RM2,155 per mt in the previous year to RM2,068 per mt whilst the average CIF selling price for CPKO was RM2,737 per mt.

FFB Collection

Pressing of sterilized FFB

For the year under review, fresh fruit bunches ("FFB") produced decreased 2.8% from 154,995 mt last year to 150,703 mt whilst FFB purchased from third party increased to 49,144 mt from the previous year of 32,796 mt.

Production of CPKO and CPO improved 298.7% and 3.5% to 2,396 mt (2013: 601 mt) and 45,350 mt (2013: 43,817 mt) respectively. Due to lower quality FFB received from small holders, the average oil extraction rate achieved was lower at 22.66% (2013: 23.36%).

On the back of lower average CPO price realization and higher foreign exchange loss, PT NJL posted a 1.6% lower PBT at RM31.7 million (2013: 32.2 million).

In line with our target to acquire plantation land banks at strategic locations to ensure long term and sustainable growth of the Plantation Division, I am pleased to inform that on 6 January 2014, the Group's subsidiary, Cendana Laksana Sdn Bhd had completed the acquisition of 2 parcels of agricultural leasehold land in Kemaman, Negeri Terengganu measuring approximately 785.39 hectares of which approximately 380 hectares are unplanted and 400 hectares planted with palms more than 28 years old. Planting of 380 hectares is scheduled for the new financial year, followed by replanting of 400 hectares in the subsequent year.

Planting of the 1st oil palm seed for Cendana Laksana by Managing Director, Encik Roslan Hamir

Property Management

As the scenario for the commercial rental market has not improved for Klang Valley, our Plaza Damansara building's occupancy rate improved marginally to 73.4% (2013: 72.0%) whilst the factory premise in Bangi is fully occupied.

CORPORATE DEVELOPMENT

On 17 June 2014, the Company had entered into a conditional Sale and Purchase Agreement with Yee Kong Fatt and Cheong Kok Tong for the acquisition of 2,000,000 ordinary shares of RM1.00 each, representing the entire equity interest of Gabungan Warisan Sdn Bhd ("GWSB") for a total purchase consideration of RM3.702 million.

GWSB has been granted a 99 years lease by Akademi Yakin Sdn Bhd, a wholly-owned subsidiary of Yayasan Kelantan Darulnaim, to undertake the development of a parcel of agricultural land measuring approximately 617.3 acres held under PT 4718, HS(D) 9350, Mukim Kuala Stong, Jajahan Kuala Krai, Kelantan Darul Naim.

The new investment would enable the Group to realize its strategy to expand its plantation business, which in turn would provide a broader earnings base for the Group and ultimately enhance the Group's shareholders value.

FUTURE OUTLOOK

The Malaysian economy is expected to remain on a steady growth path in 2014, expanding by 4.5% - 5.5% (2013: 4.7%). Domestic demand will remain the key driver of growth, albeit at a more moderate pace.

(Source: Bank Negara Malaysia)

The production and trading of security and confidential division is confident of sustaining the performance at the current level in the new financial year. The Management will continue with its efforts to be innovative in its product upgrading and introduction of new products with enhanced security features.

Womako passport finishing

Heidelberg Speedmaster SX 52

The global economic activity is envisaged to be cautiously optimistic as the economy of US, China and Eurozone is expected to grow. Though the prevailing outlook may lead to a favourable CPO price movement, the Plantation Division will concentrate on controllable cost variables and endeavor to administer the operational costs more efficiently.

Applications have been made by PT NJL to the local authorities for planting permits to develop the remaining undeveloped areas under its Hak Guna Usaha title. Given the lengthy and intricate process involved, it is difficult to predict when development works can begin. Much depends upon the issuance of these permits.

DIVIDEND

A single-tier special dividend of 5% and a single-tier 2nd interim dividend of 15% for the financial year 2013/2014 have been declared and will be paid on 12 August 2014. Together with the single-tier 1st interim dividend of 15% paid on 27 December 2013, the total net dividend per share for the financial year under review is 35% (2013: 30.12%).

In view of the payment of the 2nd interim dividend, the Board does not recommend a final dividend in respect of the financial year ended 31 March 2014.

APPRECIATION

The Board of Directors is pleased to announce that in appreciation of the shareholders' loyalty, support and confidence in the Company, it is recommending for the shareholders' approval a proposed bonus issue on the basis of one bonus share for every two existing held after a proposed share split involving the subdivision of each ordinary share held into two ordinary shares of RM0.50 each in the Company.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I would like to extend our thanks and appreciation to our shareholders, customers, government authorities, regulators and all other stakeholders for their continued support and confidence towards the Group.

In addition to that, I wish to express my thanks to the management and staff for their dedicated services and contributions.

To my colleagues on the Board, I wish to convey my gratitude and appreciation for their invaluable insights, wise counsel and excellent commitment.

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 2014. 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 and supported by Boardroom Corporate Services Sdn. Bhd., 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 2014, 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

- *Development of In-House Field Workers Checkroll system- Riverview Rubber Estates Berhad*
- *Changes to the Malaysian Code on Corporate Governance ("MCCG 2012") & Listing Requirements - KPMG*
- *Derivative Hedging – CIMB Bank Berhad*
- *Risk Management – Ernst & Young*
- *Nominating Committee Programme – Iclif Leadership and Governance Centre*
- *Agricultural Practises Update Conference 2013 – Riverview Rubber Estates Berhad*

Dato' Adnan bin Shamsuddin

- *Special Dialogue & Presentation Session on Asean CG Scorecard 2013 – MSWG*
- *Derivative Hedging – CIMB Bank Berhad*
- *Risk Management – Ernst & Young*
- *Advocacy Sessions on Corporate Disclosure for Directors – Bursa Malaysia*
- *Nominating Committee Programme – Iclif Leadership and Governance Centre*

Rezal Zain Abdul Rashid

- *Derivative Hedging – CIMB Bank Berhad*
- *Risk Management – Ernst & Young*
- *Nominating Committee Programme – Iclif Leadership and Governance Centre*

Datuk Alias bin Ali

- *Derivative Hedging – CIMB Bank Berhad*
- *Nominating Committee Programme – Iclif Leadership and Governance Centre*

Dr. Roshayati binti Basir

- *Derivative Hedging – CIMB Bank Berhad*
- *Risk Management – Ernst & Young*
- *Advocacy Sessions on Corporate Disclosure for Directors – Bursa Malaysia*

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 2014 is as follows:-

	Executive RM'000	Non-Executive RM'000	Total RM'000
Fees	-	395	395
Salaries and Other Emoluments	659	109	768
Bonus	364	-	364
Benefits-in-Kind	98	-	98

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

	Number of Directors (Company)		
	Executive	**Non-Executive**	**Total**
RM50,001 – RM100,000	-	3	3
RM150,001 – RM200,000	-	1	1
RM1,100,001 – RM1,150,000	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. 24 June 2013 and 20 February 2014, to discuss the adequacy of controls and any judgmental areas.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

Fima Corporation Group believes in the value of conducting our business responsibily though good corporate governance encompassing sound ethical business practices. The Group is committed to generating and sustaining long term value for our stakeholders.

We recognize corporate social responsibility ("CSR") as a vital part of corporate activity and continue our CSR initiatives in making positive contributions to our business, our people and the communities in which we operate.

Stakeholders Engagement

We are conscious of our responsibility to manage and develop content that is relevant, reliable and factually accurate. The Group is committed to providing the stakeholders with timely, complete and accurate updates of the Group based on the principles of transparency, integrity and good corporate governance. In this regard, the Group strictly adheres to the disclosure requirements of Bursa Malaysia Securities Berhad and the Malaysia Accounting Standards Board.

Our website www.fimacorp.com is a key means of keeping investors up-to-date to the developments of the Group. We also acknowledge the importance of the annual general meeting as it is the principal avenue for shareholders to take part in an open discussion.

Workplace

The Group is committed to provide and maintain a healthy and safe working environment and to instil a sense of awareness amongst the employees on environment, safety, health and welfare matters. The Group makes every effort to create a pleasant and motivating working environment for all its employees.

Various training and development programmes were implemented during the year to enhance our employees' knowledge, expertise and professionalism. Every employee has an equal opportunity at career development, training and development programmes are available at every level.

In-house training in session

Routine training for sprayers

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY *(continued)*

Health and safety of our employees are consistently an area of on-going focus for the Group. Subsidiary, Percetakan Keselamatan Nasional Sdn Bhd ("PKN") has forty-five (45) fire marshals that are certified and trained on firefighting techniques. During the year, the fire marshals were sent for refresher course on first aid and cardiopulmonary resuscitation (CPR).

In the interest of safeguarding the health of its employees, our subsidiary in Indonesia, PT Nunukan Jaya Lestari ("PT NJL") organized a series of health checks for its employees and residents of Desa Tabu Lestari and Desa Sri Nanti during the year. The health screening included checks on blood sugar, blood pressure and blood cholesterol. In addition, the employees' children were provided free circumcision.

Health screening

The Group believes that a healthy work-life balance enhances productivity and had organized recreation and sports activities, to foster well-being and unity amongst employees. During the year, employees and family members of PKN were invited to a weekend Family Day at Bayou Lagoon Park Resort, Bukit Katil, Melaka whilst employees of PT NJL were treated to a 3-days retreat at Pulau Derawan, Provinsi Brau, Kalimantan, Indonesia. To foster better ties and interaction amongst our employees, festive gatherings and various sports events were organized.

Family Day at Bayou Lagoon Park Resort, Bukit Katil, Melaka

Retreat at Pulau Derawan, Provinsi Brau, Kalimantan, Indonesia

Community

The Group believes in giving back to its community in whatever form of assistance or help which is beneficial collectively or otherwise. As a foreign based company, PT NJL strongly holds to the maxim of contributing back to the local community as an appreciation for the support given.

