FIMA
FIMA CORPORATION BERHAD
(21185-P)

AR2019
ANNUAL REPORT

Manufacturing Division
KEEPING STEADY

Plantation Division
GROWING THE FUTURE

REDEFINING BOUNDARIES

www.fimacorp.com

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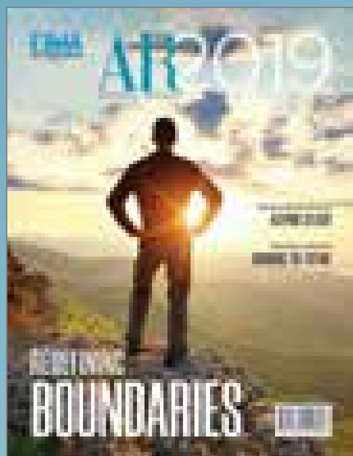

REDEFINING BOUNDARIES

Fima Corporation Berhad ("the Company" or "FimaCorp") was incorporated on 5 December 1974 under the name of Metal Box Holdings Malaysia Sendirian Berhad. In 1976 the Company was listed on the Main Board of Kuala Lumpur Stock Exchange (now known as Bursa Malaysia) and changed its name to Metal Box Berhad. In 1981, Kumpulan Fima Berhad became the Company's controlling shareholder. The Company assumed its present name in 1993.

The Company is principally an investment holding company with 13 subsidiaries and 1 associate company involved in the manufacturing, plantations and property management segments.

44th ANNUAL GENERAL MEETING

DATE: 28 Aug 2019 **TIME:** 09.30 a.m.

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

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

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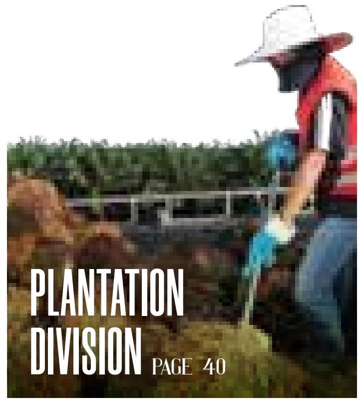


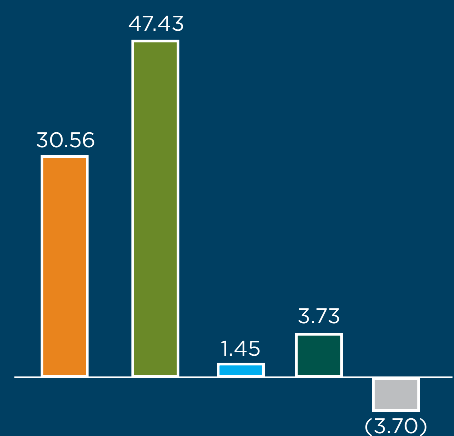
OUR REPORTS

FIMA CORPORATION BERHAD
FACTS AT A GLANCE

Revenue
RM244.72mil

1,717 Employees

Segmental Profit Before Tax



- Manufacturing **RM30.56mil**
- Plantation **RM47.43mil**
- Property Management **RM1.45mil**
- Share of Results of Associate **RM3.73mil**
- Others **RM(3.70)mil**

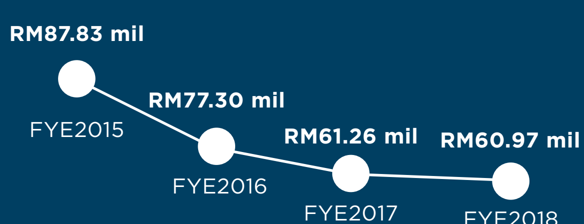
Employee Breakdown By Gender

25%

75%

Number of Recorded Injuries

Fatality : 1



Profit Before Tax
RM 78.48mil

Fima Corporation Berhad (FimaCorp) is principally an investment holding company with 13 subsidiaries and 1 associate company involved in the manufacturing, plantations and property management segments.

CORPORATE PROFILE

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

REVENUE

RM134.78mil

Manufacturing Division

The manufacturing division namely production and trading of security and confidential documents is under the wings of wholly-owned subsidiaries Percetakan Keselamatan Nasional Sdn Bhd ("PKN") and Security Printers (M) Sdn Bhd.

PKN was established in 1983 as Cawangan Percetakan Keselamatan under the National Printing Department and was privatized by FimaCorp in 1990. The Company is one of the largest domestic security printers in Malaysia, offering a wide range of products and services which include travel documents, licenses and other security & confidential documents for the local and overseas markets.

REVENUE

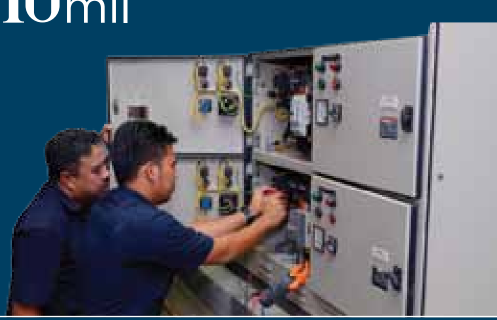
RM102.84mil

Plantation Division

FimaCorp Group is engaged in the development, cultivation and management of oil palm estates as well as processing of oil palm products. As at 31 March 2019 , the Group owns and operates 10 estates with a total landbank of 24,745 hectares.

REVENUE

RM7.10mil



Property Management (Non-Core)

The property management division offers property management, cleaning, mechanical, electrical services and engineering consultation services to compliment the various companies in FimaCorp and Kumpulan Fima Berhad group of companies.

Notice of 44th Annual General Meeting

NOTICE IS HEREBY GIVEN that the Forty-Fourth (44th) Annual General Meeting ("AGM") of FIMA CORPORATION BERHAD ("FimaCorp" and/or "the Company") will be held at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 28 August 2019 at 9.30 a.m. for the transaction of the following businesses:-

ORDINARY BUSINESS

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

   Please refer to Note A

2. To approve the payment of final dividend of 7.5 sen under the single-tier system in respect of the financial year ended 31 March 2019.

   Resolution 1

3. To re-elect Dato' Adnan bin Shamsuddin who retire by rotation in accordance with Article 108 of the Company's Constitution and who, being eligible, offers himself for re-election.

   Resolution 2

4. To re-elect the following Directors who retire in accordance with Article 88 of the Company's Constitution and who, being eligible, offer themselves for re-election:-
   (i) Encik Rosely bin Kusip **Resolution 3**
   (ii) Datuk Bazlan bin Osman **Resolution 4**

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

   Resolution 5

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

   Resolution 6

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

Resolution 7

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

Resolution 8

SPECIAL BUSINESS

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

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

"THAT pursuant to Paragraph 10.09 of the Bursa Malaysia Securities Berhad ("Bursa") Main Market Listing Requirements ("Listing Requirements"), approval be and is hereby given for the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.5 Part A of the Company's Circular/Statement to Shareholders dated 29 July 2019 which are necessary for the day-to-day operations of the Company and/or its subsidiaries provided that such transactions are entered into in the ordinary course of business of the Company and/or its subsidiaries, are carried out on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of the Company.

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

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

whichever is the earlier;

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

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

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

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

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

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

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

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

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

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

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

11. **RETENTION OF INDEPENDENT DIRECTORS OF THE COMPANY**
    (i) "THAT approval be and is hereby given to Encik Rezal Zain bin Abdul Rashid who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company."

    Resolution 11

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

    Resolution 12

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the 44th AGM to be held on 28 August 2019, a single-tier final dividend of 7.5 sen for the financial year ended 31 March 2019 will be paid on 30 September 2019 to Depositors whose names appear in the Record of Depositors on 11 September 2019.

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

(a) Securities transferred into the Depositor's Securities Account before 4.00 p.m. on 11 September 2019 in respect of transfers; and

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

BY ORDER OF THE BOARD

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

Kuala Lumpur
29 July 2019

(I) Note A

The Audited Financial Statements is for discussion only as it does not require shareholders' approval pursuant to the provision of Section 340(1)(a) of the Act. Hence, it is not put forward for voting.

(II) Resolution 1

Under Section 131 of the Act, a company may only make a distribution to the shareholders out of profits of the company available if the company is solvent. On 23 May 2019, the Board had considered the amount of dividend and decided to recommend the same for the shareholders' approval.

The Directors of the Company are satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made on 30 September 2019 in accordance with the requirements under Section 132(2) and (3) of the Act.

(III) Resolution 2

Article 108 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company provided always that all Directors, shall retire from office at least once in every three (3) years, but shall be eligible for re-election at the AGM. A Director retiring at a meeting shall retain office until the close of the meeting whether adjourned or not.

The Board endorsed that the Director who retire in accordance with Article 108 of the Company's Constitution is eligible to stand for re-election.

The profile of the retiring Director is set out in Our Board of Directors section of the Company's Annual Report 2019.

(IV) Resolutions 3 and 4

Article 88 of the Company's Constitution provides that a Director appointed by the Board shall hold office until the conclusion of the next AGM of the Company and shall be eligible for re-election.

Encik Rosely bin Kusip and Datuk Bazlan bin Osman, who were appointed as Independent Non-Executive Directors of the Company on 14 March 2019 and 5 April 2019, respectively, shall hold office until the conclusion of the Company's 44th AGM and shall then be eligible for re-election in accordance with Article 88 of the Company's Constitution.

(V) Resolutions 5, 6 and 7

Section 230(1) of the Act provides amongst others, that the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 44th AGM of the Company on the following payments to Directors in three (3) separate resolutions as below:-

- **Resolution 5** on payment of Directors' fees for the ensuing financial year.
- **Resolution 6** on payment of Directors' fees for the Non-Executive Directors ("NEDs") who sit on the Board of Directors of subsidiary companies from 29 August 2019 until the conclusion of the next AGM of the Company.

- **Resolution 7** on payment of Directors' remuneration from 29 August 2019 until the conclusion of the next AGM of the Company.

Ordinary Resolutions 5, 6 and 7 comprises fees, allowances and other benefits payable to the Non-Executive Chairman, NEDs and Board Committees, including fees and allowances payable to them by subsidiaries are set out in the table:-

Company

	Fee (per annum)	Meeting Allowance (per meeting)	Benefits
Board			
Chairman	RM75,000	RM2,000	Medical coverage and other claimable benefits
Member	RM50,000	RM2,000	Medical coverage and other claimable benefits
Committees			
Chairman of Audit Committee	RM15,000	RM2,000	N/A
Member of Audit Committee	RM6,000	RM2,000	N/A
Member of Nomination and Remuneration Committee	N/A	RM2,000	N/A
Member of Group Sustainability Committee	N/A	RM2,000	N/A
Member of Risk Management Committee	N/A	RM2,000	N/A

Subsidiaries

Subsidiary	Position Held	Fee Type	Amount
Percetakan Keselamatan Nasional Sdn. Bhd.	Chairman	Director's fee per annum	RM18,000
		Meeting allowance per meeting	RM1,000
PT Nunukan Jaya Lestari	President Commissioner	Director's fee per annum	RM18,000
		Meeting allowance per meeting	RM1,000
FCB Plantation Holdings Sdn. Bhd.	Chairman	Director's fee per annum	RM18,000
		Meeting allowance per meeting	RM1,000
Ladang Bunga Tanjong Sdn. Bhd.	Director	Director's fee per annum	RM12,000
		Meeting allowance per meeting	RM1,000

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

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

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

(VI) Resolution 8

Messrs. Hanafiah Raslan & Mohamad ("HRM") has informed the Board that they would not be seeking re-appointment as the Company's Auditors at the Company's 44th AGM in view of the new regulation set by the Audit Oversight Board ("AOB") stipulating that an audit partner must only be attached to one (1) audit firm at all times, unless otherwise exempted by the AOB. HRM further informed the Board that they along with their associate firm, Messrs. Ernst & Young have submitted an application for exemption to the AOB, however, AOB did not approve the Company to be an entity to be audited under HRM. As such, HRM is not allowed to continue to serve as Auditors of the Company.

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

(VII) EXPLANATORY NOTES ON SPECIAL BUSINESS

(a) Resolution 9

The proposed Ordinary Resolution 9, if passed, will empower the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

(b) Resolution 10

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

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

(c) Resolutions 11 and 12

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

	Directors	Appointed on
(i)	Encik Rezal Zain bin Abdul Rashid	25 June 2002
(ii)	Dato' Adnan bin Shamsuddin	20 May 2003

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

(a) Have fulfilled the criteria as an Independent Director as defined in the Bursa Listing Requirements, and therefore is able to bring independent and objective judgement to the Board;
(b) Have provided effective check and balance in the proceedings of the Board and the Board Committees;
(c) Have provided objectivity in decision making through unbiased and independent views as well as advice and judgement, to the Board;
(d) Have contributed sufficient time and effort and attended all Board and Committees Meetings for an informed and balanced decision making; and
(e) Have exercised due care during their tenure as Independent Non-Executive Director of the Company and carried out professional duties in the interest of the Company and shareholders.

Notes:-

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

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

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

4. Only members registered in the General Meeting Record of Depositors as at 23 August 2019 shall be eligible to attend the 44th AGM or appoint proxy(ies) to attend and/or vote on their behalf.

5. The voting at the 44th AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the results of the poll.

Statement Accompanying Notice of Annual General Meeting

1. The Director who is retiring in accordance with Article 108 of the Company's Constitution and seeking re-election is:-

    a. Dato' Adnan bin Shamsuddin

2. The Directors who are retiring in accordance with Article 88 of the Company's Constitution and seeking re-election are:-

    a. Encik Rosely bin Kusip
    b. Datuk Bazlan bin Osman

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

    a. Encik Rezal Zain bin Abdul Rashid
    b. Dato' Adnan bin Shamsuddin

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

Administrative Details

REGISTRATION

- Registration will start at 8.00 a.m. and will remain open until the conclusion of the 44th AGM or such time as may be determined by the Chairman of the Meeting.
- Please read the signage placed around the venue to ascertain where you should register for the AGM and join the queue accordingly.
- Please produce your original Identity Card ("IC") during the registration for verification and ensure that you collect your IC thereafter. No person will be allowed to register on behalf of another person even with the original IC of that person.
- After the verification and registration, you will be given an identification tag for e-polling process. No person will be allowed to enter the venue without the identification tag.

REFRESHMENT

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

E-POLLING PROCEDURES

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

Corporate Information

BOARD OF DIRECTORS

Dato' Adnan bin Shamsuddin
Chairman/Independent Non-Executive Director

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

Rezal Zain bin Abdul Rashid
Senior Independent Non-Executive Director

Dr. Roshayati binti Basir
Non-Independent Non-Executive Director

Rosely bin Kusip
Independent Non-Executive Director

Datuk Bazlan bin Osman
Independent Non-Executive Director

AUDIT COMMITTEE

Rezal Zain bin Abdul Rashid
Chairman

Dato' Adnan bin Shamsuddin
Member

Datuk Bazlan bin Osman
Member

Rosely bin Kusip
Member

NOMINATION AND REMUNERATION COMMITTEE

Rezal Zain bin Abdul Rashid
Chairman

Dato' Adnan bin Shamsuddin
Member

Dr. Roshayati binti Basir
Member

Rosely bin Kusip
Member

COMPANY SECRETARIES

Jasmin binti Hood
LS 0009071

Fadzil bin Azaha
CA 20995

REGISTERED OFFICE

Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Tel : +603-2092 1211
Fax : +603-2092 5923
E-mail : fima@fimacorp.com
Website : www.fimacorp.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
(formerly known as Symphony Share Registrars Sdn. Bhd.)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya, Selangor
Tel : +603-7849 0777
Fax : +603-7841 8151/52

STOCK EXCHANGE LISTING

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

AUDITORS

Messrs. Hanafiah Raslan & Mohamad

PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad

Group Corporate Structure

PLANTATION

100%
FCB PLANTATION HOLDINGS SDN. BHD.

- 80% PT NUNUKAN JAYA LESTARI (Indonesia Incorporated Company)
- 100% NEXT OASIS SDN. BHD.
  - 100% ETIKA GANGSA SDN. BHD.
  - 100% TAKA WORLDWIDE TRADING SDN. BHD.
- 70% R.N.E. PLANTATION SDN. BHD.
- 100% CENDANA LAKSANA SDN. BHD.
- 100% FCB EASTERN PLANTATIONS SDN. BHD.
  - 80% LADANG BUNGA TANJONG SDN. BHD.

100%
GABUNGAN WARISAN SDN. BHD.

Oil palm cultivation including oil palm production and processing

MANUFACTURING

100%
PERCETAKAN KESELAMATAN NASIONAL SDN. BHD.

100%
SECURITY PRINTERS (M) SDN. BHD.

20%
GIESECKE & DEVRIENT MALAYSIA SDN. BHD.
(Associate Company)

Production and trading of security and confidential documents

PROPERTY MANAGEMENT
(Non-Core)

100%
FIMA TECHNOLOGY SDN. BHD.
(formerly known as FCB Property Management Sdn. Bhd.)

Property management and engineering consultation services

Financial Calendar

RESULTS

First Quarter Announced
20 August 2018

Second Quarter Announced
22 November 2018

Third Quarter Announced
22 February 2019

Fourth Quarter Announced
23 May 2019

ANNUAL REPORT

Issued 29 July 2019

ANNUAL GENERAL MEETING

To be held 28 August 2019

FINANCIAL YEAR

1 APRIL 2018 TO 31 MARCH 2019

DIVIDENDS

Interim Dividend	Final Dividend *(Subject to the approval of the shareholders at the 44th Annual General Meeting)*
Announced 22 November 2018	**Announced** 26 July 2019
Entitlement date 7 December 2018	**Entitlement date** 11 September 2019
Payment date 28 December 2018	**Payment date** 30 September 2019

Our Board of Directors

Dato' Adnan bin Shamsuddin

Chairman / Independent Non-Executive Director
Malaysian / 72 / Male

Date of Appointment:
20 May 2003

Date of Last Re-election:
23 August 2017

Academic/Professional Qualification(s):
- B.A (Hons) Second Class Upper in Economics, University of Malaya
- M.A Economics, University of Southern California

Past Appointment(s):
- Executive Director, Malaysia Airports Holdings Berhad (1992-2003)
- Deputy Director General, Department of Civil Aviation (1983-1992)
- Director of Air Transport, Department of Civil Aviation (1977-1983)
- Assistant Secretary, Ministry of Transportation, Government of Malaysia (1971-1975)

- Administrative and Diplomatic Service, Government of Malaysia (1971-1992)

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

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

Securities holdings in the Company:
NIL

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

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

Board meeting attendance during the financial year:
4/4

Our Board of Directors (cont'd.)

Dato' Roslan bin Hamir

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

Date of Appointment:
8 December 1998

Date of Last Re-election:
30 August 2018

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

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

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

Membership of Board Committee(s):
NIL

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

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

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

Board meeting attendance during the financial year:
4/4

Our Board of Directors (cont'd.)

Rezal Zain bin Abdul Rashid

Senior Independent Non-Executive Director
Malaysian / 52 / Male

Date of Appointment:
25 June 2002

Date of Last Re-election:
30 August 2018

Academic/Professional Qualification(s):
- Bachelor of Arts (Accounting) Degree, University of Canberra, Australia
- Member, Malaysian Institute of Accountants
- Member, Certified Practising Accountant (CPA Australia)

Past Appointment(s):
- Chief Operating Officer, TDM Berhad (1999-2000)
- Business Development Manager, Corporate & Business Development, TDM Berhad (1996-1999)
- Assistant Manager, Corporate Finance Department, Arab Malaysian Merchant Bank Berhad (1995-1996)
- Senior Consultant, Peat Marwick Consultants (1993-1995)
- Senior Auditor, KPMG Desa Megat & Co (1989-1993)

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

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

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

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

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

Board meeting attendance during the financial year:
4/4

Dr. Roshayati binti Basir

Non-Independent
Non-Executive Director
Malaysian / 55 / Female

Date of Appointment:
23 November 2009

Date of Last Re-election:
23 August 2017

Academic/Professional Qualification(s):
- MBBS (Mal), University of Malaya
- Master in Med. Radiology, University of Kebangsaan Malaysia
- Member, Academy of Medicine (Malaysia)

Past/Present Appointment(s):
- Consultant Radiologist Sunway Medical Centre (2002-present)
- Radiologist, Hospital Kuala Lumpur (1996-2002)
- Trainee Radiologist, University of Kebangsaan Malaysia (1992-1996)
- Medical Officer (Surgery), University of Kebangsaan Malaysia (1990-1992)
- Medical Intern, Hospital Kuala Lumpur (1989-1990)

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

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

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

Family relationship with any director and/or major shareholder of the Company:
Sister of Rozana Zeti binti Basir, a Director of Fima Metal Box Holdings Sdn. Bhd., a major shareholder of the Company

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

Board meeting attendance during the financial year:
4/4

Our Board of Directors (cont'd.)

Rosely bin Kusip

Independent Non-Executive Director
Malaysian / 68 / Male

Date of Appointment:
14 March 2019

Date of Last Re-election:
N/A

Academic/Professional Qualification(s):
- Diploma in Agriculture, College of Agriculture, Malaya
- Management Course, Henley College

Past/Present Appointment(s):
- Chairman, RISDA (2018-present)
- Board of Commissioner, Minamas Plantation (2016-present)
- Director, New Britain Palm Oil Limited (2015-2017)
- Director, Sime Darby Plantations Sdn. Bhd. (2011-2017)
- Alternate Director and Chief Operating Officer, Innoprise Plantation Bhd (2011-2013)
- Managing Director, IMC Plantations (2006-2009)
- Group Director Plantations, TSH Resources Bhd (2003-2006)
- Director, Indonesian Plantation, Kumpulan Guthrie Bhd (2000-2003)
- General Manager Estates, Kumpulan Guthrie Bhd (1994-2000)
- Manager, Highlands Lowlands Bhd (1971-1994)

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

Membership of Board Committee(s):
- Audit Comittee
- Nomination and Remuneration Committee

Securities holdings in the Company:
NIL

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

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

Board meeting attendance during the financial year:
N/A *(He was appointed to the Board as an Independent Non-Executive Director on 14 March 2019)*

Datuk Bazlan bin Osman

Independent
Non-Executive Director
Malaysian / 55 / Male

Date of Appointment:
5 April 2019

Date of Last Re-election:
N/A

Academic/Professional Qualification(s):
- Fellow, ACCA of United Kingdom
- Chartered Accountant, Malaysian Institute of Accountants
- Diploma in Accounting, Polytechnic of North London, United Kingdom

Past/Present Appointment(s):
- Independent Non-Executive Director, Citibank Berhad (July 2019-present)
- Non-Executive Chairman, GITN Sdn. Bhd. (May 2017-present)
- VADS Berhad (2012-February 2019)
- Group Chief Financial Officer (2005-2017), Deputy Group Chief Executive Officer (2017-2018), Acting Group Chief Executive Officer (June-November 2018) and Executive Director (2008-February 2019), Telekom Malaysia Berhad
- Non-Executive Director, Labuan Reinsurance (L) Ltd (2007-2012)
- Director, PT XL Axiata Tbk (2005-2008)
- Senior Vice President, Corporate Finance & Treasury (2001) and Chief Financial Officer (2002-2005), Celcom Axiata Berhad
- Independent Non-Executive Director, Nationwide Express Holdings Berhad (1994-2005)
- Senior Vice President, Finance/Company Secretary, Kumpulan Fima Berhad (1994-2000)
- Accounting & Financial Control Manager, American Express Malaysia Berhad (1993-1994)
- Finance, Corporate Offices, Kuala Lumpur, Melaka & Singapore, Sime Darby Group (1989-1993)
- Auditor, Messrs. Hanafiah Raslan & Mohamad (1986-1989)

Present Directorship(s) of Public and Listed Companies:
Citibank Berhad (non-listed)

Membership of Board Committee(s):
Audit Committee

Securities holdings in the Company:
NIL

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

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

Board meeting attendance during the financial year:
N/A *(He was appointed to the Board as an Independent Non-Executive Director on 5 April 2019)*

Our Key Senior Management

FADZIL BIN AZAHA
Company Secretary
Malaysian / 42 / Male

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

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

NAZARUDDIN BIN MOHD HADRI
Chief Operating Officer
Executive Director, Operations, Percetakan Keselamatan Nasional Sdn. Bhd.
Malaysian / 52 / Male

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

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

***MOHD RIZAL BIN MAT NOR**
General Manager, Plantation Division
Malaysian / 51 / Male

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

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

*** Not pictured**

JASMIN BINTI HOOD
Company Secretary
Malaysian / 46 / Female

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

MOHD ADIZURAIMIN BIN MOHD AFFANDI
Senior Plantation Controller
Malaysian / 47 / Male

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

DZAKWAN BIN MANSORI
Executive Director, Sales, Percetakan Keselamatan Nasional Sdn. Bhd.
Malaysian / 57 / Male

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

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

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

Scan QR code for more details

Five Year Group Financial Highlights

Financial Year Ended 31 March (RM'000)	FYE2015	FYE2016	FYE2017	FYE2018	FYE2019
REVENUE	378,014	375,207	372,101	284,646	244,720
PROFIT					
Profit before tax	87,827	77,300	61,261	60,965	79,477
Profit after tax	60,305	54,872	35,007	40,074	65,326
(Loss)/profit attributable to Non-controlling interests	4,544	3,590	(2,708)	5,952	7,880
ASSETS AND LIABILITIES					
Total assets	712,804	684,559	718,659	640,502	673,727
Total liabilities	152,285	102,171	129,368	75,151	76,569
Financed by:					
Shareholders' funds	530,529	554,247	563,378	546,393	573,775
Non-controlling interests	29,990	28,141	25,913	18,958	23,383
Net asset per share (RM)*	2.20	2.30	2.34	2.27	2.39
EARNINGS AND DIVIDEND*					
Earnings per share (sen)	36.15	21.24	15.64	14.15	23.90
Dividends per share - Gross	12.5	12.5	17.5	12.5	12.5
Dividends per share - Net	12.5	12.5	17.5	12.5	12.5
SHARE PRICES					
Transacted price per share (RM)					
(i) Before share split					
Highest	9.72	N/A	N/A	N/A	N/A
Lowest	7.80	N/A	N/A	N/A	N/A
(ii) After share split*					
Highest	2.99	2.84	2.33	2.36	2.01
Lowest	2.14	2.09	2.02	1.95	1.75

* **Note:**
On 13 October 2014, 82,426,810 ordinary shares of RM1.00 each were split into 164,853,620 ordinary shares of RM0.50 each. A bonus issue of 80,470,710 new subdivided shares was credited as fully paid-up on the basis of one (1) bonus shares for every 2 subdivided shares, exclude treasury shares.

Revenue (RM'000)

Profit Before Tax (RM'000)

Total Assets (RM'000)

Shareholders' Funds (RM'000)

Chairman's Statement

Dato' Adnan bin Shamsuddin

Dear Shareholders,

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

Performance

The Group delivered a credible performance under these difficult circumstances, which is in line with the cautious outlook statement made in last year's Annual Report. Amid tough trading conditions, Group revenue decreased 14.0% to RM244.72 million (FYE2018: RM284.65 million), reflecting the impact of lower commodity prices on our plantation segment coupled with continuing lower volumes in our manufacturing segment.