Tree planting campaign

During the financial year under review, CSR activities undertaken by PT NJL are as follows:

1. Cash allowance for nineteen (19) school teachers of SD and SMP Sei Menggaris.
2. Contribution to the construction of Masjid Desa Sri Nanti
3. Contribution to Independence Day and Aidil Adha's celebration.
4. Donation of school uniforms to four primary and secondary schools.
5. Tree planting campaign at Desa Tabur Lestari.

Donation of school uniforms to schools

Environment

As part of our waste management programme, sludge from our palm oil mill effluent pond is treated into organic fertilizer and applied directly to the fields to enhance our palms. As a good industry practice, empty fruit bunches are applied to new planting and cover crops established to improve soil properties, reduce erosion and lowers carbon dioxide emissions.

POME application

EFB application

Compost application

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:

	Meetings	Date of Meeting				
Member	**Attended**	**23/05/13**	**24/06/13**	**27/08/13**	**26/11/13**	**20/02/14**
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 24 June 2013 and 20 February 2014, 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 2014 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, management information systems 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 Risk Management Committee in discharging its duties is supported by a Risk Management Unit, comprising of senior management and 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 internal audit function is undertaken by the Group Internal Audit Department ("GIA") of the penultimate holding company, Kumpulan Fima Berhad. The principal role of GIA is to independently review whether a framework of controls and an effective risk management framework is in place to manage risks and management responses to these risks are acceptable.

GIA engages in regular communication with the management team and various departments within the organization in relation to its internal audit activities and efforts for continuous improvement in operations and systems. Scheduled internal audits are carried out by GIA based on the audit plan presented to and approved by the Audit Committee.

GIA reports directly to the Audit Committee periodically 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 are highlighted.

During the year, 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 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 2014 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 26 June 2014.

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 2014, which give a true and fair view of the state of affairs of the Group and the Company.

FIVE YEAR FINANCIAL HIGHLIGHTS OF THE GROUP YEAR ENDED 31 MARCH

(RM'000)	2014	2013	2012	2011	2010
REVENUE	348,382	305,145	300,174	298,480	280,095
PROFIT					
Profit before Taxation	101,246	88,839	107,505	111,566	88,649
Profit after Taxation	71,994	61,899	78,917	84,757	64,570
Profit attributable to Non-controlling Interests	4,294	3,670	7,010	5,271	3,879
ASSETS AND LIABILITIES					
Total Assets	598,773	562,975	547,153	515,838	457,181
Total Liabilities	83,316	73,552	91,520	114,975	125,801
Financed By:					
Shareholders' Equity	489,470	460,199	435,189	380,814	315,458
Non-controlling Interests	25,987	29,224	20,444	20,049	15,922
Net asset per share (RM)	6.08	5.72	5.41	4.73	3.92
EARNINGS AND DIVIDEND					
Earnings per share	84.1 sen	72.4 sen	89.4 sen	98.8 sen	75.4 sen
Dividends per share - Gross	35.0 sen	38.5 sen	35.0 sen	30.0 sen	20.0 sen
Dividends per share - Net	35.0 sen	30.13 sen	26.25 sen	22.5 sen	15.0 sen
SHARE PRICES					
Transacted price per share (RM)					
Highest	8.40	6.65	6.95	6.52	4.70
Lowest	5.62	5.60	4.88	3.92	1.92

PLANTATION STATISTICS YEAR ENDED 31 MARCH

	2014	2013	2012	2011	2010
Planted Area (hectare)					
Mature					
8 - 15 years	6,106.25	5,614.30	3,645.40	1,693.00	-
4 - 7 years	348.70	739.20	2,708.10	4,585.25	6,164.10
	6,454.95	6,353.50	6,353.50	6,278.25	6,164.10
Immature	52.38	47.98	47.98	95.82	209.97
Total Planted Area	6,507.33	6,401.48	6,401.48	6,374.07	6,374.07
FFB Production (mt)					
Own estates	150,703	154,995	139,144	117,975	113,888
Purchased	49,144	32,796	22,673	33,611	52,857
Total processed	200,095	187,575	163,203	150,144	166,745
Oil Extraction Rate (OER) %	22.66	23.36	23.84	24.55	24.95
Yield per mature hectare (mt FFB)	23.35	24.40	21.90	18.79	18.48

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 RM5,000 (2013: RM5,000).

- **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 2013.

- **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.

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Financial STATEMENTS

ANNUAL REPORT 2014
FIMA CORPORATION BERHAD (21185-P)

FIMA CORPORATION BERHAD
(21185-P)

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 2014.

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 15 and 16 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	71,994	23,402
Profit for the year attributable to:		
- Equity holders of the Company	67,700	23,402
- Non-controlling interests	4,294	-
	71,994	23,402

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

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

DIVIDENDS

The amounts of dividends paid by the Company since 31 March 2013 were as follows:

	RM'000
In respect of the financial year ended 31 March 2013 as reported in the directors' report for that year:	
Final dividend of 18.5% less 25% taxation, paid on 10 October 2013	11,165
Special dividend of 5% tax exempt, paid on 10 October 2013	4,023
	15,188
In respect of the financial year ended 31 March 2014:	
Single-tier interim dividend of 15%, paid on 27 December 2013	12,071
	27,259
In respect of the financial year ended 31 March 2014:	
Single-tier second interim dividend of 15% and a single-tier special dividend of 5% on 80,470,710 ordinary shares, declared on 22 May 2014	16,094

The Directors do not recommend any final dividend in respect of the financial year ended 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, YBhg Datuk Alias bin Ali and Dr. Roshayati binti Basir 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 7 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 29 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 RM1.00 Each			
	As at 1 April 2013	**Bought**	**Sold**	**As at 31 March 2014**
The Company				
Direct				
Roslan bin Hamir	205,600	-	(2,000)	203,600
Indirect *(1) (2) (3)				
Dr. Roshayati binti Basir	50,127,886	-	-	50,127,886

DIRECTORS' INTERESTS (CONTD.)

	Number of Ordinary Shares of RM1.00 Each					
	As at 1 April 2013	Options exercised	Shares vested under Restricted Share Grant	Bought	Sold	As at 31 March 2014
Kumpulan Fima Berhad						
Penultimate Holding Company						
Direct			-		-	
Roslan bin Hamir	301,000	-	60,000	-	-	361,000
Dato' Adnan bin Shamsuddin	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				
	Exercise Price RM	As at 1 April 2013	Granted	Exercised	As at 31 March 2014
Kumpulan Fima Berhad Penultimate Holding Company					
Roslan bin Hamir	1.48	1,070,000	-	-	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 2013	**Granted**	**Vested**	**As at 31 March 2014**
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 23.

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 2014, 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 22 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) it necessary to write off any bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; and

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

(c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, and

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

(f) In the opinion of the directors:

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

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

SIGNIFICANT AND SUBSEQUENT EVENTS

The significant and subsequent events are as disclosed in Note 31 to the financial statements.

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 27 June 2014.

Dato' Adnan bin Shamsuddin

Roslan bin Hamir

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 137 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 2014 and of their financial performance and cash flows for the year then ended.

The information set out in Note 36 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 27 June 2014.

Dato' Adnan bin Shamsuddin　　　　Roslan bin Hamir

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 138 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 27 June 2014.　　　　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 2014 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 137.

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 requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is 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 2014 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International 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 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.

(c) 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 36 on page 138 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
AF: 0002
Chartered Accountants

Muhammad Affan bin Daud
No. 3068/02/16(J)
Chartered Accountant

Kuala Lumpur, Malaysia
27 June 2014

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014

		Group		Company	
	Note	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue	3	348,382	305,145	28,106	22,364
Cost of sales		(209,943)	(183,700)	-	-
Gross profit		138,439	121,445	28,106	22,364
Other income	4	9,901	6,677	2,255	2,120
Other items of expense					
Administrative expenses		(22,480)	(19,618)	(1,787)	(1,596)
Selling and marketing expenses		(7,175)	(5,748)	-	-
Other expenses		(23,048)	(16,143)	(2,161)	(3,466)
Share of results from associates		5,609	2,226	-	-
Profit before tax	5	101,246	88,839	26,413	19,422
Income tax expense	8	(29,252)	(26,940)	(3,011)	(5,153)
Profit net of tax		71,994	61,899	23,402	14,269
Other comprehensive loss					
Foreign currency translation loss, to be reclassified subsequently to profit or loss		(14,120)	(5,605)	-	-
Total comprehensive income for the year		57,874	56,294	23,402	14,269
Profit attributable to:					
Equity holders of the Company		67,700	58,229	23,402	14,269
Non-controlling interest		4,294	3,670	-	-
Profit for the year		71,994	61,899	23,402	14,269
Total comprehensive income attributable to:					
Equity holders of the Company		56,404	53,745	23,402	14,269
Non-controlling interest		1,470	2,549	-	-
Total comprehensive income for the year		57,874	56,294	23,402	14,269
Earnings per share attributable to equity holders of the Company (sen per share)					
Basic/diluted earnings per share	10	84.13	72.36		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	11	74,187	36,566	2,170	1,814
Investment properties	12	66,699	68,209	54,093	55,260
Biological assets	13	50,962	60,616	-	-
Goodwill on consolidation	14	510	510	-	-
Investments in subsidiaries	15	-	-	58,363	45,863
Investments in associates	16	35,350	29,741	10,000	10,000
Deferred tax assets	25	3,221	3,835	489	502
		230,929	199,477	125,115	113,439
CURRENT ASSETS					
Trade and other receivables	17	105,071	87,703	794	5,441
Inventories	18	67,523	54,757	-	-
Due from related companies	19	46	13	214	3,365
Cash and cash equivalents	20	195,204	221,025	41,040	48,602
		367,844	363,498	42,048	57,408
TOTAL ASSETS		598,773	562,975	167,163	170,847
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	21	82,427	82,427	82,427	82,427
Share premium		534	534	534	534
Treasury shares	22	(3,604)	(3,604)	(3,604)	(3,604)
Other reserves	23	(22,720)	(11,550)	2,019	2,006
Retained earnings	24	432,833	392,392	82,146	86,003
		489,470	460,199	163,522	167,366
Non-controlling interests		25,987	29,224	-	-
Total equity		515,457	489,423	163,522	167,366