However, the Group registered a PBT of RM79.48 million, 30.4% higher compared to RM60.97 million recorded last year principally attributable to the reversal of previously recorded impairment on plant, property and equipment ("PPE") taken in Q2 of FYE2019 of RM23.63 million (discussed below). Without the write back of impairment, the Group PBT would be RM55.85 million, 8.40% lower than last year.

Group Earnings Before Interest and Taxation ("EBIT") increased 27.2% to RM79.65 million. Earnings and net assets per share stood at 23.90 sen and RM2.39 sen, respectively, from 14.15 sen and RM2.27 respectively, from the year before.

As at 31 March 2019, we have cash of RM205.98 million comprising cash and bank balances and short-term cash investment of RM57.86 million and RM148.12 million respectively. Our capital expenditures for FYE2019 totalled RM22.91 million (FYE2018: RM9.91 million).

Group Revenue

RM244.72mil

	FYE2018 RM Million	FYE2019 RM Million	% Change
Manufacturing	140.78	134.78	(4.3)
Plantation	138.10	102.84	(25.5)
Property Management	5.77	7.10	23.2
Total	**284.65**	**244.72**	**(14.0)**

Group Profit Before Tax

RM79.48mil

	FYE2018 RM Million	FYE2019 RM Million	% Change
Manufacturing	22.81	30.56	34.0
Plantation	40.28	47.43	17.8
Property Management	1.61	1.45	(9.9)
Associate Companies	1.70	3.73	120.0
Others	(5.43)	(3.70)	(31.9)
Total	**60.97**	**79.48**	**30.4**

+5.3%

Increase Y-o-Y Net Assets Per Share

23.90sen

Earnings Per Share

+5.0%

Increase Y-o-Y Shareholders' Funds

*The Board is pleased to recommend for shareholders' approval a final single-tier dividend of **7.5 sen** per share for the financial year ended 31 March 2019.

* *An interim dividend of 5.0 sen per share was paid to the company's shareholders on the 28 December 2018.*

The detailed analysis of the results for the year is presented on pages 30 to 35 of this Annual Report.

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

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

An important focus area during FYE2019 for our plantation division has been the planting and development of the Group's greenfield assets, currently at different stages of development, following acquisitions made by the Group in prior years.

Regrettably, there had been several more incidences of elephant encroachments at our estates resulting in damage to quite a number of our young palms which have to be replaced and this in turn will cause delays before the new palms can be harvested. Attention was also given to improve yields and agronomic standards of our estates and establishing permanent and comfortable housing for estate workers. On a separate note, I am happy to report that all our estates have been recommended to receive Malaysian Sustainability Palm Oil accreditations.

Manufacturing division's revenue declined by 4.3% to RM134.78 million due to volume contraction

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

A more detailed review of the results and the operating performance for the year of each of the Group's business divisions is presented on pages 36 to 47 of this Annual Report.

Dividend

The Board is pleased to recommend for shareholders' approval a final single-tier dividend of 7.5 sen per share for the financial year ended 31 March 2019 at the forthcoming Annual General Meeting. If approved at the forthcoming Annual General Meeting, the dividend will be paid on 30 September 2019 to shareholders whose names appear on the register as at 11 September 2019. This would bring the total dividend for the full year to 12.5 sen per share (FYE2018: 12.5 sen). The dividend paid out is approximately 46.0% of our PAT for the year.

Sustainability

We are fully aware of our responsibilities as a corporate citizen to create an environment where all can prosper. Our approach to sustainability is therefore guided by this sense of purpose i.e. to create value for the long term, by managing our business in a balanced and responsible way. In seeking an appropriate balance, we are mindful that more often than not, there are certain trade-offs that need to be made. The social license and influence of stakeholders has grown tremendously over the years and we need to ensure that these are properly addressed - especially when social and environmental concerns can affect the legal license to operate. Understanding and responding to the legitimate interests of our stakeholders is therefore a vital aspect of our commitment as a responsible corporate citizen. The Group's key stakeholder groupings, their concerns, the way we engage with them and how we address these are presented on pages 16 to 17 of our Sustainability Report.

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

Board Appointments

As foreshadowed in last year's Annual Report, Board succession and planning has been a key focus area for the Board. During the year, the Nomination and Remuneration Committee led the process which resulted in the appointment of Encik Rosely bin Kusip and Datuk Bazlan bin Osman as Independent Non-Executive Directors, to strengthen further what is already a very capable and experienced Board. FimaCorp will, as a result, continue to have a Board with a substantial majority of independent directors, who will ensure the Company maintains its strong governance structure.

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

Prospects

We expect the manufacturing division's performance to remain fairly subdued as we project that there could be further downward pressure on volumes. We also expect this current financial year to remain challenging for our plantation division on the back of the prevailing low commodity prices arising from inter alia the negative sentiments on palm oil from EU and pressures on the US-China trade dispute. Additional development expenditure on the greenfield assets are also expected to impact the division's earnings.

As foreshadowed in last year's Annual Report, **Board succession and planning** has been a key focus area for the Board.

Notwithstanding the foregoing challenges, our businesses generate strong cash flows which, in combination with a strong balance sheet and financial discipline, should enable us to respond to the changing market dynamics and competition as we move forward and pursue our aspirations.

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

Appreciation & Acknowledgement

Finally, I would like to close by thanking the Board for their guidance and high level of commitment during the year. I would also like to thank the Group's management team and employees for their perseverance and hard work in navigating the bumpy road we have travelled in the previous year. Finally, I would like to thank all our suppliers, business partners and other stakeholders for their efforts and contribution in the past year and to you, our shareholders, for your continued support and confidence.

Thank you.

Dato' Adnan bin Shamsuddin
Chairman

Management Discussion & Analysis

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

FimaCorp is an investment holding company with subsidiaries principally involved in manufacturing, plantation and property management as well as engineering consultation services. The businesses are spread across Malaysia and Indonesia. The Group currently employs 1,717 people and has approximately 24,745 hectares of plantation land.

Group Strategic Overview

FimaCorp Group remains focused on providing sustainable value to our shareholders through three (3) core performance objectives namely profitable revenue growth, solid returns on capital employed and strong cash generation.

3 Key Performance Objectives

Profitable Revenue Growth

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

Solid Returns on Capital Employed

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

Strong Cash Generation

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

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

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

Maintain Prudent Financial Profile

Strengthen Core Businesses

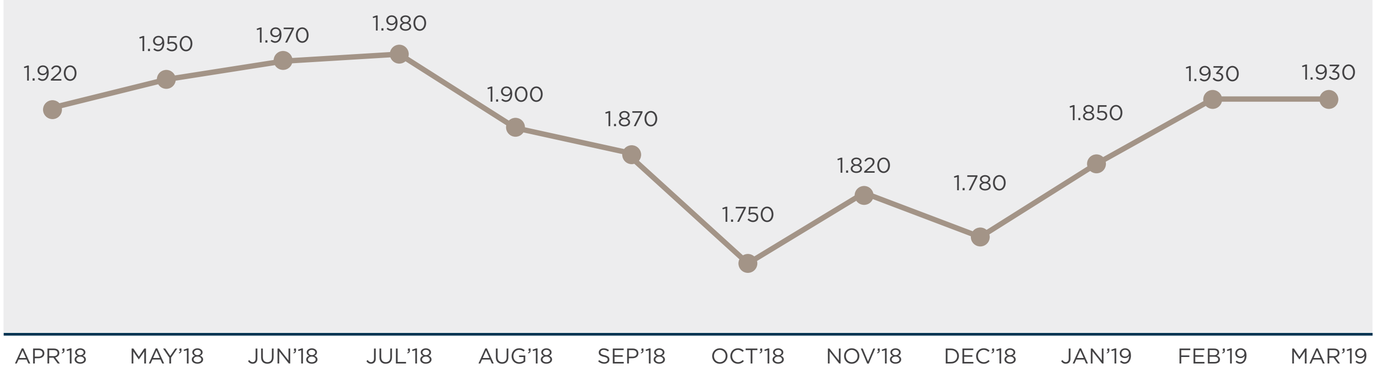
Leverage on Market Opportunities

Establish Strong Pillars For Future Growth

Key Financial Analysis

Share Price FYE2019

One Year Average Monthly Closing Share Price (RM)



Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
High	2.00	2.00	2.01	2.00	2.00	1.90	1.87	1.86	1.90	1.86	1.96	1.97
Low	1.92	1.91	1.93	1.91	1.90	1.83	1.75	1.75	1.76	1.78	1.82	1.92

During the year under review, the highest and lowest share price transacted were RM2.01 and RM1.75 respectively. The highest monthly share volume transacted was in August 2018 with a total volume of 1.49 million shares.

Key Financial Indicators

		FYE2018	FYE2019	% Change
Revenue	RM Million	284.65	244.72	(14.0)
Cost of Sales (COS)	RM Million	170.02	145.24	(14.6)
Gross Profit	RM Million	114.63	99.48	(13.2)
Gross Profit Margin	%	40.3	40.7	0.4
Earnings Before Interest and Taxation ("EBIT")	RM Million	61.08	79.65	30.4
Profit Before Tax ("PBT")	RM Million	60.97	79.48*	30.4
Profit After Tax ("PAT")	RM Million	40.07	65.33	63.0
Return on Equity ("ROE")	%	7.1	10.9	3.8
Return on Capital Employed ("ROCE")	%	10.4	12.8	2.4
Total Returns to Shareholders				
- Dividend (sen per share)	sen	12.5	12.5**	(40.0)
Retained Earnings	RM Million	432.87	460.34	6.3
Total Assets	RM Million	640.50	673.73	5.2
Total Liabilities	RM Million	75.15	76.57	1.9
Capital Employed	RM Million	588.18	620.66	5.5

* *Without the write back of the impairment, the Group PBT would be RM55.85 million, 8.40% lower from previous year.*

** *Include final dividend of 7.5 sen which is subject to shareholders' approval at the upcoming AGM.*

Segmental Revenue Analysis

Breakdown of revenue by division:

	FYE2018 RM Million	Contribution %	FYE2019 RM Million	Contribution %	Variance RM Million	Variance %
Manufacturing	140.78	49.5	134.78	55.1	(6.00)	(4.3)
Plantation	138.10	48.5	102.84	42.0	(35.26)	(25.5)
Property Management	5.77	2.0	7.10	2.9	1.33	23.1
Group Results	**284.65**	**100.0**	**244.72**	**100.0**	**(39.93)**	**(14.0)**

The Group recorded revenue of RM244.72 million (FYE2018: RM284.65 million) during the financial year, representing a decrease of 14.0% compared to the previous year, reflecting the lower contributions from our Manufacturing and Plantation divisions. Meanwhile, Property Management's revenue improved by RM1.33 million year-on-year ("y-o-y") due to positive contributions from the division's engineering consultation services unit.

Manufacturing division revenue declined by 4.3% to RM134.78 million, impacted by the expiration of the contract to supply certain travel document products.

The drop in Plantation's revenue was largely due to lower commodity prices coupled with a reduction in fresh fruit bunches ("FFB") produced during the financial year. Our average CIF Crude Palm Oil ("CPO") (net of duty) selling price in FYE2019 declined significantly by 18.0% to RM1,921 per MT (FYE2018: RM2,342 per MT). The average Crude Palm Kernel Oil ("CPKO") price achieved was also lower y-o-y at RM3,015 per MT (FYE2019: RM4,431 per MT).

	FYE2018	FYE2019	Change %
CPO	RM2,342 per MT	RM1,921 per MT	(18.0)
CPKO	RM4,431 per MT	RM3,015 per MT	(32.0)
FFB Production	175,774 MT	166,080 MT	(5.84)

	FYE2018 RM Million	Contribution %	FYE2019 RM Million	Contribution %	Variance RM Million	Variance %
Manufacturing	22.81	37.4	30.56	38.5	7.75	34.0
Plantation	40.28	66.1	47.43	59.7	7.15	17.8
Property Management	1.61	2.6	1.45	1.8	(0.16)	(9.9)
Share of Results of Associate	1.70	2.8	3.73	4.7	2.04	120.0
Others	(5.43)	(8.9)	(3.70)	(4.7)	1.73	(31.9)
Group Results	**60.97**	**100.0**	**79.48**	**100.0**	**18.51**	**30.4**

The Group's PBT in FYE2019 was RM79.48 million compared to RM60.97 million recorded in the prior year. The increase in the PBT by 30.4% y-o-y was mainly attributed to the reversal of previous impairment on PPE in Q2 FYE2019 of RM23.63 million. Without the write back of the impairment, the Group PBT would be RM55.85 million, 8.40% lower from previous year.

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

Profitability

The Group's **Retained Earnings** in FYE2019 grew to RM460.34 million against RM432.87 million recorded in the previous year. The increase was due to higher profit attributable to the equity holders of the Company amounting RM57.45 million compared to dividend payment of RM30.05 million.

Gross Profit for the Group declined by 13.2% y-o-y to RM99.48 million from RM114.63 million on the back of lower revenue recorded during the financial year. The decrease in revenue is mainly attributable to a decline in revenue contribution from Plantation division by 25.5%.

The Group's **Gross Profit Margin** of 40.7% is higher by 0.4% from last year (FYE2018: 40.3%) due to lower cost of sales. **Cost of Sales** is 14.6% lower y-o-y at RM145.24 million, corresponding to the lower business volumes generated together and lower manuring and upkeep related expenses recorded by our Indonesian plantation subsidiary. The lower Cost of Sales is also reflective of the decrease in our Manufacturing division's cost of sales by RM11.23 million to RM91.69 million.

The Group's **Earnings Before Interest and Taxation** increased from the same period last year by 30.4% from RM61.08 million to RM79.65 million mainly driven by write back of impairment loss on PPE of RM23.63 million, lower administrative and selling and marketing expenses.

Taxation Expenses came down from RM20.89 million in the prior year to RM14.15 million in FYE2019 primarily due to reduced earnings and overprovision of RM2.38 million in prior year's tax computation. Effective tax rate in FYE2019 is 18.7% compared to 35.2% in FYE2018.

Profit After Tax increased by 63.0% to RM65.33 million compared to RM40.07 million in the previous financial year, in line with the increase in the profit before tax due to write back of the impairment loss on PPE amounting RM23.63 million and lower tax expenses during the year.

Group Profit Attributable to Equity Holders of the Company for the period amounted RM57.45 million (FYE2018: RM34.12 million) representing an increase of 68.4%. Basic earnings per share of our Group increased to 23.90 sen based on a weighted average of 240.39 million shares (FYE2018: 14.15 sen based on 241.12 million shares).

Typically, over the course of a year, cash, short-term investments and short-term debt may fluctuate in order to manage the Group's liquidity.

In tandem with improved in PAT, **Return on Equity (ROE)** for FYE2019 stood at 10.9% (FYE2018: 7.1%) and is based on an average shareholders' equity of RM581.26 million (FYE2018: RM577.32 million).

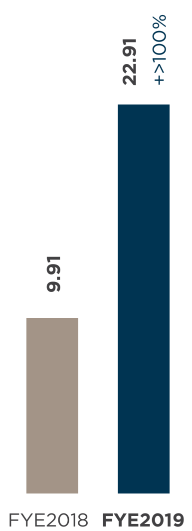
Capital employed is how well the company is using its capital to generate profits. During the year under review, **Return on Capital Employed (ROCE)** improved by 2.4% to 12.8% from 10.4% posted in the previous financial year.

Liquidity & Capital Resources

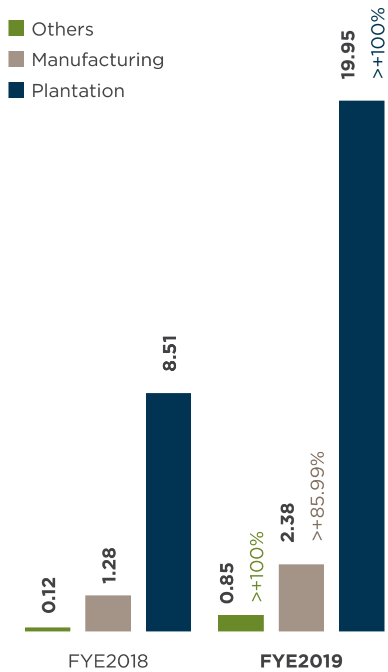
Typically, over the course of a year, cash, short-term investments and short-term debt may fluctuate in order to manage the Group's liquidity. The Group believes it has sufficient operating flexibility, cash flow, cash and short-term investment balances to meet future operating needs of the business as well as any scheduled payments of debt. The net gearing ratio of the Group as at 31 March 2019 remained low at 0.13 times.

The Group's **Cash and Bank Balances and Short-Term Cash Investments** stood at RM205.98 million in total, representing a 1.7% decrease from a year ago of RM209.48 million.

Group CAPEX (RM Million)



CAPEX By Division (RM Million)



Despite a reduction in revenue, the Group continue to generate strong cash flow. The **Net Cash Flow Generated from Operating Activities** recorded a surplus of RM35.06 million (FYE2018: deficit of RM34.30 million) resulting from operating profit of RM60.63 million offset by net changes in receivables and inventories balances as well as payment on taxation.

Shareholders' Equity as at 31 March 2019 stood at RM597.16 million, an increase of RM31.81 million or 5.6% from the previous financial year mainly due to lower dividend payment of RM33.89 million as compared to profit attributable to equity shareholders of the Company of RM67.28 million.

The **Share of Results of Associate**, Giesecke & Devrient Malaysia Sdn. Bhd. ("G&D") increased to RM3.73 million from RM1.70 million last year on the back of improved contributions from G&D. G&D posted a revenue of RM184.08 million (FYE2018: RM164.50 million) and PBT of RM17.67 million (FYE2018: 11.57 million).

Capital Expenditure ("CAPEX")

The Group's CAPEX of RM22.91 million (FYE2018: RM9.91 million) was incurred to meet ongoing CAPEX commitments during the year. Notably, Plantation division accounted for 87.1% of the Group's total CAPEX spend which was largely utilised towards plantation development works, new planting, construction of workers' quarters and purchase/replacement of fixed assets. Sources of funds for CAPEX during the year were generated internally.

Manufacturing Division

KEEPING STEADY

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

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

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

The share of results of associate company G&D increased to RM3.73 million from RM1.70 million last

Manufacturing Business Model

Core Values

QUALITY
- Products and services
- Deliver proven solutions

EXCELLENCE
- Service level guarantee, support & maintenance of end to end solutions

TRUSTWORTHY
- Partner you can trust, reliability, financially strong
- Ethical

Innovative Organization

- Research & Development
- Product Development
- Business Development

Trusted Brand

- Account Management
- Strategic Technical Partners
- Supply Chain

Integrated Technology Based Solution

- Design & Origination
- Product Upgrades
- Solution & Infrastructure
- Logistics Services
- Technical Support
- Forensics

New Market for Existing Portfolio

- Government
- GLC
- Vendor (International)

Specific business challenges

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

Customers needs

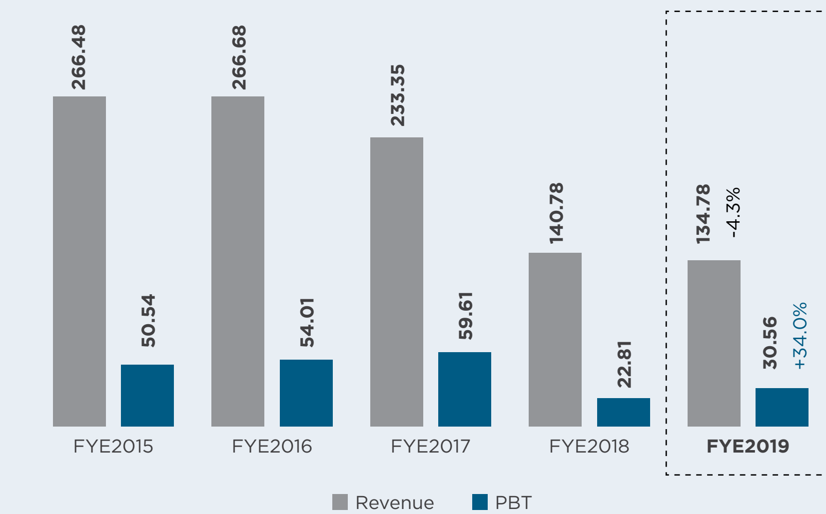
- Solutions, not just products
- Supply security & resilience
- Reduced cost and increased productivity
- A trusted and reliable service provider

year. G&D achieved higher revenue and PBT of RM184.08 million and RM17.67 million, an improvement by 11.9% and 52.7% respectively.

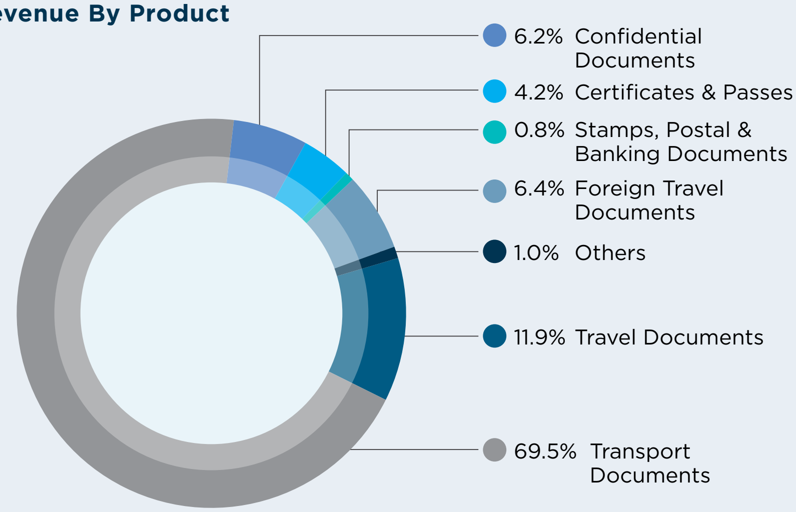
The division's trade receivables decreased 16.0% y-o-y to RM68.17 million. A significant amount of the trade receivables arises from customers with whom the division has had a long-term relationship and therefore the Board is of the view that there is no significant concentration of credit risk and that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

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

5-Year Revenue & PBT Performance (RM MILLION)



Revenue By Product



segments have remained relatively stable and are comparable to last year. Likewise, we expect their activity and performance in this current year will be sustained at FYE2019 levels.

During the year under review, the Company had announced that its wholly-owned subsidiary Percetakan Keselamatan Nasional Sdn. Bhd. ("PKN"), had commenced legal action against Datasonic Technologies Sdn. Bhd. ("DTSB") at the Kuala Lumpur High Court. The claim is for a sum of RM24,975,000 (excluding interest and cost) being the amount due and owing by DTSB to PKN for the 1.5 million Malaysian passport booklets which were supplied by PKN to DTSB. The matter is currently pending trial. The suit however is not expected to have any material impact on the financial and operational position of the Group.

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

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

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

Prospects

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

Plantation Division

GROWING THE FUTURE

The Group owns and operates ten (10) estates in Malaysia and Indonesia with land bank totalling 24,745 hectares, of which 8,510 hectares have been planted with oil palm.

Plantation Division Business Model

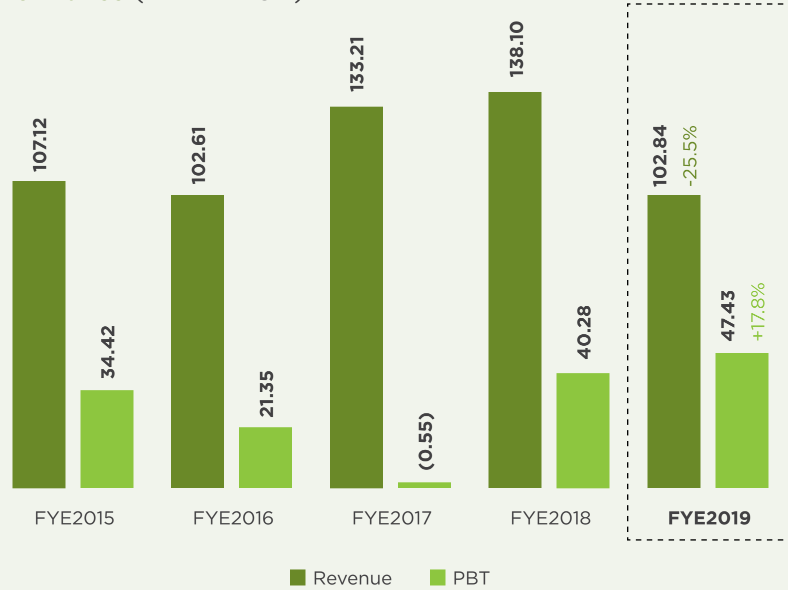
Note: The diagram above is refer to our Plantation Business in Kalimantan

Commodity markets were plagued by challenging conditions in the year under review. In 2018, the prices of oil palm products were traded lower globally. CPO price was lower by 19.9%, averaging RM2,239 per metric tonne ("MT") compared to RM2,795 per MT in 2017. Depreciating currencies of key importing countries such as India and China further limited their purchasing power on palm oil. As a result of the weaker demand and stronger CPO production in Indonesia, the Malaysian palm oil stocks hit a record high by the end of 2018 thereby adversely impacting prices.

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

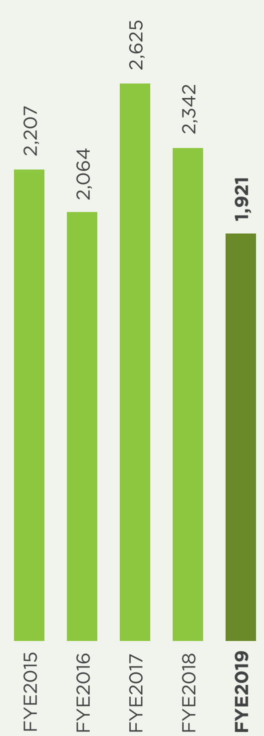
Amid a bearish market, the division recorded revenue of RM102.84 million in FYE2019, 25.5% lower than last year's RM138.10 million largely due to the sharp decline in palm product prices. The average price realized for CPO (net of duty) registered during the year was RM1,921 per MT compared to RM2,342 per MT last year. FFB production also reduced to 166,080 MT compared to 175,774 MT harvested last year with lower yield of 24.19 MT per mature hectare (FYE2018: 25.15 MT).

5-Year Revenue & PBT Performance (RM MILLION)



Immature palms make up 1,560 ha of the Group's total planted area, which means the Group's crops are projected to rise strongly in the coming years.

AVERAGE CPO PRICE REALISED (RM/MT)



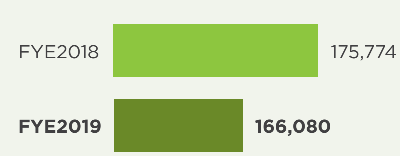
Meanwhile, PBT stood at RM23.80 million (before the writeback of impairment losses which is discussed hereinbelow), which was 40.9% lower than the PBT of RM40.28 million achieved last year. Our estates in Malaysia which are still in the process of land development or palm planting registered a higher total pretax loss of RM4.5 million compared to RM2.5 million pretax loss recorded last year following to the acquisition of Ladang Bunga Tanjong Sdn. Bhd. which was completed in February 2018.

The division had in Q2 FYE2019 reversed a previously recorded impairment on property, plant and equipment in the Group's Indonesian subsidiary, PT Nunukan Jaya Lestari ("PTNJL") as a consequence of the Mahkamah Agung's decision that the Ministerial Order revoking PTNJL's HGU be annulled. The reversal of the impairment has a positive effect of RM23.63 million whereupon the division's PBT for FYE2019 would be RM47.43 million with the inclusion of the writeback.