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2014 *(continued)*

		Group		Company	
		2014	2013	2014	2013
	Note	RM'000	RM'000	RM'000	RM'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities	25	4,727	1,026	-	-
Retirement benefit obligations	26	1,425	1,232	-	-
		6,152	2,258	-	-
CURRENT LIABILITIES					
Trade and other payables	27	72,877	66,164	3,342	3,330
Tax payable		4,241	4,991	299	151
Due to related companies	19	6	33	-	-
Retirement benefit obligations	26	40	106	-	-
		77,164	71,294	3,641	3,481
Total liabilities		83,316	73,552	3,641	3,481
TOTAL EQUITY AND LIABILITIES		598,773	562,975	167,163	170,847

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 2014

Group	Note	Equity, total RM'000	Equity attributable to 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
			Attributable to owners of the parent	Non-distributable	Non-distributable	Non-distributable	Distributable	Non-distributable	Non-distributable	Non-distributable	Non-distributable	
At 1 April 2012		455,633	427,439	82,427	534	(3,604)	355,287	(7,205)	1,530	(12,419)	3,684	28,194
Profit for the year		61,899	58,229	-	-	-	58,229	-	-	-	-	3,670
Other comprehensive loss		(5,605)	(4,484)	-	-	-	-	(4,484)	-	(4,484)	-	(1,121)
Total comprehensive income for the year		56,294	53,745	-	-	-	58,229	(4,484)	-	(4,484)	-	2,549
Transaction with owners												
Dividends	9	(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	460,199	82,427	534	(3,604)	392,392	(11,550)	1,530	(16,903)	3,823	29,224
At 1 April 2013		489,423	460,199	82,427	534	(3,604)	392,392	(11,550)	1,530	(16,903)	3,823	29,224
Profit for the year		71,994	67,700	-	-	-	67,700	-	-	-	-	4,294
Other comprehensive loss		(14,120)	(11,296)	-	-	-	-	(11,296)	-	(11,296)	-	(2,824)
Total comprehensive income for the year		57,874	56,404	-	-	-	67,700	(11,296)	-	(11,296)	-	1,470
Transaction with owners												
Dividends	9	(31,966)	(27,259)	-	-	-	(27,259)	-	-	-	-	(4,707)
Grant of equity settled share options		126	126	-	-	-	-	126	-	-	126	-
Total transactions with owners		(31,840)	(27,133)	-	-	-	(27,259)	126	-	-	126	(4,707)
At 31 March 2014		515,457	489,470	82,427	534	(3,604)	432,833	(22,720)	1,530	(28,199)	3,949	25,987

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 2014 *(continued)*

			|--------- Non-distributable	---------	---------|	Distributable	|--------------- Non-distributable	-------------	-------------|
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**
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	9	(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
At 1 April 2013		167,366	82,427	534	(3,604)	86,003	2,006	1,530	476
Total comprehensive income for the year		23,415	-	-	-	23,402	13	-	13
Transaction with owners									
Dividends	9	(27,259)	-	-	-	(27,259)	-	-	-
Total transactions with owners		(27,259)	-	-	-	(27,259)	-	-	-
At 31 March 2014		163,522	82,427	534	(3,604)	82,146	2,019	1,530	489

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 2014

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	101,246	88,839	26,413	19,422
Adjustments for:				
Depreciation for property, plant and equipment	14,108	12,032	121	55
Depreciation of investment properties	1,510	1,511	1,167	1,166
Amortisation of biological assets	4,128	3,932	-	-
Impairment loss on trade receivables	201	55	-	-
Write-back of impairment loss on trade receivables	(636)	(128)	-	-
Impairment loss on other receivables	286	-	-	-
Write back of impairment loss on other receivables	(620)	-	-	-
Provision for retirement benefit obligations	256	271	-	-
Write down of inventories	239	1,344	-	-
Gain on disposal of property, plant and equipment	(335)	(49)	(33)	-
Shares and options granted under ESS	126	139	13	34
Gain from plantation investment compensation	(714)	-	-	-
Share of results of associates	(5,609)	(2,226)	-	-
Dividend income	-	-	(24,077)	(18,450)
Interest income	(7,443)	(6,551)	(1,819)	(1,671)
Operating profit before working capital changes	106,743	99,169	1,785	556
(Increase)/decrease in trade and other receivables	(17,710)	(25,798)	4,647	254
(Increase)/decrease in inventories	(14,003)	4,589	-	-
Increase/(decrease) in trade and other payables	6,109	(13,700)	12	(78)
(Decrease)/increase in related company balances	(60)	(48)	3,151	(3,935)
Cash generated from/(used in) operations	81,079	64,212	9,595	(3,203)
Taxes paid	(25,485)	(30,508)	(881)	(854)
Retirement benefits paid	(39)	(40)	-	-
Interest income received	7,443	6,551	1,819	1,671
Net cash generated from/(used in) operating activities	62,998	40,215	10,533	(2,386)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2014 *(continued)*

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(54,034)	(10,772)	(477)	(128)
Additions to biological assets	(538)	(581)	-	-
Proceeds from disposal of property, plant and equipment	337	109	33	-
Proceeds from plantation investment compensation	1,056	-	-	-
Dividends received	-	-	22,108	13,838
Net cash (used in)/generated from investing activities	(53,179)	(11,244)	21,664	13,710
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(27,259)	(21,124)	(27,259)	(21,124)
Dividends paid by a subsidiary to non-controlling interests	(4,707)	-	-	-
Redemption of loan stocks investment	-	(3,556)	(12,500)	2,000
Net cash used in financing activities	(31,966)	(24,680)	(39,759)	(19,124)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(22,147)	4,291	(7,562)	(7,800)
Effect of exchange rate changes in cash and cash equivalents	(3,674)	(166)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	221,025	216,900	48,602	56,402
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 20)	195,204	221,025	41,040	48,602

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2014

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 15 and 16, 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, penultimate 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 requirements of the Companies Act, 1965 in Malaysia.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 New FRSs, Amendments to FRS and IC Interpretations

(a) Changes in Accounting Policies

The accounting policies adopted for this financial statements are consistent with those adopted by the Group in the audited financial statements for the year ended 31 March 2013 except for the adoption of the following new and revised FRSs and Issues Committee ("IC") Interpretations which are relevant to the Group's operations with effect from 1 April 2013:

Description	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
Amendment to IC Interpretation 2 Members' Shares in Co-operative Entities and Similar Instruments (Improvements to FRSs (2012))	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

(a) Changes in Accounting Policies (Contd.)

Description	**Effective for annual period beginning on or after**
Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance	1 January 2013
Amendments to FRS 11: Joint Arrangements: Transition Guidance	1 January 2013
Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance	1 January 2013

The initial application of the above new and revised FRSs and IC Interpretations do not have any significant impact on the financial statements of the Group and the Company except for those discussed below:

(i) <u>FRS 10: Consolidated Financial Statements</u>

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. Under FRS 10, an investor controls an investee when:

(1) the investor has power over an investee;
(2) the investor has exposure, or rights, to variable returns from its involvement with the investee; and
(3) 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 has no impact on the Group's financial position or performance during the current financial year.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

(a) Changes in Accounting Policies (Contd.)

(ii) FRS 11 Joint Arrangements

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.

FRS 11 removes the option to account for jointly controlled entities ("JCE") using proportionate consolidation. Instead, JCE that meet the definition of a joint venture must be accounted for using the equity method.

(iii) FRS 12: Disclosure of Interests in Other Entities

FRS 12 includes all disclosure requirements for interests 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.

(iv) FRS 127 Separate Financial Statements

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

This standard has no impact on the Group's financial position or performance in the period of initial application.

(v) 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 has no impact on the Group's financial position or performance in the period of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

(a) Changes in Accounting Policies (Contd.)

(vi) 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. FRS 13 defines fair value as an exit price. As a result of the guidance in FRS 13, the Group re-assessed its policies for measuring fair values in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. FRS 13 also requires additional disclosures.

Upon adoption of FRS 13, the Group takes into consideration the highest and best use of certain properties in measuring the fair value of such properties. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined.

(vii) 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 amendments to FRS 119 require retrospective application with certain exceptions. The application of this standard does 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 Issued But Not Yet Effective

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

Description	Effective for annual period beginning on or after
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
Amendments to FRS 136: Impairment of Assets (Recoverable amount disclosures for non-financial assets)	1 January 2014
Amendments to FRS 139: Financial Instruments - Recognition and Measurement (Novation of Derivatives and Contribution of Hedge Accounting)	1 January 2014
Amendments to FRS 119: Defined Benefits Plan (Employee Contributions)	1 July 2014
Annual Improvements to FRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle	1 July 2014
FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
FRS 9 Financial Instruments: Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139)	To be announced

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:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

(b) Standards Issued But Not Yet Effective (Contd.)

(i) FRS 9: Financial Instruments

FRS 9 reflects the first phase of work on the replacement of FRS 139 and applies to classification and measurement of financial assets and financial liabilities as defined in FRS 139. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to FRS 9: Mandatory Effective Date of FRS 9 and Transition Disclosures, issued in March 2012, moved the mandatory effective date to 1 January 2015. Subsequently, on 14 February 2014, it was announced that the new effective date will be decided when the project is close to completion. The adoption of the first phase of FRS 9 will have an effect of the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurement of the Group's financial liabilities. 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").

The MFRS Framework is to be applied by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for the Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS Framework for an additional three years. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2015.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2016. In presenting its first MFRS financial statements, the Group will be required to adjust the comparative financial statements prepared under FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against the opening retained earnings. The Group has opted to defer the adoption of the MFRS Framework to the financial year beginning on 1 April 2015.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies

(a) Basis of Consolidation

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

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

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

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

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

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

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

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

(iii) Rights arising from other contractual arrangements; and

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

Subsidiary companies are consolidated when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(a) Basis of Consolidation (Contd.)

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

When the Group loses control of a subsidiary company, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary company and any non-controlling interest, is recognised in profit or loss. The subsidiary company's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary company at the date control is lost is regarded as the cost on initial recognition of the investment.

Business Combinations

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are expensed and included in administrative expenses.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 139 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of FRS 139, it is measured in accordance with the appropriate FRS.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(a) Basis of Consolidation (Contd.)

Business Combinations (Contd.)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary company acquired, the difference is recognised in profit or loss. The accounting policy for goodwill is set out in Note 2.3(h).

(b) Subsidiaries

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(c) Transaction with Non-Controlling Interest

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

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

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

(d) Investment in Associate Companies

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

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

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(d) Investment in Associate Companies (Contd.)

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

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

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

(e) Property, Plant and Equipment

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

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

Freehold land 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(e) Property, Plant and Equipment (Contd.)

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.

Freehold land has an unlimited useful life and therefore is not depreciated. Land held on long lease is held on a lease with an unexpired period of 50 years or more. A lease of less than 50 years is described as a short lease.

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

Buildings	2% to 10%
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%

Assets under construction or capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(f) 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.

(g) Investment Properties

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(h) Goodwill

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

(i) Impairment of Non-financial Assets

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

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

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

Impairment losses are recognised in profit or loss 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(i) Impairment of Non-financial Assets (Contd.)

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.

(j) 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 categorised the classification of their financial assets at initial recognition as loans and receivables.

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.

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(j) Financial Assets (Contd.)

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.

(k) 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.)

2.3 Summary of Significant Accounting Policies (Contd.)

(l) Derivative Financial Instruments

Derivative financial instruments that do not qualify for hedge accounting are accounted for as financial liabilities at fair value through profit or loss in accordance to Note 2.3(o)(i).

(m) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined on the First-In, First-Out ("FIFO") basis. Cost of finished goods and work-in-progress includes direct materials, direct labour, other direct costs and appropriate production overheads.

Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to completion and the estimated costs necessary to make the sale.

(n) 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.

(o) 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 are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(o) Financial Liabilities (Contd.)

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading or financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading includes derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gain or losses on derivatives include exchange differences.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(p) Provision for Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(q) 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.

(r) 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.)

(r) 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.

(s) Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services/business activities. An operating segment's operating results are reviewed regularly by the chief operating decision maker, who will make decisions to allocate resources to the segments and assess the segment performance. Additional disclosures on each of these segments are shown in Note 30.

(t) 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.)

(t) Foreign Currencies (Contd.)

(ii) Foreign Currency Transactions

Transactions in foreign currencies other than the Company's functional currency (foreign currencies) are recorded in the functional currencies at exchange rates approximating those ruling at the transaction dates. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

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

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

(iii) Foreign Operations

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(u) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plan

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

(iii) Defined benefit plan

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(u) Employee Benefits (Contd.)

(iii) Defined benefit plan (Contd.)

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

The latest actuarial valuation was carried out using the employee data as at 31 March 2014.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(u) Employee Benefits (Contd.)

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

- Employee Share Option Scheme ("ESOS") (Contd.)

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.

- 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(v) Leases

(a) 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.

(b) As lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set-out in Note 2.3(r)(ii).

(w) Income Tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(w) Income Tax (Contd.)

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiary companies, associated companies and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiary companies, associated companies and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(w) Income Tax (Contd.)

(ii) Deferred tax (Contd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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. The significant key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgments (Contd.)

(i) Classification between investment properties and property, plant and equipment

The Group developed certain criteria in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

(ii) Income taxes

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 RM29,252,000 (2013: RM26,940,000) and RM3,011,000 (2013: RM5,153,000) respectively, as disclosed in Note 8.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgments (Contd.)

(iii) 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 the Company's deferred tax assets as at 31 March 2014 is RM3,221,000 (2013: RM3,835,000) and RM489,000 (2013: RM502,000) respectively, as disclosed in Note 25.

(iv) Useful lives and depreciation of property, plant and equipment

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.

(v) 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 23.

3. REVENUE

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Dividend income from subsidiaries	-	-	24,077	18,450
Production and trading of security and confidential documents	239,989	200,432	-	-
Net sale of oil palm products	102,766	99,325	-	-
Rental income from investment properties	5,176	4,961	3,597	3,479
Property management services	451	427	432	435
	348,382	305,145	28,106	22,364

4. OTHER INCOME

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interest income	7,443	6,551	1,819	1,671
Gain on disposal of property, plant and equipment	335	49	33	-
Gain from plantation investment compensation	714	-	-	-
Management fees	629	24	24	24
Marketing fees	-	-	379	425
Others	780	53	-	-
	9,901	6,677	2,255	2,120

5. PROFIT BEFORE TAX

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

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Staff costs (Note 6)	25,113	21,904	1,529	1,189
Non-executive directors' remuneration (Note 7)	504	256	334	230
Statutory audit fees				
- Auditors of the Company	196	131	45	38
- Others	-	45	-	-
Other non-audit fees:				
- Auditors of the Company	5	1	5	1
Factory rental	700	700	-	-
Repairs and maintenance	2,179	2,712	98	126
Depreciation of property, plant and equipment (Note 11)	14,108	12,032	121	55
Depreciation of investment properties (Note 12)	1,510	1,511	1,167	1,166
Amortisation of biological assets (Note 13)	4,128	3,932	-	-
Impairment loss on trade receivables	201	55	-	-
Write back of impairment loss on trade receivables	(636)	(128)	-	-
Bad debts written off	(62)	(97)	-	-
Impairment loss on other receivables	286	-	-	-
Write back of impairment loss on other receivables	(620)	-	-	-
Write down of inventories	239	1,344	-	-
Gain on disposal of property, plant and equipment	(335)	(49)	(33)	-
Provision for retirement benefit obligations (Note 26)	256	271	-	-
Realised foreign exchange (gain)/loss	(592)	48	(1,163)	-
Loss on derivatives	216	-	216	-

6. STAFF COSTS

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Wages and salaries	21,151	18,258	1,305	973
EPF contribution	2,374	2,052	122	112
Social security costs	173	192	3	10
Provision for retirement benefits (Note 26)	256	271	-	-
Shares and options granted under ESS	126	139	13	34
Other staff related expenses	1,033	992	86	60
	25,113	21,904	1,529	1,189

Included in staff costs of the Group and of the Company is the executive director's remuneration amounting to RM1,121,000 (2013: RM1,059,000) and RM472,000 (2013: RM429,000) respectively as further disclosed in Note 7. Direct wages of employees amounting to RM7,924,000 (2013: RM7,748,000) have been included in the Group's cost of sales.

7. DIRECTORS' REMUNERATION

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

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Executive director's remuneration				
Salaries and other emoluments	659	627	264	245
Bonus	364	353	145	140
Benefits-in-kind	98	79	63	44
	1,121	1,059	472	429
Non-executive directors' remuneration				
Fees	395	170	252	152
Other emoluments	109	86	82	78
	504	256	334	230
Total	1,625	1,315	806	659
Total excluding benefits-in-kind	1,527	1,236	743	615

7. 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	
	2014	**2013**
Executive:		
RM1,050,001 - RM1,100,000	-	1
RM1,100,001 - RM1,150,000	1	-
Non-Executive:		
Up to RM50,000	-	1
RM50,001 - RM100,000	3	3
RM150,001 - RM200,000	1	-

8. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2014 and 2013 are:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current income tax:				
- Malaysian income tax	24,825	24,550	3,002	5,239
- (Over)/under provision in prior years	(3)	729	(4)	(23)
	24,822	25,279	2,998	5,216
Deferred tax (Note 25):				
- Relating to origination and reversal of temporary differences	6,707	(536)	10	8
- (Over)/under provision in prior years	(2,277)	2,197	3	(71)
	4,430	1,661	13	(63)
Total income tax expense	29,252	26,940	3,011	5,153

The Malaysian statutory tax rate will be reduced to 24% from the current year's tax of 25% (2013: 25%) effective year of assessment 2016.

8. INCOME TAX EXPENSE (CONTD.)

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

	Group		Company	
	2014	2013	2014	2014
	RM'000	RM'000	RM'000	RM'000
Group				
Profit before tax	101,246	88,839	26,413	19,422
Taxation at Malaysian statutory tax rate of 25% (2013: 25%)	25,311	22,210	6,603	4,855
Effect of expenses not deductible for tax purposes	3,025	2,635	459	392
Effect of partial tax exemption	(67)	(275)	-	-
Effect of share of results of associates	(1,402)	(556)		
Income not subject to tax	-	-	(4,050)	-
Deferred tax on potential dividend receivable	4,665	-	-	-
(Over)/under provision of deferred tax in prior year	(2,277)	2,197	3	(71)
(Over)/under provision of income tax expense in prior year	(3)	729	(4)	(23)
Income tax expense recognised in in profit or loss	29,252	26,940	3,011	5,153

9. DIVIDENDS

	Dividends in Respect of Year		Dividends Recognised in Year	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Interim				
Recognised during the financial year:				
Interim dividend for year ended 31 March 2013 of 15% less 25% taxation paid on 28 December 2012	-	9,053	-	9,053
Interim dividend for year ended 31 March 2014 of 15% single-tier taxation paid on 27 December 2013	12,071	-	12,071	-
Proposed but not recognised as a liability as at 31 March 2014:				
Single-tier second interim dividend of 15% and a single-tier special dividend of 5% on 80,470,710 ordinary shares declared on 22 May 2014	16,094	-	-	-
Final				
Final dividend for year ended 31 March 2012 of 15% less 25% taxation paid on 10 October 2012	-	-	-	9,053
Final dividend for year ended 31 March 2013 of 18.5% less 25% taxation paid on 10 October 2013	-	11,165	11,165	-
Special				
Special dividend for year ended 31 March 2012 of 5% less 25% taxation paid on 10 October 2012	-	-	-	3,018
Special dividend for year ended 31 March 2013 of 5% tax exempt taxation paid on 10 October 2013	-	4,023	4,023	-
	28,165	24,241	27,259	21,124

10. EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(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	
	2014	**2013**
Consolidated profit attributable to equity holders of the Company (RM'000)	67,700	58,229
Weighted average number of ordinary shares in issue ('000)	80,471	80,471
Basic earnings per share for the year (sen)	84.13	72.36

(b) Diluted

Diluted earnings per share is the same as basic earnings per share as the Company has no potentially dilutive shares in issue.