FFB produced by PTNJL decreased 6.1% to 164,770 MT (FYE2018: 175,425 MT). A lower average yield per hectare of 25.98 MT was recorded compared to 27.53 MT last year. FFB purchased from third parties also decreased to 49,902 MT from 60,460 MT in prior year. Note that FFB production was back to normal following to the bumper crops recorded last year which is due to post recovery of El-Nino.

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

GROUP FFB HARVESTED (MT)



ESTATE OPERATIONS

INDONESIA

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

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

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

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

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

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

MALAYSIA

Ladang Cendana, Kemaman, Terengganu

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

Ladang Bunga Tanjong, Jeli, Kelantan

Rehabilitation works on 457 hectares at Ladang Bunga Tanjong have completed and we anticipated that the estate will commence harvesting in this current financial year. Replanting works on 754 hectares which commenced last year are still on-going and expected to be completed in this current financial year. The initial harvest therefrom is expected in FY2022/23.

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

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

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

Planting and development works have been progressing well with 110 hectares and 396 hectares have been planted at Ladang Dabong and Ladang Aring respectively. It is anticipated that these estates will commence harvest in this current financial year. Regrettably, Ladang Aring had also encountered incidences of crop-raiding elephants resulting

in damage to approximately 13,672 young palms. In the circumstances, plans to establish a patrol team and construct trenches to deter elephants from entering the fields are underway. In any event, all damaged palms have to be replaced thus causing delays before they can be harvested.

Ladang Sg Siput, Perak

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

Capital expenditure ("CAPEX")

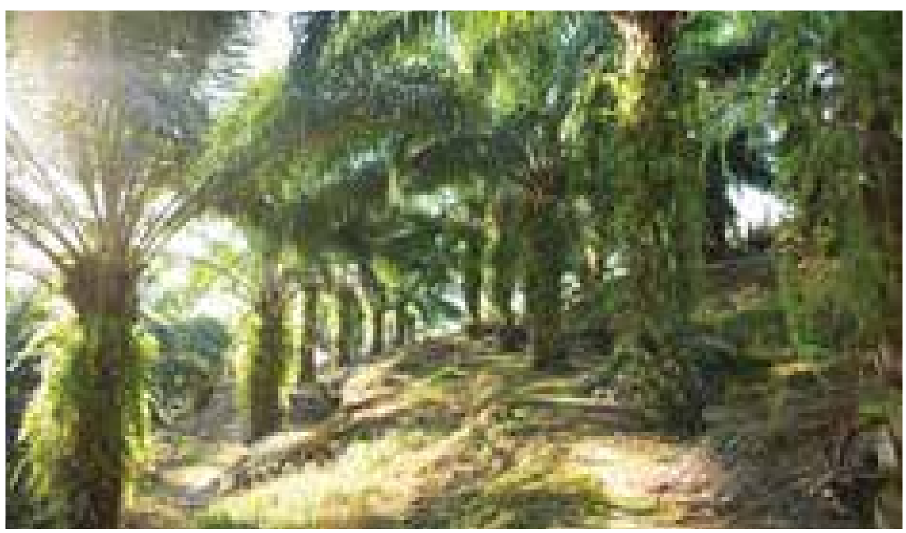
During the year under review, the division spent RM19.95 million on CAPEX largely towards plantation development works and purchase/ replacements of fixed assets. Furthermore, the infrastructure at all our new developments have been designed to facilitate in-field mechanization. We provide good quality housing for our workers and further investments in workers' housing as well as other estate infrastructures will continue in this current financial year. Roll-out of the upgraded IT system across all our Malaysian estates which commenced last year is expected to be completed in this current financial year. The new IT system would provide the Group's head office more visibility and control of the estates' operations.

Sustainability Standards Certification

As at 31 March 2019, all our 4 Malaysian estates have been recommended for certification to the Malaysian Sustainable Palm Oil standards ("MSPO") and are now pending certificate issuance. Selected employees have been sent for training to ensure that we

The terminal which was completed in this current financial year has locational advantages as it will allow for more efficient loading.

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



Outlook

The palm oil industry continues to be challenging with geopolitical uncertainties, protectionist policies, recent Eu resolution to ban palm-related biodiesel by January 2021 and uncertain weather conditions. The industry is also struggling with long-standing labour shortages and rising operating costs. These factors will continue to accentuate the bearish sentiment in the overall market. While more areas are expected to attain maturity in this financial year, we expect the division's earnings to continue experiencing some pressures in the near term as a result of the prevailing low CPO prices and required expenditure in developing our greenfield estates. Nevertheless, we believe that on balance, this sector will continue to benefit from the growing demand given that palm oil is a significant and versatile raw material for both food and non-food (i.e. oleochemicals and biofuel) industries and is confident of its sustainable growth over the long-term. We also continue to see significant opportunities to grow the division through acquisitions as our capital structure continues to provide us with the flexibility to execute our growth strategy, including the funding of our acquisitions.

PLANTATION STATISTICS

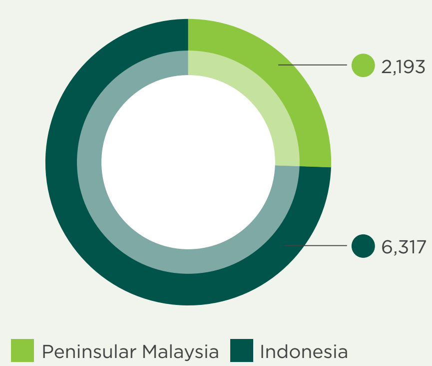
PALM AGE PROFILE (HA)

	FYE2015	FYE2016	FYE2017	FYE2018	FYE2019
Mature					
4 - 9	440	403	336	365	390
10 - 18	6,030	6,030	6,043	6,058	6,560
>19 years	-	-	-	-	-
	6,470	6,433	6,379	6,423	6,950
Rehab	-	-	-	566	-
Immature	-	489	1,101	1,241	1,560
Total Planted Area	**6,470**	**6,922**	**7,480**	**8,230**	**8,510**

TOTAL FFB (MT)

	FYE2015	FYE2016	FYE2017	FYE2018	FYE2019
Own Estate	149,701	149,060	131,484	175,774	166,080
Purchased	60,677	53,198	51,853	60,460	49,902
Total FFB	**210,378**	**202,258**	**183,337**	**236,234**	**215,981**

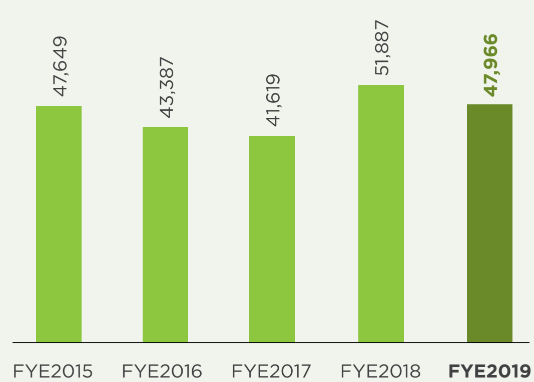
GROUP PLANTED AREA BREAKDOWN (HA)



YIELD PER HECTARE (MT)

OIL EXTRACTION RATE (%)

CPO PRODUCTION (MT)



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

Sustainability Statement

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

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

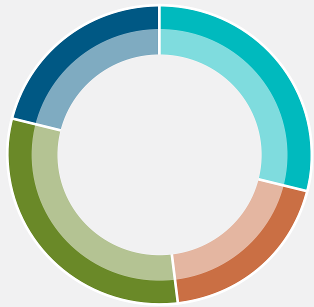
Economic	Environment	Social
Governance & Responsible Business Practices	Environmental & social responsibility in our supply chain	Building strong and respectful relationships with stakeholders
Operational resource and efficiency		Health, Safety & Development of our employees and communities

Material Topics

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

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

VALUE DISTRIBUTION TO STAKEHOLDER
(RM MILLION)



- 32.03 Employees (salaries, wages, and other benefits)
- 20.66 Government (Tax and duties)
- 33.89 Shareholders (dividends)
- 22.91 Reinvestment in the business

FINANCIAL HIGHLIGHTS
(RM MILLION)

Revenue
RM244.72mil

Profit Before Tax
RM79.48mil

Dividend Payment
12.5
sen per share*
*7.5 sen is subject to shareholders' approval

Sustainability Highlights

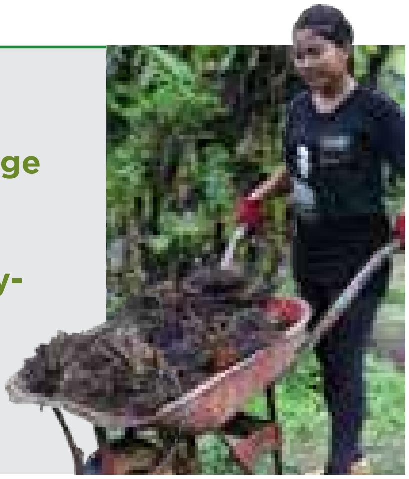
Roll out of **energy efficiency & reduction programmes** across our businesses

25% of our **employees** are **women**

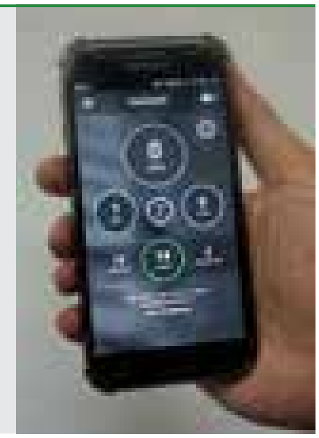
1,717 employees in **2 countries**

6,111 total **training hours**

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



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



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

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

Sustainability awareness workshops & training conducted throughout

FYE2019

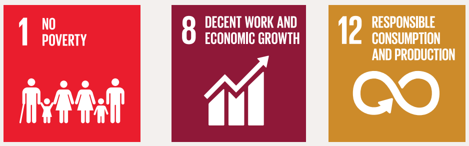
80%

local spend including **SMEs in Indonesia**

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

OUR WIDER CONTRIBUTION

ECONOMIC



ENVIRONMENTAL

SOCIAL

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

See our full Sustainability Report at http://www.fimacorp.com/sustainability-reports.php

SUSTAINABILITY PERFORMANCE METRICS

Total Workforce

1,717

430 **Female**

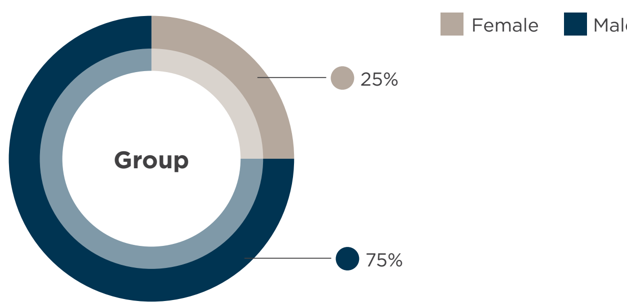
1,287 **Male**

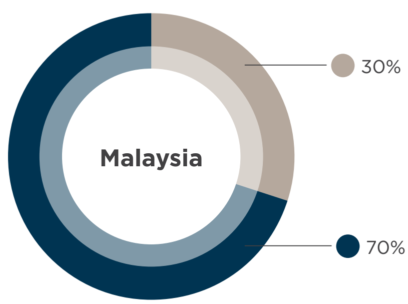
BOARD OF DIRECTORS

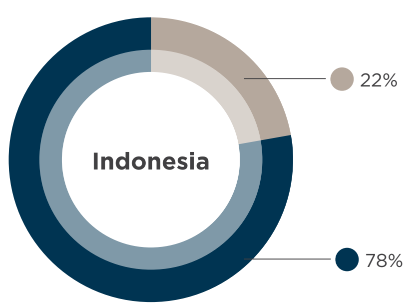
1 **Female**

5 **Male**

Total Workforce Breakdown by Country

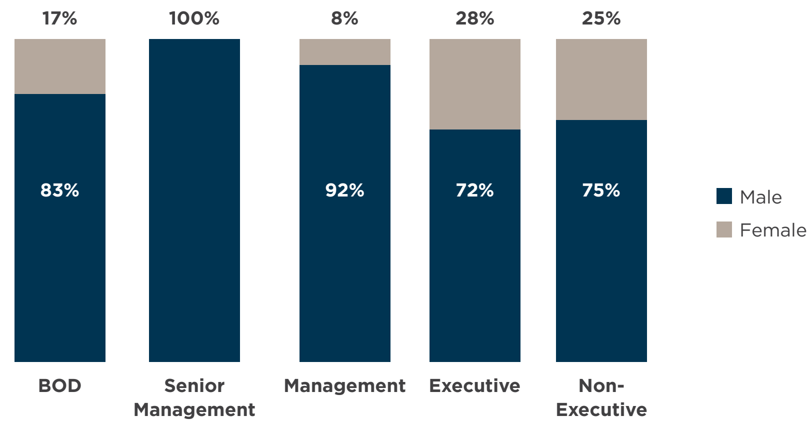






SUSTAINABILITY PERFORMANCE METRICS

Total Workforce Breakdown by Gender & Position FYE2019



Lost Time Incident Frequency Rate (LTIFR)

The Group recorded an LTIFR of **20.96** site for every 1 million man-hours worked

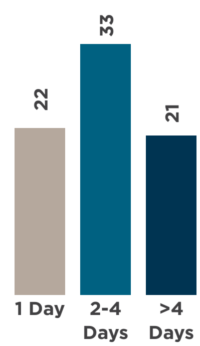
(FYE2018: 6.92)