11. PROPERTY, PLANT AND EQUIPMENT

Group

	At Valuation		At Cost					
	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and Machinery RM'000	Factory and Office Renovations RM'000	Equipment, Furniture and Fittings and Motor Vehicles RM'000	Work In Progress RM'000	Total RM'000
At 31 March 2014								
At Valuation/Cost								
At 1 April 2013	1,500	121	6,269	69,979	21,655	20,409	3,851	123,784
Additions	-	30,110	4	4,484	314	14,410	4,712	54,034
Disposals	-	-	-	(2,602)	-	(137)	-	(2,739)
Transfers	-	-	409	3,593	-	64	(4,066)	-
Write-offs	-	-	-	-	-	(33)	-	(33)
Exchange differences	-	(12)	(573)	(898)	(1,785)	(1,112)	(364)	(4,744)
At 31 March 2014	1,500	30,219	6,109	74,556	20,184	33,601	4,133	170,302

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group

	At Valuation			At Cost				
	Freehold land RM'000	**Leasehold land RM'000**	**Buildings RM'000**	**Plant and Machinery RM'000**	**Factory and Office Renovations RM'000**	**Equipment, Furniture and Fittings and Motor Vehicles RM'000**	**Work In Progress RM'000**	**Total RM'000**
At 31 March 2014								
Accumulated Depreciation								
At 1 April 2013	-	-	628	57,344	14,501	14,745	-	87,218
Charge for the year	-	262	728	6,208	1,932	4,978	-	14,108
Disposals	-	-	-	(2,600)	-	(137)	-	(2,737)
Write-offs	-	-	-	-	-	(33)	-	(33)
Exchange differences	-	-	(56)	(453)	(1,160)	(772)	-	(2,441)
At 31 March 2014	-	262	1,300	60,499	15,273	18,781	-	96,115
Net Carrying Amount	1,500	29,957	4,809	14,057	4,911	14,820	4,133	74,187

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group

	At Valuation			At Cost				
	Freehold land RM'000	**Leasehold land RM'000**	**Buildings RM'000**	**Plant and Machinery RM'000**	**Factory and Office Renovations RM'000**	**Equipment, Furniture and Fittings and Motor Vehicles RM'000**	**Work In Progress RM'000**	**Total RM'000**
At 31 March 2013								
At Valuation/Cost								
At 1 April 2012	1,500	127	1,541	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	-	(6)	(63)	(366)	(952)	(480)	(160)	(2,027)
At 31 March 2013	1,500	121	6,269	69,979	21,655	20,409	3,851	123,784

11. **PROPERTY, PLANT AND EQUIPMENT (CONTD.)**

Group

	At Valuation			At Cost				
	Freehold land RM'000	**Leasehold land RM'000**	**Buildings RM'000**	**Plant and Machinery RM'000**	**Factory and Office Renovations RM'000**	**Equipment, Furniture and Fittings and Motor Vehicles RM'000**	**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	1,500	121	5,641	12,635	7,154	5,664	3,851	36,566

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company

	At Valuation	|----------------At Cost----------------|			
At 31 March 2014	**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 2013	1,700	2	82	476	2,260
Additions	-	2	259	216	477
Disposal	-	-	-	(137)	(137)
Write-offs	-	-	-	(33)	(33)
At 31 March 2014	1,700	4	341	522	2,567
Accumulated Depreciation					
At 1 April 2013	40	2	54	350	446
Charge for the year	13	1	51	56	121
Disposal	-	-	-	(137)	(137)
Write-offs	-	-	-	(33)	(33)
At 31 March 2014	53	3	105	236	397
Net Carrying Amount	1,647	1	236	286	2,170
At 31 March 2013					
At 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

11. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

*** Land and Buildings of the Company**

At 31 March 2014	**Freehold land RM'000**	**Buildings RM'000**	**Total RM'000**
At Cost			
At 1 April 2013/31 March 2014	1,500	200	1,700
Accumulated Depreciation			
At 1 April 2013	-	40	40
Charge for the year	-	13	13
At 31 March 2014	-	53	53
Net Carrying Amount	1,500	147	1,647
At 31 March 2013			
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

(a) The factory extension of the Group with a net book value of RM504,000 (2013: 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 RM57,386,000 (2013: RM47,157,000) and RM299,000 (2013: RM463,000) respectively.

12. INVESTMENT PROPERTIES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
At cost				
At 1 April 2013/2012 and 31 March	87,559	87,559	72,116	72,116
Accumulated depreciation				
At 1 April 2013/2012	19,350	17,839	16,856	15,690
Charge for the year	1,510	1,511	1,167	1,166
At 31 March	20,860	19,350	18,023	16,856
Net Carrying Amount	66,699	68,209	54,093	55,260
Fair value	68,620	68,950	55,920	55,950

(a) The land title of a freehold land and building of the Company with a net book value of approximately RM53,211,000 (2013: RM54,359,000) is pledged as securities for certain unutilised credit facilities of the Group.

(b) The transfer of the land title of a building of the Company which is located at Pekan Nenas, Johor with a net book value of approximately RM882,000 (2013: RM901,000) is yet to be finalised.

(c) Factory buildings of a subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. with a net book value of RM6,668,000 (2013: RM6,753,000) are situated on a piece of leasehold land which will expire on 29 September 2086.

(d) The fair value of the investment properties during the year was determined based on cost approach. The fair value of the properties as at 31 March 2014 and 31 March 2013 are based on valuation carried out by professional independent valuers, Messrs Hatta & Associates Sdn. Bhd.

13. BIOLOGICAL ASSETS

	Group	
	2014	**2013**
Oil Palm Planting	**RM'000**	**RM'000**
Cost		
At 1 April 2013/2012	80,776	84,230
Additions	538	581
Disposal	(429)	-
Write-offs	(723)	-
Exchange difference	(7,624)	(4,035)
At 31 March	72,538	80,776
Accumulated Amortisation		
At 1 April 2013/2012	20,160	17,044
Amortisation for the year	4,128	3,932
Disposal	(87)	-
Write-offs	(723)	-
Exchange difference	(1,902)	(816)
At 31 March	21,576	20,160
Net Carrying Amount	50,962	60,616

14. GOODWILL ON CONSOLIDATION

	Group
	RM'000
At 1 April 2013/31 March 2014	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.

14. GOODWILL ON CONSOLIDATION (CONTD.)

(a) Key Assumptions used in Value-In-Use Calculations (Contd.)

(iii) Discount Rates

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

(b) Sensitivity analysis

In assessing value-in-use and fair value, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

15. INVESTMENTS IN SUBSIDIARIES

	Unquoted shares RM'000	Redeemable convertible loan stocks RM'000	Total RM'000
Company			
At 1 April 2013	23,663	22,200	45,863
Subscription during the year	-	31,000	31,000
Redemption during the year	-	(18,500)	(18,500)
At 31 March 2014	23,663	34,700	58,363
At 1 April 2012	23,663	24,200	47,863
Redemption during the year	-	(2,000)	(2,000)
At 31 March 2013	23,663	22,200	45,863

(a) Details of the subsidiaries are as follows:

Name of Company	Country of Incorporation	Equity Interest Held 2014 %	2013 %	Principal Activities
Security Printers (M) Sdn. Bhd. (i)	Malaysia	100	100	Trading of security and confidential documents.
Percetakan Keselamatan Nasional Sdn. Bhd. (i)	Malaysia	100	100	Production of security and confidential documents.

15. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(a) Details of the subsidiaries are as follows (Contd.):

Name of Company	Country of Incorporation	Equity Interest Held 2014	2013	Principal Activities
FCB Property Management Sdn. Bhd. (i)	Malaysia	100	100	Property management.
FCB Plantation Holdings Sdn. Bhd. (i)	Malaysia	100	100	Investment holding.
Cendana Laksana Sdn. Bhd. (i)	Malaysia	100	100	Oil palm plantation.
PT Nunukan Jaya Lestari (ii)	Indonesia	80	80	Oil palm production and processing.

(i) Audited by Ernst & Young, Malaysia
(ii) Audited by member firms of Ernst & Young Global in Jakarta

(b) Financial information of PT Nunukan Jaya Lestari which have a non-controlling interests that is material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination.

(i) Summarised statement of financial position

	2014 RM'000	2013 RM'000
Non-current assets - Biological assets	50,588	60,616
Non-current assets - Others	22,453	23,388
Current assets - Cash and cash equivalents	36,482	34,103
Current assets - Others	29,806	37,528
Total assets	139,329	155,635
Current liabilities	8,023	8,539
Non-current liabilities	1,371	974
Total liabilities	9,394	9,513
Net assets	129,935	146,122
Equity attributable to shareholders of the company	129,935	146,122

15. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(b) Financial information of PT Nunukan Jaya Lestari which have a non-controlling interests that is material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination (Contd.).