Total Training Hours

The Group recorded **6,111** of training hours

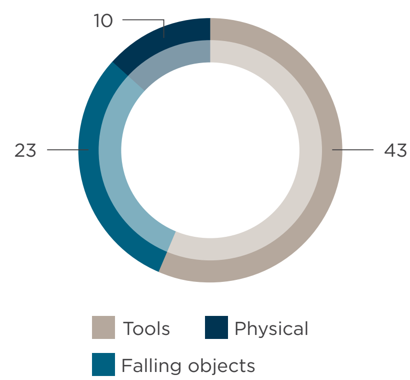
(FYE2018: 1,493 hours)

Total No. of Recorded Injuries

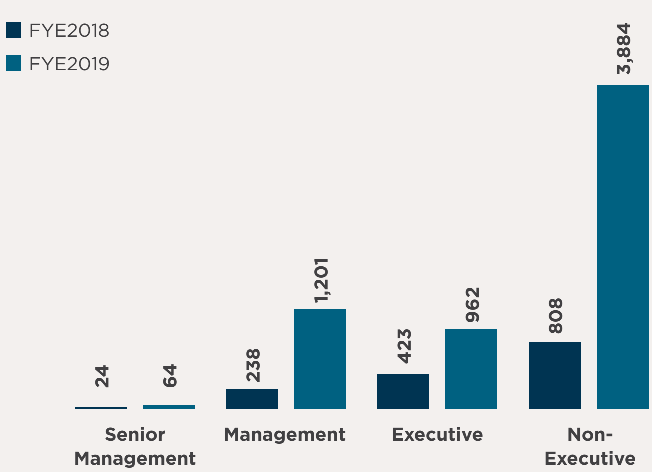


Days of Medical Leave Taken As Result of Injury

Total Injuries By Type



Training Hours Breakdown by Position

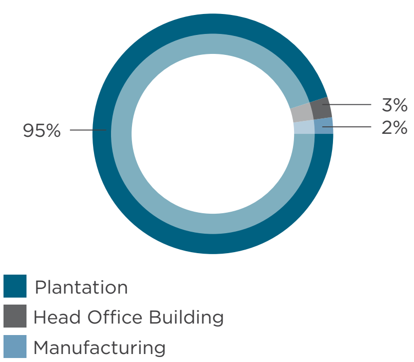


SUSTAINABILITY PERFORMANCE METRICS

409,707 m³

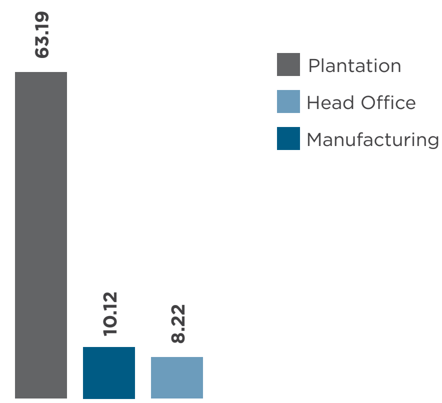
Total water consumed by the Group
(FYE2018: 426,764 m³)

Breakdown Of Water Consumption By Division (M³)



Total Group CO_2 eq

Total Energy Consumption (TJ)



79.16 Terajoule

Total energy consumed by the Group
(FYE2018: 77.24 Terajoule)

Total Emission Breakdown by Divison

Head Office

Our greenhouse gas emissions	FYE2018	FYE2019
Scope 1 – Direct emission	15.94 tCO_2eq/liter	15.24 tCO_2eq/liter
Scope 2 – Indirect emission	1,386.25 tCO_2eq/kWh	1,318.08 tCO_2eq/kWh
Total emissions	1,402.19 tCO_2eq	1,333.32 tCO_2eq
Emission intensity by square feet	0.0112 tCO_2eq per square feet	0.0109 tCO_2eq per square feet

Manufacturing

Our greenhouse gas emissions	FYE2018	FYE2019
Scope 1 – Direct emission	89.28 tCO_2eq/liter	19.95 tCO_2eq/liter
Scope 2 – Indirect emission	2,641.83 tCO_2eq/kWh	2,403.43 tCO_2eq/kWh
Total emissions	2,731.11 tCO_2eq	2,423.38 tCO_2eq
Emission intensity by Operating Hour	0.6184 tCO_2eq per operating hour	0.7225 tCO2eq per operating hour

Plantation

Our greenhouse gas emissions	FYE2018	FYE2019
Scope 1 – Direct emission	21,839.24 tCO_2eq/liter	17,127.17 tCO_2eq/liter
Scope 2 – Indirect emission	32.38 tCO_2eq/kWh	36.12 tCO_2eq/kWh
Total emissions	21,871.62 tCO_2eq	17,163.29 tCO_2eq
Emission intensity by FFB Production	0.0879 tCO_2eq per MT FFB production	0.0938 tCO_2eq per MT FFB production

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

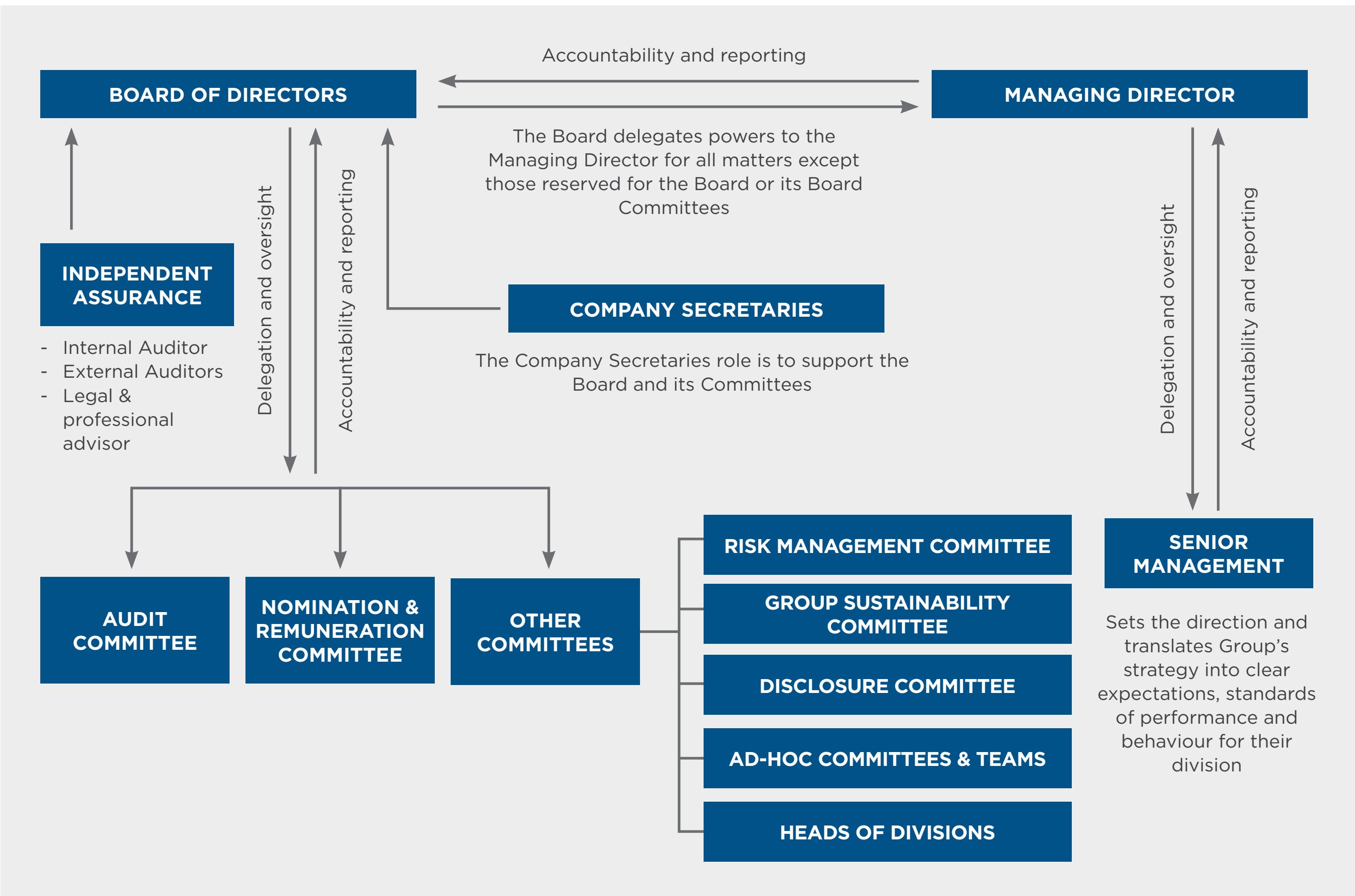
Corporate Governance Overview Statement

The Board is committed to establishing and maintaining high standards of corporate governance and recognizes that good governance is vital for the long-term success and sustainability of Fima Corporation Berhad ("the Company" or "FimaCorp") businesses.

This statement illustrates the extent of which the Board has embodied the spirit and principles of the Malaysian Code on Corporate Governance ("MCCG") with regards to the recommendations stated under each principle for the year under review and should be read in conjunction with the Corporate Governance Report which is accessible online at www.fimacorp.com/corporate-governance.

CORPORATE GOVERNANCE FRAMEWORK

The Board has established a clear governance structure and the overall approach has been designed to support and work within the Group structure. The diagram below illustrates the Company's current corporate governance framework.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Role and Responsibilities of the Board

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

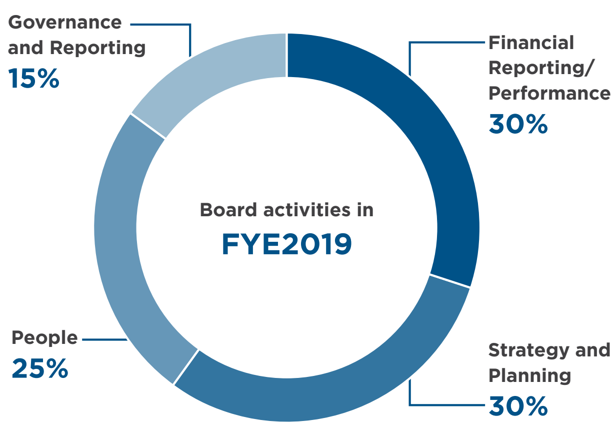
Role and operation of the Board
The Board has ultimate responsibility for the overall leadership of the Group. In this role, it oversees the development of a clear Group strategy, monitors operational and financial performance against agreed targets and objectives and ensures that appropriate controls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

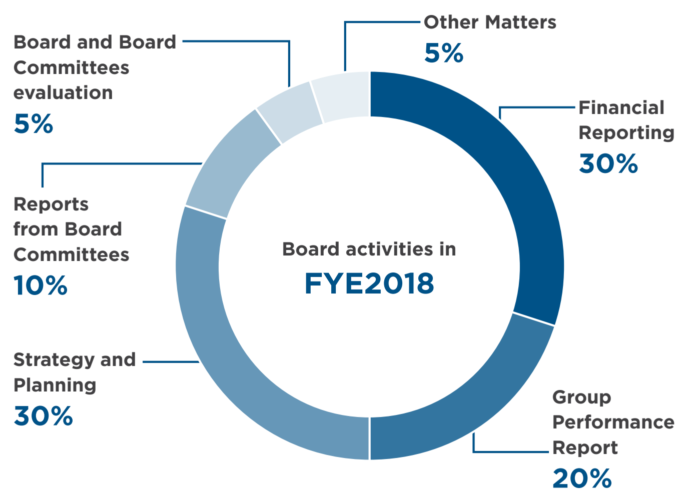
Specific Board matters
The matters reserved for the Board are: • Approving annual financial statements and quarterly financial results
• Contributing to management's development of the Company's strategy and plans, and ultimately approving operating budgets and monitoring performance
• Approving director's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

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

FYE2019	
Financial Reporting/ Performance	• Approved quarterly financial results and audited financial statements. • Reviewed the financial performance of the business operations against approved strategies, plans and budgets. • Reviewed the recurrent related party transactions entered into by the Group. • Reviewed major capital expenditure/acquisition. • Determined dividend amount, nature and timing of dividends to be paid. • Maintained oversight of the Group's financial position.

FYE2019	
Strategy and Planning	• Reviewed and approved budget and business plan for FY 2020 and key performance targets. • Reviewed the Group's proposed strategic plan. • Reviewed and discussed trends, challenges impacting the Group and potential opportunities during a 3-day offsite retreat with Management.
People	• Reviewed performance, reward, composition and succession of Board and senior management. • Considered and approved the recommendations made by the Nomination and Remuneration Committee regarding the new Group salary structure and increment and performance rewards for Managing Director and senior management. • Approved the appointment of new Directors to the Board.
Governance and Reporting	• Reviewed and approved the draft statements to be incorporated in the Annual Report. • Reviewed results of Board and Committees' effectiveness evaluation. • Re-affirmed Board Charter. • Received reports/updates from the Chairman of Board Committees. • Reviewed and approved the re-appointment of Company's external auditors. • Reviewed and approved the Group's Malaysian Sustainable Palm Oil Policy by the Group's plantation subsidiaries. • Reviewed and approved the adoption of the Environment, Good Social Practices, Occupational Safety and Health, Quality and Sexual Harassment Policies.





Board Committees

The Board delegates its powers and authorities from time to time to Board Committees in order to ensure the operational efficiency and specific issues are being handled with relevant expertise. Two (2) Board Committees have been established and each of them has its specific duties and authorities set out in its own terms of reference, which can be found in the 'Investors' page on the Company's website. An overview of the members and key responsibilities of each committee is set out below:

AUDIT COMMITTEE

The Audit Committee continues to play a key role in the governance over the Group's financial reporting, risk management, control and assurance processes and the external and internal audit.

Chairman
Rezal Zain bin Abdul Rashid

Members
Dato' Adnan bin Shamsuddin
Datuk Bazlan bin Osman *(Appointed 23 May 2019)*
Rosely bin Kusip *(Appointed 24 June 2019)*
Dr. Roshayati binti Basir *(Resigned 24 June 2019)*

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

The terms of reference of the Audit Committee is available on www.fimacorp.com/corporate-governance.

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

NOMINATION AND REMUNERATION COMMITTEE

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

Chairman
Rezal Zain bin Abdul Rashid

Members
Dato' Adnan bin Shamsuddin
Dr. Roshayati binti Basir
Rosely bin Kusip *(Appointed 23 May 2019)*

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

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

The terms of reference of the NRC is available on www.fimacorp.com/corporate-governance.

The Board is also supported by various committees which have been established to assist in the discharge of the Board's oversight functions. The committees are:

RISK MANAGEMENT COMMITTEE ("RMC")

- RMC is sub-committee of the Audit Committee.
- Supports the Audit Committee in the development and implementation of the Group's risk management and internal control framework.
- RMC is composed of Board representatives from FimaCorp and Kumpulan Fima Berhad ("KFima") (the Company's penultimate holding company) and FimaCorp's Chief Operating Officer.
- RMC is supported by the Risk Management Unit ("RMU") which is made up of executives/management of the respective business units. The RMU is responsible for managing, mitigating and monitoring strategic and operational risks at company/divisional level.

GROUP SUSTAINABILITY COMMITTEE ("GSC")

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

DISCLOSURE COMMITTEE

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

AD-HOC COMMITTEES AND TEAMS

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

HEADS OF DIVISIONS ("HOD")

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

Meetings and Time Commitment

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

Throughout FYE2019, the Board and Board Committees also approved transactions through circular resolutions, which were circulated to the Board and Board Committees together with all the information relating to the proposed transactions and verbal briefings were given by the Managing Director or the Company Secretaries when required.

	Board	Audit	Nomination & Remuneration
Number Held	**4**	**4**	**4**
Directors			
Dato' Adnan bin Shamsuddin	4	4	4
Dato' Roslan bin Hamir	4	N/A	N/A
Rezal Zain bin Abdul Rashid	4	4	4
Dr. Roshayati binti Basir*	4	2	3
Rosely bin Kusip**	Nil	Nil	Nil

Notes:
* *Dr. Roshayati binti Basir appointed to the Audit and Nomination and Remuneration Committees on 20 August 2018.*
** *Rosely bin Kusip appointed to the Board on 14 March 2019.*

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

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

Training and Development

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

Directors	Training Attended	Date Held
Dato' Adnan bin Shamsuddin	• Regulatory Updates Seminar for Directors 2018 organized by Aram Global Sdn. Bhd.	5 Dec 2018
	• Business Transformation - Drive Impactful Performance Result organized by Malaysian Institute of Corporate Governance	6 Mar 2019
Dato' Roslan bin Hamir	• The 17th High Security Printing Asia Conference in Hanoi, Vietnam	3 - 5 Dec 2018
	• Sustainability Workshop on Materiality and Stakeholder Engagement organized by Group Corporate Services, Kumpulan Fima Berhad (In-House)	15 - 16 Jan 2019
	• Board Dynamics - What are the key essential requirements organized by Malaysian Institute of Corporate Governance	27 Mar 2019

Directors	Training Attended	Date Held
Rezal Zain bin Abdul Rashid	• MIA International Accountants Conference 2018 organized by Malaysian Institute of Accountants	9 - 10 Oct 2018
	• Business Transformation - Drive Impactful Performance Result organized by Malaysian Institute of Corporate Governance	6 Mar 2019
	• Board Dynamics - What are the key essential requirements organized by Malaysian Institute of Corporate Governance	27 Mar 2019
Dr. Roshayati binti Basir	• Regulatory Updates Seminar for Directors 2018 organized by Aram Global Sdn. Bhd.	5 Dec 2018
	• Governance Symposium 2019 - Building A Governance Eco-System organized by Malaysian Institute of Accountant and Malaysian Institute of Corporate Governance	7 Mar 2019
	• Board Dynamics - What are the key essential requirements organized by Malaysian Institute of Corporate Governance	27 Mar 2019

Note: Rosely bin Kusip and Datuk Bazlan bin Osman joined the Board on 14 March 2019 and 5 April 2019, respectively.

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

Role of the Chairman and the Managing Director

The roles of Chairman of the Board and Managing Director are separate and clearly defined. Dato' Adnan bin Shamsuddin, the Non-Executive Chairman is responsible for leadership of the Board. The Managing Director, Dato' Roslan bin Hamir is responsible to the Board for management, development and performance of the Group's businesses for those matters for which he has been delegated authority from the Board.

The roles and responsibilities of the Chairman and the Managing Director are clearly established and set out in the Board Charter, which can be viewed on the 'Investors' page of the Company's website.

KEY RESPONSIBILITIES OF CHAIRMAN AND MANAGING DIRECTOR

Access to information, independent advice and indemnification

The Board is supplied with the information it needs to discharge its duties. The Company Secretaries are responsible for ensuring good information flows within the Board and Committees and between senior management and the Board. The Directors also have the opportunity to visit the Group's operational facilities and meet with Management to facilitate a better understanding of the Group's business operations.

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

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

Company Secretaries

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

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

The Company Secretaries' profiles are available under Our Key Senior Management of this Annual Report.

Board Charter

The Board Charter is a statement of the practices and processes the Board has adopted in the discharge of its responsibilities, including matters reserved for the Board and the delegation of authority to the Board Committees. It also sets out the roles and responsibilities of the Board Committees, individual Directors, Chairman, Managing Director as well as Senior Independent Director. The Board Charter also defines relationship and interaction between the Board and Management.

The Board had on 24 June 2019, revised its Board Charter to include provisions on tenure of appointment and re-appointment Directors, dividend policy and the Group Sustainability Committee. The revised Board Charter is available in the 'Investors' section of the Company's website.

Other Policies

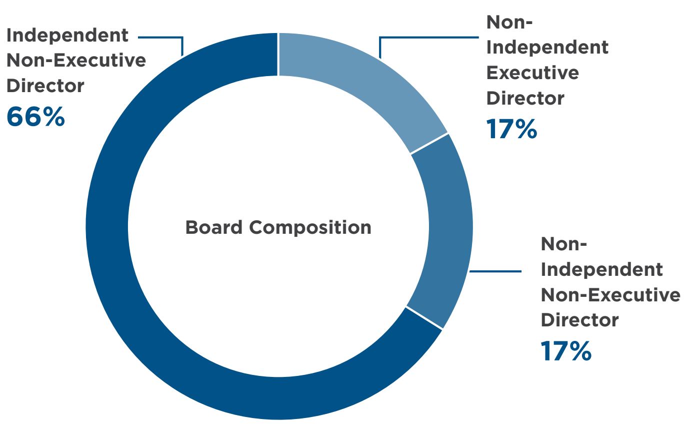
In addition to the Board Charter, there are a range of policies which define the Company's commitment to good corporate governance and responsible business practices. Among them are Whistle-Blowing Policy, Corporate Disclosure Policy, Environmental Policy and Malaysian Sustainable Palm Oil Policy. The Company has also established its dividend commitment through a dividend policy which was approved by the Board on 23 May 2019 whereby the Company aims to distribute to its shareholders at least 40% of the consolidated profit after taxation and non-controlling interest for the relevant financial year, subject to financial and internal parameters, external factors or any other factors that may be considered relevant to the Board. These and other policies are available on the Company's website under the 'Investors' section.

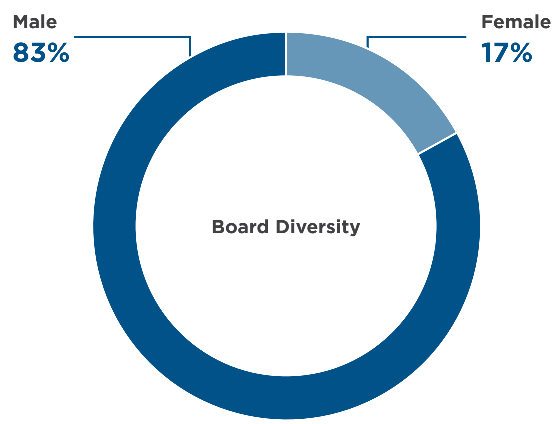
The Board is guided by company laws and the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia in discharging its responsibilities. The Group's Whistle-Blowing Policy aims to encourage employees or other stakeholders to raise genuine concerns about possible improprieties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

II. BOARD COMPOSITION

As at the date of this statement, there are six (6) Board members consisting of one (1) Executive Director, one (1) Non-Independent Non-Executive Director and four (4) Independent Non-Executive Directors. The Board is satisfied that the current composition of the Board takes into account the size of the Group, the optimal mix of knowledge, skills, experience, gender diversity, independence, the requirement in numbers for its Committees and regulatory requirements.

The structure, size and composition (including gender, age and length of service) of the Board will be reviewed from time to time by the NRC to ensure that the Board has a balance of skills and expertise for providing effective leadership to the Company and meeting the needs of the Group.





APPOINTMENTS SINCE 1 APRIL 2019

Rosely bin Kusip
Independent Non-Executive Director
Appointed: 14 March 2019

Datuk Bazlan bin Osman
Independent Non-Executive Director
Appointed: 5 April 2019

Details of each Director are set out in Our Board of Directors section of this Annual Report and is also available on the Company's website.

Appointment process

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

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

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

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

STEP 1

List of prospective new candidates were provided to the NRC.

STEP 2

NRC reviewed and evaluated the candidates by taking into account relevant factors such as experience, skills, diversity, conflict of interest, time commitment as well as the personality fit with the existing Board and the culture of the Group.

NRC shortlists candidates.

STEP 3

NRC Chairman and Managing Director met up with the shortlisted.

STEP 4

NRC formalized their recommendations to the Board on the selected candidates.

STEP 5

Board considered and approved NRC's recommendations. The appointment of new Directors took effect upon their acceptance of the letter of appointment from the Company.

During the year, the NRC held four (4) meetings, including a Joint NRC Meeting with its penultimate holding company, KFima, and extensively discussed the merits of the prospective candidates. On 22 February 2019, the NRC recommended the appointment of two (2) Non-Executive Directors to the Board. The Board had at its meeting on 22 February 2019, concurred with the NRC's recommendations which culminated in the appointment of Encik Rosely bin Kusip and Datuk Bazlan bin Osman as Independent Non-Executive Directors of the Company effective 14 March 2019 and 5 April 2019, respectively.

The new Directors were provided with a Director's Kit containing the Company's Constitution, Board Charter and Board Committees' Terms of Reference, Group policies and other key information. In accordance with the Company's Constitution, they are subject to the re-appointment by the Company's shareholders at the forthcoming AGM.

Profiles of Encik Rosely bin Kusip and Datuk Bazlan bin Osman can be found on Our Board of Directors section of this Annual Report.

Independence of Directors

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

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

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

Each of the Independent Non-Executive Directors has made a written confirmation of independence to the NRC and the Board that they continue to fulfil the criteria of independence in line with the Bursa Listing Requirements. The Board will continue to review the independence of the Company's Independent Directors from time to time to ensure that they have the necessary competencies, skills and knowledge, and continue to exercise independent and objective judgement, play their part effectively on the Board in the best interest of the Company and satisfy the criteria of independence as set out in the Bursa Listing Requirements.

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

Rezal Zain bin Abdul Rashid
Appointed: 25 June 2002

Dato' Adnan bin Shamsuddin
Appointed: 20 May 2003

Rosely bin Kusip
Appointed: 14 March 2019

Datuk Bazlan bin Osman
Appointed: 5 April 2019

Independence Assessment
Before and on appointment
• NRC will evaluate the suitability of the candidates, including an assessment of their independence. • Upon his/her acceptance of the Letter of Appointment, he/she is required to disclose to the Company all relevant information of entities of which he/she has material interest direct/indirect, is an executive director or is a director. • Upon appointment, a director is also required to confirm with Bursa his/her independence having regard to the criteria of independence as prescribed in the Bursa Listing Requirements.
Ongoing process
• Independent non-executive director is required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may affect his/her independence. • All directors have a continuing duty to notify the Company on any changes to their other appointments which will be reviewed by the Board.
Annual assessment
• Each independent non-executive director is required to confirm with the Company his/her independence having regard to the criteria of independence as set out in the Bursa Listing Requirements. • NRC assesses and reviews the independence of independent non-executive directors annually.

Re-election and Re-appointment of Directors

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

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

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

Performance Evaluation

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

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

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

Key areas covered in the questionnaire are:

SECTION 1

BOARD PERFORMANCE ASSESSMENT

- Structure and Governance Processes
- Risk Management
- Relationship with the Managing Director
- Chairman and Company Secretaries/Financial Controller
- Sustainability and Corporate Responsibility

SECTION 2

COMMITTEE EVALUATION

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

SECTION 3

ISSUES AND PRIORITIES

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

SECTION 4

PERSONAL PERFORMANCE ASSESSMENT

- Governing attributes
- Personal attributes

EVALUATION PROCESS

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

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

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

Stage 4
Key areas identified and action plan prepared and approved by the Board

III. REMUNERATION

The Board believes that the existing remuneration structure is appropriate for the requirements of the Company, taking into account factors such as effort and time spent as well as responsibilities of the Directors.