(ii) Summarised statement of comprehensive income

	2014 RM'000	2013 RM'000
Revenue	111,114	104,539
Profit for the year	21,470	18,352
Other comprehensive loss	(14,120)	(5,605)
Total comprehensive income	7,350	12,747

(iii) Summarised statement of cash flows

	2014 RM'000	2013 RM'000
Net cash generated from operating activities	34,230	13,999
Net cash used in investing activities	(2,875)	(9,425)
Net cash used in financing activities	(25,758)	(4,498)
Net increase in cash and cash equivalents	5,597	76
Cash and cash equivalents at beginning of the year	34,103	35,739
Effect of exchange rate changes	(3,218)	(1,712)
Cash and cash equivalents at end of the year	36,482	34,103

(c) 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.

On 25 March 2014, the Company subscribed to RM31.0 million (310 units) of redeemable convertible loan stocks issued by a subsidiary, Cendana Laksana Sdn Bhd., with a nominal value of RM100,000 per loan stock at 7.0% per annum coupon rate by capitalising its advances previously made to the subsidiary.

16. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Unquoted shares, at cost	10,000	10,000	10,000	10,000
Share of post acquisition results	25,350	19,741	-	-
	35,350	29,741	10,000	10,000
Represented by:				
Share of net assets	35,350	29,741	10,000	10,000

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

Name of Associates	Group's effective interest 2014 %	2013 %	Principal Activities
KadKash Sdn. Bhd. (i)	40	40	Dormant
Giesecke and Devrient Malaysia Sdn. Bhd. (ii)	20	20	Production and sale of bank notes

(i) Audited by Ernst & Young, Malaysia
(ii) Audited by a firm other than Ernst & Young

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 2013 have been used and appropriate adjustments have been made for the effects of transactions between 31 December 2013 and 31 March 2014.

Summarised financial information in respect of Giesecke & Devrient Malaysia Sdn. Bhd. is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

16. INVESTMENTS IN ASSOCIATES (CONTD.)

(i) Summarised statement of financial position

	2014 RM'000	2013 RM'000
Assets and liabilities		
Current assets	76,839	116,457
Non-current assets	215,356	167,438
Total assets	292,195	283,895
Current liabilities	57,686	45,395
Non-current liabilities	57,757	89,790
Total liabilities	115,443	135,185
Net assets	176,752	148,710

(ii) Summarised statement of comprehensive income

	2014 RM'000	2013 RM'000
Revenue	116,275	94,916
Profit before tax	25,366	17,184
Profit for the year	28,042	11,130
Total comprehensive income	28,042	11,130

(iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associates

	2014 RM'000	2013 RM'000
Net assets at 1 April 2013/2012	148,710	137,580
Total comprehensive income	28,042	11,130
Net assets at 31 March	176,752	148,710
Interest in associates	20%	20%
Carrying value of Group's interest in associates	35,350	29,741

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Current				
Trade receivables				
Third parties	91,120	61,872	405	338
Less: Allowance for impairment	(127)	(624)	-	-
Trade receivables, net	90,993	61,248	405	338
Other receivables				
Deposits	502	3,867	190	147
Sundry receivables	10,107	18,264	-	4,579
Tax recoverable	176	1,736	88	161
Prepayments	2,765	2,729	111	216
Staff loan	814	479	-	-
Less: Allowance for impairment	(286)	(620)	-	-
	14,078	26,455	389	5,103
Total trade and other receivables	105,071	87,703	794	5,441

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2013: 30 to 90 days) term. 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 RM75,980,000 (2013: RM48,641,000) due from the Government of Malaysia.

<u>Ageing analysis of trade receivables</u>

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Neither past due nor impaired	38,162	27,613	86	119
Past due not impaired:				
1 to 60 days	20,013	13,063	43	60
61 to 120 days	17,327	10,179	58	-
More than 121 days	15,491	10,393	218	159
	52,831	33,635	319	219
Impaired	127	624	-	-
	91,120	61,872	405	338

17. TRADE AND OTHER RECEIVABLES (CONTD.)

(a) Trade receivables (Contd.)

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.

Receivables that are past due but not impaired

The Group and the Company has trade receivables amounting to RM52,831,000 (2013: RM33,635,000) and RM319,000 (2013: RM219,000), 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.

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		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Gross amounts of impaired trade receivables	127	624	-	-
Less: Allowance for individual impairment losses	(127)	(624)	-	-
	-	-	-	-

17. TRADE AND OTHER RECEIVABLES (CONTD.)

(a) Trade receivables (Contd.)

Movement in allowance accounts:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 April 2013/2012	624	794	-	-
Charge for the year (Note 5)	201	55	-	-
Write back of impairment loss (Note 5)	(636)	(128)	-	-
Bad debts written off (Note 5)	(62)	(97)	-	-
As 31 March	127	624	-	-

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.

(b) Other receivables

The Group's and the Company's other receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Gross amounts of impaired other receivables	286	620	-	-
Less: Allowance for individual impairment losses	(286)	(620)	-	-
	-	-	-	-

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to group of debtors.

Movement in allowance accounts:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 April 2013/2012	620	620	-	-
Charge for the year (Note 5)	286	-	-	-
Write back for impairment loss (Note 5)	(620)	-	-	-
As 31 March	286	620	-	-

18. INVENTORIES

	Group	
	2014	
	RM'000	RM'000
At cost:		
Work-in-progress	39,440	23,712
Oil palm products	3,988	6,107
	43,428	29,819
At net realisable value:		
Printing materials	12,124	9,415
Fertilizer	569	1,228
Consumables	11,402	14,295
	24,095	24,938
	67,523	54,757

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM146,326,000 (2013: RM118,810,000).

19. DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Due from subsidiaries	-	-	210	3,365
Due from other related companies	31	-	4	-
Due from associate company	15	13	-	-
	46	13	214	3,365
Due to penultimate holding company	(6)	(33)	-	-

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

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	3,838	6,173	735	4,722
Fixed deposit with licensed banks	191,366	214,852	40,305	43,880
	195,204	221,025	41,040	48,602

20. CASH AND CASH EQUIVALENTS (CONTD.)

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

	Group		Company	
	2014	2013	2014	2013
	%	%	%	%
Licensed banks	3.23	3.52	3.25	3.23

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

	Group		Company	
	2014	2013	2014	2013
	Days	Days	Days	Days
Licensed banks	26	26	26	26

21. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares of RM1.00 each		Amount	
	2014	2013	2014	2013
	'000	'000	RM'000	RM'000
Authorised:				
At 1 April 2013/2012/31 March	100,000	100,000	100,000	100,000
Issued and fully paid-up:				
At 1 April 2013/2012/31 March	82,427	82,427	82,427	82,427

The holder 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.

22. 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 (2013: 82,426,810) issued and fully paid ordinary shares as at 31 March 2014, 1,956,100 (2013: 1,956,100) are held as treasury shares by the Company. As at 31 March 2014, the number of outstanding ordinary shares in issue and fully paid-up is therefore 80,470,710 (2013: 80,470,710) ordinary shares of RM1 each.

23. 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 2012	1,530	(12,419)	3,684	(7,205)
Foreign currency translation	-	(4,484)	-	(4,484)
Grant of equity-settled share options	-	-	139	139
At 31 March 2013	1,530	(16,903)	3,823	(11,550)
At 1 April 2013	1,530	(16,903)	3,823	(11,550)
Foreign currency translation	-	(11,296)	-	(11,296)
Grant of equity-settled share options	-	-	126	126
At 31 March 2014	1,530	(28,199)	3,949	(22,720)
Company				
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
At 1 April 2013	1,530	-	476	2,006
Grant of equity-settled share options	-	-	13	13
At 31 March 2014	1,530	-	489	2,019

23. OTHER RESERVES (CONTD.)

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 decrease 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 currency is different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(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.

23. OTHER RESERVES (CONTD.)

(c) Equity contribution from parent (Contd.)

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;

(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) Fulfil 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			
	2014		2013	
	No.	WAEP (RM)	No.	WAEP (RM)
Outstanding at 1 April 2013/2012	13,015,500	1.50	17,654,300	1.48
-Granted	1,097,700	1.78	773,400	1.78
-Forfeited	(325,500)	1.56	(703,500)	1.48
-Exercised	(3,302,500)	1.49	(4,708,700)	1.48
Outstanding at 31 March	10,485,200	1.54	13,015,500	1.50
Exercisable at 31 March	6,313,800	1.52	9,192,000	1.50

23. OTHER RESERVES (CONTD.)

(c) Equity contribution from parent (Contd.)

(i) ESOS (Contd.)

- The weighted average fair value of options granted during the financial year was RM0.42 (2013: RM0.47).

- The weighted average share price at the date of exercise of the options exercised during the financial year was RM1.99 (2013: RM1.97).

- The weighted average exercise price for options outstanding at the end of the year was RM1.54 (2013: RM1.50).

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 following table lists the inputs to the pricing models for the years ended 31 March 2014 and 2013:

	Binomial option pricing model	
	2014	**2013**
Dividend Yield (%)	3.50	3.40
Expected volatility (%)	42.31	42.33
Risk-free interest rate (% p.a.)	3.15	3.10
Expected life of option (years)	3.29	3.42
Weighted average share price (RM)	2.03	1.89

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.

23. OTHER RESERVES (CONTD.)

(c) Equity contribution from parent (Contd.)

(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	
	2014	**2013**
	Number	**Number**
Outstanding at 1 April 2013/2012	-	-
Granted	207,500	210,000
Vested	(207,500)	(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.

24. RETAINED EARNINGS

Prior to the year of assessment 2008, 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 dividends 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 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 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 to distribute cash dividend payments to ordinary shareholders 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 out of its retained earnings. Any Section 108 balance which has not been utilised as at 31 March 2014 is disregarded. Thereafter, the Company may distribute dividends out of its entire retained earnings under the single tier system.

25. DEFERRED TAXATION

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
At 1 April 2013/2012	(2,809)	(4,522)	(502)	(439)
Recognised in profit or loss (Note 8)	4,430	1,661	13	(63)
Exchange differences	(115)	52	-	-
At 31 March	1,506	(2,809)	(489)	(502)

Presented after appropriate offsetting as follows:

	Group 2014 RM'000	Group 2013 RM'000	Company 2014 RM'000	Company 2013 RM'000
Deferred tax assets	(3,221)	(3,835)	(489)	(502)
Deferred tax liabilities	4,727	1,026	-	-
	1,506	(2,809)	(489)	(502)

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

Deferred tax liabilities of the Group:

	Accelerated Capital Allowances RM'000	Others RM'000	Total RM'000
At 1 April 2012	979	-	979
Recognised in profit or loss	1,017	-	1,017
At 31 March 2013	1,996	-	1,996
Recognised in profit or loss	1,379	4,666	6,045
At 31 March 2014	3,375	4,666	8,041

Deferred tax asset of the Group:

	Retirement Benefit Obligations RM'000	Other Payables RM'000	Property, Plant and Equipment RM'000	Total RM'000
At 1 April 2012	(287)	(5,214)	-	(5,501)
Recognised in profit or loss	(48)	744	-	696
At 31 March 2013	(335)	(4,470)	-	(4,805)
Recognised in profit or loss	(31)	(638)	(1,061)	(1,730)
At 31 March 2014	(366)	(5,108)	(1,061)	(6,535)

25. DEFERRED TAXATION (CONTD.)

Deferred tax liability of the Company:

	Accelerated Capital Allowances RM'000
At 1 April 2012	91
Recognised in profit or loss	(63)
At 31 March 2013	28
Recognised in profit or loss	13
At 31 March 2014	41

Deferred tax asset of the Company:

	Provision for Liabilities RM'000
At 1 April 2012	(530)
Recognised in profit or loss	-
At 31 March 2013	(530)
Recognised in profit or loss	-
At 31 March 2014	(530)

26. RETIREMENT BENEFIT OBLIGATIONS

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 2014.

26. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

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

	Group 2014 RM'000	Group 2013 RM'000
Present value of unfunded defined benefits obligations	1,465	1,338
Analysed as:		
Current	40	106
Non-current	1,425	1,232
	1,465	1,338

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

	Group 2014 RM'000	Group 2013 RM'000
Current service cost	205	227
Interest cost	51	44
Total, included in staff costs (Note 6)	256	271

(c) Movements in the net liability during the financial year are as follows:

	Group 2014 RM'000	Group 2013 RM'000
At 1 April 2013/2012	1,338	1,146
Recognised in profit or loss (Note 6)	256	271
Benefits paid	(39)	(40)
Exchange differences	(90)	(39)
At 31 March	1,465	1,338

26. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

(d) Principal assumptions used by the foreign subsidiary in Indonesia in determining employee benefits liability as of 31 March 2014 and 2013 are as follows:

	2014	**2013**
Discount rate	9.0%	6.5%
Annual salary increase	8.0%	7.5%
Retirement age	55	55

The discount rate is determined based on the values of AA rated corporate bond yields with 3 to 15 years of maturity, converted to estimated spot rates.

Significant actuarial assumptions for determination of the defined benefit obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on changes to individual assumptions, with all other assumptions held constant:

	2014 RM'000	**2013 RM'000**
A 1 per cent decrease/increase in discount rate will increase/ decrease the defined benefit obligation by	146	134
A 1 per cent increase/decrease in expected salary growth will increase/decrease the defined benefit obligation by	146	134

The sensitivity analysis presented above may not be representative of the actual change in defined benefit obligation as it is unlikely the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

27. TRADE AND OTHER PAYABLES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Current				
Trade payables				
Third parties	43,060	39,769	-	3
Other payables				
Tenants' rental deposits	965	981	965	981
Accruals and other liabilities	5,695	3,568	257	226
Provision for bonus	2,883	2,900	-	-
Receipts in advance	1,192	1,638	-	-
Provision for compensation claim	2,120	2,120	2,120	2,120
Others	16,962	15,188	-	-
	29,817	26,395	3,342	3,327
Total trade and other payables	72,877	66,164	3,342	3,330

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days (2013: 30 to 90 days) term.

(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.

27. TRADE AND OTHER PAYABLES (CONTD.)

(b) Provision for compensation claim (Contd.)

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.

(c) Others

Included in others is a provision of RM12,723,000 (2013: RM11,654,405) made in respect of return of certain goods for which the actual amount is subject to the agreement of several parties.

28. COMMITMENTS

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Capital expenditure:				
Approved but not contracted for:				
Property, plant and equipment	8,652	10,101	330	330
Approved and contracted for:				
Property, plant and equipment	7,000	6,760	-	273
	15,652	16,861	330	603
Share of capital commitments of associated companies:				
Approved but not contracted for:				
Property, plant and equipment	40	282	-	-
Approved and contracted for:				
Property, plant and equipment	-	13,581	-	-

29. 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.

	2014 RM'000	2013 RM'000
Group		
Kumpulan Fima Berhad, penultimate holding company		
Rental income receivable	604	497
Sales made	20	-
Management fees/services payable	(263)	(267)
Fellow subsidiaries:		
Malaysian Transnational Trading (MATTRA) Corporation Berhad		
Rental income receivable	5	5
Fima Instanco Sdn Bhd		
Rental income receivable	120	60
Related by virtue of having common director/(s) of the Company:		
Nationwide Express Courier Services Berhad		
Purchases made	(211)	(90)
Rental income receivable	77	82
Nationwide Freight Forwarders Sdn. Bhd.		
Purchases made	-	(89)
Related by virtue of director/(s) of the Company and/or Group having substantial interest:		
TD Technologies Sdn. Bhd.		
Services payable	(71)	(91)
First Zanzibar Sdn. Bhd.		
Services payable	(32)	(10)
PT Pohon Emas Lestari		
Purchases made	(11,947)	(6,982)
Associate:		
Giesecke & Devrient Malaysia Sdn. Bhd.		
Management services receivable	24	24

29. RELATED PARTY DISCLOSURES (CONTD.)

(a) Related party transactions (Contd.)

	2014 RM'000	2013 RM'000
Company		
Kumpulan Fima Berhad, penultimate holding company		
Rental income receivable	604	497
Management fees/services payable	(127)	(29)
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	155	151
Purchases made	(939)	(895)
Percetakan Keselamatan Nasional Sdn. Bhd.		
Management services receivable	278	248
Purchases made	(38)	(37)
Security Printers (M) Sdn. Bhd.		
Management services receivable	39	35
PT Nunukan Jaya Lestari		
Marketing fees receivable	379	425
Related by virtue of having common director/(s):		
Nationwide Express Courier Services Berhad		
Rental income receivable	15	15
Purchases made	(1)	(2)
Associate:		
Giesecke & Devrient Malaysia Sdn. Bhd.		
Management services receivable	24	24

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

29. RELATED PARTY DISCLOSURES (CONTD.)

(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	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	2,588	2,317	677	554
Post-employment benefits:				
Defined contribution plan	381	340	61	61
Other benefits	204	182	44	44
	3,173	2,839	782	659

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

	Group		Company	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 7)	1,625	1,315	806	659

30. 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.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

30. SEGMENTAL INFORMATION

(b) Geographical segments

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

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

(ii) Indonesia - Oil palm production and processing.

30. 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Revenue										
External sales	241,568	201,914	4,048	3,906	102,766	99,325	-	-	348,382	305,145
Inter-segment sales	38	49	1,347	1,278	-	-	(1,385)	(1,327)	-	-
Total revenue	241,606	201,963	5,395	5,184	102,766	99,325	(1,385)	(1,327)	348,382	305,145
Results										
Profit from operations	64,068	53,145	1,542	1,230	30,027	32,238	-	-	95,637	86,613
Share of results of associates	-	-	5,609	2,226	-	-	-	-	5,609	2,226
Profit before tax									101,246	88,839
Income tax expense									(29,252)	(26,940)
Profit net of tax									71,994	61,899
Assets and Liabilities										
Segment assets	290,963	259,482	158,478	162,456	215,049	216,301	(101,067)	(105,005)	563,423	533,234
Interest in associates	-	-	35,350	29,741	-	-	-	-	35,350	29,741
Consolidated total assets									598,773	562,975
Segment liabilities	65,442	59,805	3,714	3,541	14,889	13,858	(729)	(3,652)	83,316	73,552
Consolidated total liabilities									83,316	73,552
Other Information										
Capital expenditure	17,788	609	476	129	35,770	10,034	-	-	54,034	10,772
Depreciation and amortisation	7,704	6,316	1,287	1,224	10,755	9,935	-	-	19,746	17,475
Non-cash expenses other than depreciation and amortisation	(432)	1,460	-	-	778	82	-	-	346	1,542

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	
	2014	2013	2014	2013	2014	2013
Malaysia	245,616	205,820	404,661	373,220	18,264	738
Indonesia	102,766	99,325	158,762	160,014	35,770	10,034
	348,382	305,145	563,423	533,234	54,034	10,772

31. SIGNIFICANT AND SUBSEQUENT EVENTS

(a) Significant event during the financial year

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.

The acquisition was completed on 6 January 2014.

(b) Subsequent event after the balance sheet date

On 17 June 2014, the Company entered into a conditional Sale and Purchase Agreement ("SPA") with Yee Kong Fatt and Cheong Kok Tong for the acquisition of two million (2,000,000) ordinary share of RM1.00 each, representing the entire equity interest of Gabungan Warisan Sdn Bhd ("GWSB") for a total purchase consideration of RM3.702 million.

The authorised share capital of GWSB is RM5,000,000 comprising 5,000,000 ordinary shares of RM1.00 each, of which 2,000,000 ordinary shares have been issued and are fully paid-up.

GWSB has been granted a 99 year lease by Akademi Yakin Sdn Bhd, a wholly-owned subsidiary of Yayasan Kelantan Darulnaim, to undertake the development of a parcel of land measuring approximately 617.3 acres held under PT 4718, HS(D) 9350, Mukim Kuala Stong, Jajahan Kuala Krai, Kelantan Darul Naim in accordance with the terms and conditions as set out in the agreement to lease dated 18 May 2014.

32. FINANCIAL INSTRUMENTS

(a) Determination of fair value

As stipulated in Amendments to FRS 7: Improving Disclosures about Financial Instruments, the Group and the Company are required to classify fair value measurement using a fair value hierarchy. The fair value hierarchy would have the following levels:

Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

32. FINANCIAL INSTRUMENTS (CONTD.)

(a) Determination of fair value (Contd.)

The following table presents the Group's other financial assets that are measured at fair value as at 31 March 2014 and 31 March 2013.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
As at 31 March 2014				
Assets measured at fair value:				
Investment properties (Note 12)	-	-	68,620	68,620
As at 31 March 2013				
Assets measured at fair value:				
Investment properties (Note 12)	-	-	68,950	68,950

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

	Group		Company	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
(i) Loans and receivables				
Trade receivables (Note 17)	90,993	61,248	405	338
Other receivables excluding prepayments (Note 17)	11,137	21,990	190	4,726
Tax recoverable (Note 17)	176	1,736	88	161
Amount due from related companies (Note 19)	46	13	214	3,365
	102,352	84,987	897	8,590
Cash and cash equivalents (Note 20)	195,204	221,025	41,040	48,602
Total loans and receivables	297,556	306,012	41,937	57,192

32. 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	
	2014	2013	2014	2013
	RM'000	RM'000	RM'000	RM'000
(ii) Financial liabilities measured at amortised cost				
Trade payables (Note 27)	43,060	39,769	-	3
Other payables excluding receipts in advance (Note 27)	28,625	24,757	3,342	3,327
Amount due to related companies (Note 19)	6	33	-	-
Total financial liabilities measured at amortised cost	71,691	64,559	3,342	3,330

33. 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.

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

(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.

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

	2014 RM'000	2013 RM'000
IDR		
Assets		
- Trade and other receivables	23,783	26,251
- Cash and cash equivalents	36,482	34,103
	60,265	60,354
Liabilities		
- Trade and other payables	6,827	7,191

	Group	
	2014 Effect on profit net of tax RM'000	2013 Effect on profit net of tax RM'000
IDR - strengthens 5% (2013: 5%)	848	875
IDR - weakens 5% (2013: 5%)	(848)	(875)

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

(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.

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.

	Contractual Cashflow On demand or within one year	
	2014	**2013**
	RM	**RM**
Group		
Financial liabilities:		
Trade and other payables	72,877	66,164
Amount due to related companies	6	33
Total undiscounted financial liabilities	72,883	66,197
Company		
Financial liabilities:		
Trade and other payables	3,342	3,330
Amount due to related companies	-	-
Total undiscounted financial liabilities	3,342	3,330

(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 17. The Group does not have any major concentration of credit risk related to any financial instruments.

34. 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.

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2014 were authorised for issue in accordance with a resolution of the directors on 27 June 2014.

36. 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	
	2014 RM'000	2013 RM'000	2014 RM'000	2013 RM'000
Total retained profits of the Company and its subsidiaries				
Realised	411,391	369,576	83,777	87,621
Unrealised	(17,794)	(10,965)	(1,631)	(1,618)
	393,597	358,611	82,146	86,003
Total share of retained earnings from associated companies				
Realised	23,903	23,530	-	-
Unrealised	1,447	(3,789)	-	-
	25,350	19,741	-	-
Add : Consolidation adjustments	13,886	14,040	-	-
Retained profits as per financial statements	432,833	392,392	82,146	86,003

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 2014

No.	Location	Description/ Existing Use	Tenure	Land Area (Acre)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/3/2014 (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	882,001	07 July 1993	46
2.	Lot 1176 Mukim Pasir Panjang Port Dickson Negeri Sembilan	Bungalow	Feeehold	0.82	3,114	1,646,664	07 July 1993/ 02 January 2010	65
3.	Lot 50575 Grant 12754 Mukim of Kuala Lumpur Wilayah Persekutan	Office Building	Freehold	1.45	270,372	53,211,229	17 August 1995	16
	Sub Total			**4.98**	**340,094**	**55,739,894**		

No.	Location	Description/ Existing Use	Tenure	Land Area (Acre)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/3/2014 (RM)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	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	12605314.00	26 January 2006	27
	Sub Total			**8.30**	**250,560**	**12,605,314**		

No.	Location	Description/ Existing Use	Tenure	Land Area (Acre)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/3/2014 (RM)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	CENDANA LAKSANA SDN BHD							
1.	PN 7602 (Lot 2925) and HSD 398 (PT 757P) Mukim of Tebal District of Kemaman Terengganu	Agriculture	Leasehold expiring 8/08/2048 (PN 7602) 8/08/2039 (HSD 398)	1,940.73	N/A	29,848,108	6 January 2014	N/A
	Sub Total			**1,940.73**	**N/A**	**29,848,108**		
	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)	49,356.75 286.15	N/A 112,375	109,071 4,284,000	9 April 2007 9 April 2007	N/A 9
	Sub Total			**49,642.90**	**112,375**	**4,393,071**		
	GRAND TOTAL			**51,596.91**	**703,029**	**102,586,387**		

ANALYSIS OF SHAREHOLDINGS
AS AT 23 JULY 2014

SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	140	6.05	2,193	0.00
100 - 1,000	558	24.13	442,675	0.54
1,001 - 10,000	1,217	52.62	4,915,878	5.96
10,001 - 100,000	331	14.31	9,749,643	11.83
100,001 to less than 5% of issued shares	66	2.85	18,234,635	22.12
5% and above of issued shares	1	0.04	49,081,786	59.55
	2,313	100.00	82,426,810	100.00

CATEGORY OF SHAREHOLDINGS

Category of Shareholders	Shareholders	%	Shareholdings	%
1. Government Agencies/Institutions	1	0.04	2,500	0.00
2. Bumiputra				
a. Individual	53	2.29	1,039,432	1.26
b. Companies	10	0.43	51,522,786	62.51
c. Nominees	147	6.36	3,863,566	4.69
3. Non-Bumiputra				
a. Individual	1,733	74.93	19,484,882	23.64
b. Companies	58	2.51	2,337,262	2.84
c. Nominees	155	6.70	2,279,360	2.76
Malaysian Total	**2,157**	**93.26**	**80,529,788**	**97.70**
4. Foreign				
a. Individual	92	3.98	450,139	0.54
b. Companies	4	0.17	65,141	0.08
c. Nominees	60	2.59	1,381,742	1.68
Foreign Total	**156**	**6.74**	**1,897,022**	**2.30**
GRAND TOTAL	**2,313**	**100.00**	**82,426,810**	**100.00**

DIRECTORS' SHAREHOLDINGS

Director	Direct Holdings No.	%	Indirect Holdings No.	%
Roslan bin Hamir	200,600	0.24	-	-
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	686,400	0.83
6.	Hamidah binti Abdul Rahman	605,600	0.73
7.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Liau Thai Min (MY0918)	529,100	0.64
8.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged securities account for Sow Gek Pong (MLK)	520,900	0.63
9.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LPF)	491,600	0.60
10.	Chin Kian Fong	482,800	0.59
11.	BHR Enterprise Sdn Bhd	440,500	0.53
12.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Liau Thai Min	432,600	0.52
13.	Wong Yu @ Wong Wing Yu	420,000	0.51
14.	Wong Soo Ping	372,400	0.45
15	Yeo Khee Huat	355,000	0.43

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

No.	Names	No. of Shares	%
16.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C - NR)	337,635	0.41
17.	Introscape Sdn Bhd	324,100	0.39
18.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Ong Kok Yon	323,900	0.39
19.	Ong Teck Peow	321,600	0.39
20.	Gan Kho @ Gan Hong Leong	301,200	0.37
21.	RHB Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Yee Ming	270,000	0.33
22.	Public Nominees (Tempatan) Sdn Bhd Pledged securities account for Lim Hock Fatt (E-SS2)	245,000	0.30
23.	Lee Siew Peng	240,000	0.29
24.	Tan Siew Yoke	238,000	0.29
25.	Lim Siew Geok	235,000	0.29
26.	Yong Siew Lee	234,000	0.28
27.	Ong Siok Bee	229,000	0.28
28.	Tan Siew	223,000	0.27
29.	Soh Choo Kean	213,000	0.26
30.	ECML Nominees (Asing) Sdn Bhd Monex Boom Securities (HK) Limited for Chen Guangxin	210,000	0.25

PROXY FORM

FIMA CORPORATION BERHAD
(21185-P)

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-Ninth (39th) 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 Wednesday, 24 September 2014 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 the Audited Financial Statements for the year ended 31 March 2014 and the Reports of the Directors and Auditors thereon.		
Ordinary Resolution 2	To re-elect YBhg Datuk Alias bin Ali pursuant to Article 113 of the Company's Articles of Association.		
Ordinary Resolution 3	To re-elect Dr. Roshayati binti Basir pursuant to Article 113 of the Company's Articles of Association.		
Ordinary Resolution 4	To approve the payment of Directors' fees.		
Ordinary Resolution 5	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 6	Proposed renewal of the authority for shares buy-back.		
Ordinary Resolution 7	Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature.		
Ordinary Resolution 8	To retain Encik Rezal Zain bin Abdul Rashid as Independent Non-Executive Director of the Company.		
Ordinary Resolution 9	To retain YBhg Dato' Adnan bin Shamsuddin as Independent Non-Executive Director of the Company.		
Ordinary Resolution 10	To retain YBhg Datuk Alias bin Ali as Independent Non-Executive Director 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   2014

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.

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

3. The instrument appointing the proxy must be deposited at the Registered Office of the Company, not less than forty eight (48) hours before the time of holding the Meeting or any adjournment thereof.

4. Only members whose names appear on the Record of Depositors as at 17 September 2014 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.