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

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

	Executive Director	Non-Executive Directors				
	Dato' Roslan bin Hamir	Dato' Adnan bin Shamsuddin	Rezal Zain bin Abdul Rashid	Datuk Alias bin Ali*	Dr. Roshayati binti Basir	Rosely bin Kusip*
		RM				
Company						
Director's fees	N/A	81,000	65,000	23,333	53,500	2,083
Meeting allowance	N/A	32,000	36,000	16,000	20,000	-
Salaries	297,396	-	-	-	-	-
Bonus	212,425	-	-	-	-	-
Benefits in kind	50,000	33,318	40,000	23,200	-	-
Other emoluments	97,796	-	-	-	-	-
TOTAL	657,617	146,318	141,000	62,533	73,500	2,083
Subsidiaries						
Director's fees	N/A	36,000	49,333	-	-	-
Meeting allowance	N/A	8,000	7,000	-	-	-
Salaries	446,088	-	-	-	-	-
Bonus	318,638	-	-	-	-	-
Benefits in kind	23,742	-	-	-	-	-
Other emoluments	146,312	-	-	-	-	-
TOTAL	934,780	44,000	56,333	-	-	-

*Note: * Rosely bin Kusip joined the Board on 14 March 2019. Datuk Alias bin Ali retired from the Board on 30 August 2018.*

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Committee is an important element of the governance structure. The Audit Committee is chaired by Encik Rezal Zain bin Abdul Rashid and the members are Dato' Adnan bin Shamsuddin, Datuk Bazlan bin Osman and Encik Rosely bin Kusip, all of whom are Independent Non-Executive Directors. The experience and qualifications of members of the Audit Committee are disclosed in Our Board of Directors section of this Annual Report. The Audit Committee has a written Terms of Reference which is available on the 'Investors' page of the Company's website.

The particulars in relation to the audit and non-audit fees incurred by the Company and its subsidiaries for the FYE2019 are as follows:

	Audit Fees (RM'000)		Non-Audit Fees (RM'000)	
	FYE2019	FYE2018	FYE2019	FYE2018
Company	83	73	10	9
Subsidiaries	270	225	209	215
TOTAL	353	298	219	224

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

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

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

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

Related Party Transactions

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

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

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

I. COMMUNICATION WITH STAKEHOLDERS

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

II. CONDUCT OF GENERAL MEETINGS

The Board views the Company's general meetings as a valuable opportunity for shareholders to exchange views and engage in active dialogue with the Board. At the Company's 43rd AGM held on 30 August 2018, save for Datuk Alias bin Ali who retired from the Board on 30 August 2018, all Directors in office on the meeting date, including the Chair of Board Committees, attended the meeting along with key senior management and the external auditors.

The AGM notice includes details of the resolutions proposed along with any relevant background information or recommendations. The Notice of 43rd AGM of the Company was delivered to the shareholders on 31 July 2018 and was also published in the local English newspapers and made available on the Company's website. The voting at the 43rd AGM was conducted through electronic voting system. The proceedings at the AGM were recorded in the minutes of meeting and disclosed to shareholders through the Company's website.

This Corporate Governance Overview Statement was approved by the Board of Directors on 24 June 2019.

Audit Committee **Report**

1. MEMBERS OF THE AUDIT COMMITTEE

The members of the Audit Committee comprise of:

Encik Rezal Zain bin Abdul Rashid (Chairman)
Senior Independent Non-Executive Director
Member of Malaysian Institute of Accountants

Dato' Adnan bin Shamsuddin (Member)
Independent Non-Executive Director

Datuk Bazlan bin Osman (Member) (Appointed on 23 May 2019)
Independent Non-Executive Director
Member of Malaysian Institute of Accountants

Encik Rosely bin Kusip (Member) (Appointed on 24 June 2019)
Independent Non-Executive Director

Dr. Roshayati binti Basir (Member) (Resigned on 24 June 2019)
Non-Independent Non-Executive Director

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

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

2. TERMS OF REFERENCE

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

3. MEETINGS

The Audit Committee held 4 meetings during the FYE2019:

Name of Committee Members	No. of Meetings Attended
Encik Rezal Zain bin Abdul Rashid	4/4
Dato' Adnan bin Shamsuddin	4/4
Dr. Roshayati binti Basir*	3/3

*Note: * Dr. Roshayati binti Basir appointed to the Audit and Nomination and Remuneration Committees on 20 August 2018.*

By invitation, the Company's Managing Director, Chief Operating Officer and Financial Controller attended the meetings to facilitate deliberations as well as to provide clarification on audit issues. The Head of Group Internal Audit ("GIA") also attended the meetings to present audit reports. The external auditors were invited to the meetings to discuss their Key Audit Findings/Matters, Management Letters, Audit Planning Memorandum and other matters deemed relevant. The Audit Committee also met the external auditors without management presence on 23 May 2018 and 22 February 2019, to discuss key issues within their sphere of interest and responsibility.

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

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

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

4.1 During the FYE2019, the Audit Committee carried out its duties as set out in its Terms of Reference. Key focus area of the Audit Committee during the financial year includes:

(a) Financial Reporting:

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

(b) External Audit:

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

The external auditors ie; Messrs. Hanafiah Raslan & Mohamad have provided written confirmation to the Audit Committee on 22 February 2019 that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit and Risk Committee after performing an effectiveness review, is satisfied with the external auditors' effectiveness and independence. However, for financial year ending 31 March 2020, the Board decided to appoint Messrs. Ernst & Young in place of retiring Messrs. Hanafiah Raslan & Mohamad and will be processing the appointment at the Company's 44th Annual General Meeting, which to be held on 28 August 2019.

(c) Internal Audit:

- Reviewed and approved the Annual Internal Audit Plan for the FYE2019 as proposed by GIA, to ensure the adequacy of resources, coverage and inclusion of risk areas in the scope of review.
- Reviewed and deliberated on audit reports, follow-up reports, audit recommendations and Management responses, prepared by the GIA at Audit Committee's quarterly meetings.
- Reviewed the corrective actions taken by Management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis.
- Reviewed the nature and extent of the non-audit activities performed by GIA.
- Reviewed the structure of GIA and adequacy of its resources and budget.
- Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control and recommended to the Board for approval prior to the inclusion of the same in the Company's Annual Report.
- Reviewed the Internal Audit Charter and Audit Committee Terms of Reference.
- Reviewed and approved the proposed revisions to the Internal Audit Standard Operating Procedures.
- Assessed the effectiveness of the internal auditors via a detailed questionnaires completed by each Audit Committee member and individual business units. The evaluation encompassed an assessment of the qualifications and performance of the internal auditors, the size and strength of internal audit team, the quality of the internal audit plan and audit reports and the auditor's communications with the Audit Committee and the Company, and the internal auditors' independence, objectivity and professional skepticism.
- Reviewed the results of the annual assessment of the effectiveness of the internal auditors to ensure it has the required expertise and professionalism to discharge its duties.

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

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

(e) Risk Management and Internal Control:

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

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

5. EVALUATION OF THE AUDIT COMMITTEE

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

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

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

Statement on Risk Management **and Internal Control**

1. INTRODUCTION

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

2. RESPONSIBILITY

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

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

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

3. INTERNAL CONTROL

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

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

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

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

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

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

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

3.7 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 of internal control. Minutes of the Audit Committee meetings are tabled to the Board.

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

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

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

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

4. INTERNAL AUDIT FUNCTIONS

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

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

The GIA evaluates the following:

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

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

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

During the financial year, seven (7) internal audit reports were issued on various operating units of the Group covering reviews on control environment, risk management, revenue assurance, procurement, finance, human resource, occupational safety and health and regulatory compliances and operations.

The total costs incurred for maintaining the GIA function for FYE2019 is RM185,000 (FYE2018: RM170,000), comprising personnel costs, establishment expenses, admin and general expenses.

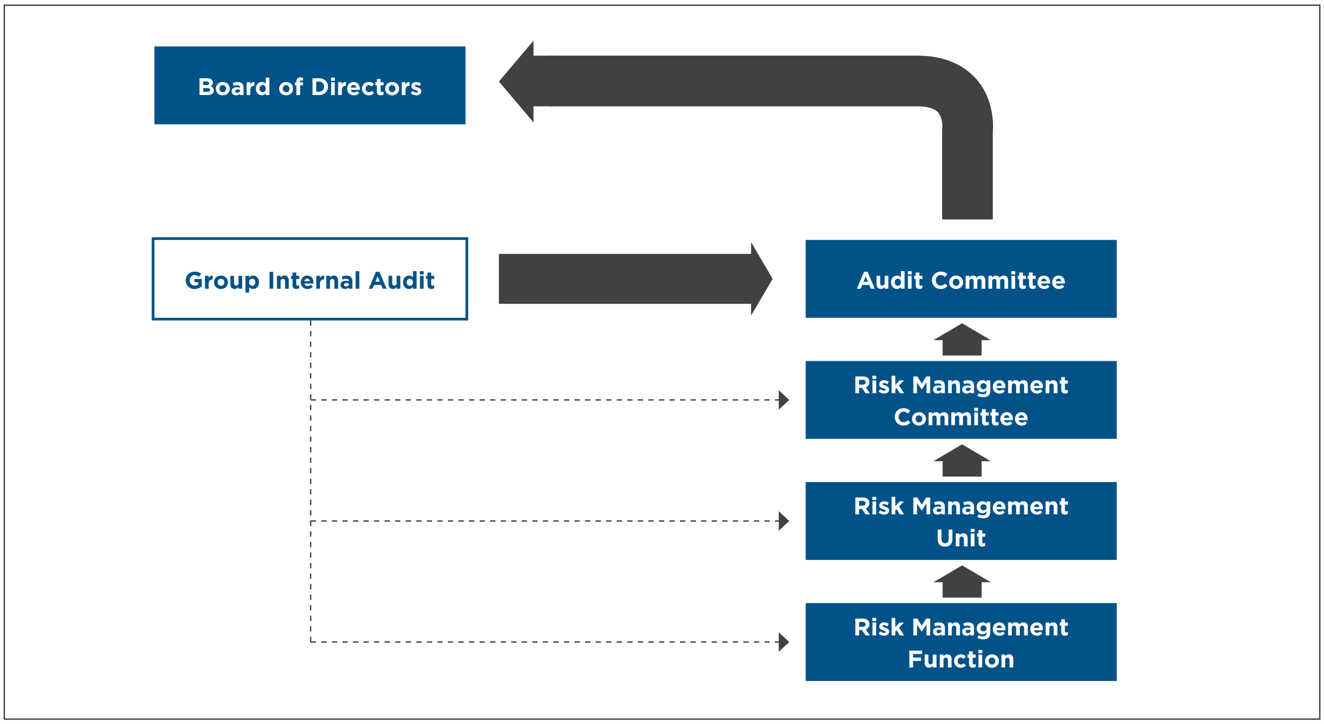
5. ENTERPRISE RISK MANAGEMENT ("ERM")

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

The Audit Committee and the Board is supported by RMC. The RMC 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 RMC convenes meeting on a yearly basis to review the key risk profiles and submit a summary reporting to the Audit Committee.

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

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

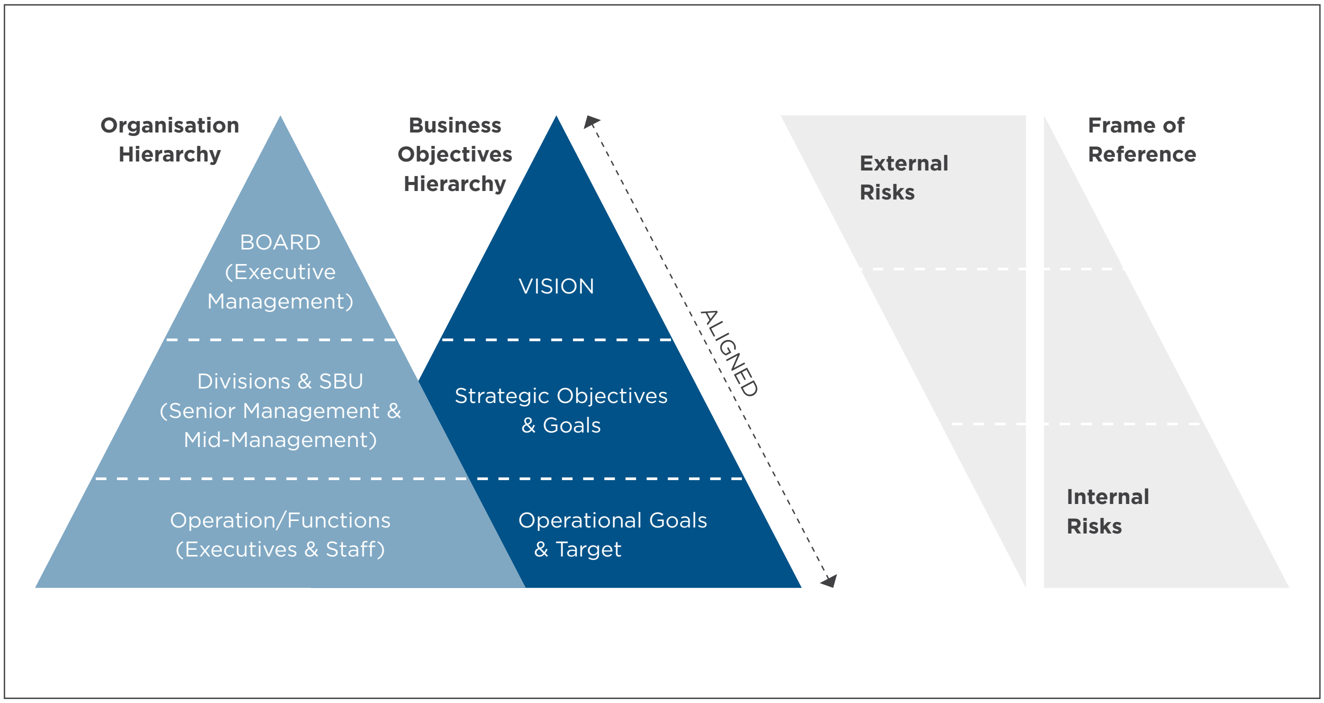


In line with the achievement of the above objectives, the RMC has undertaken the following activities:

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

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

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



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

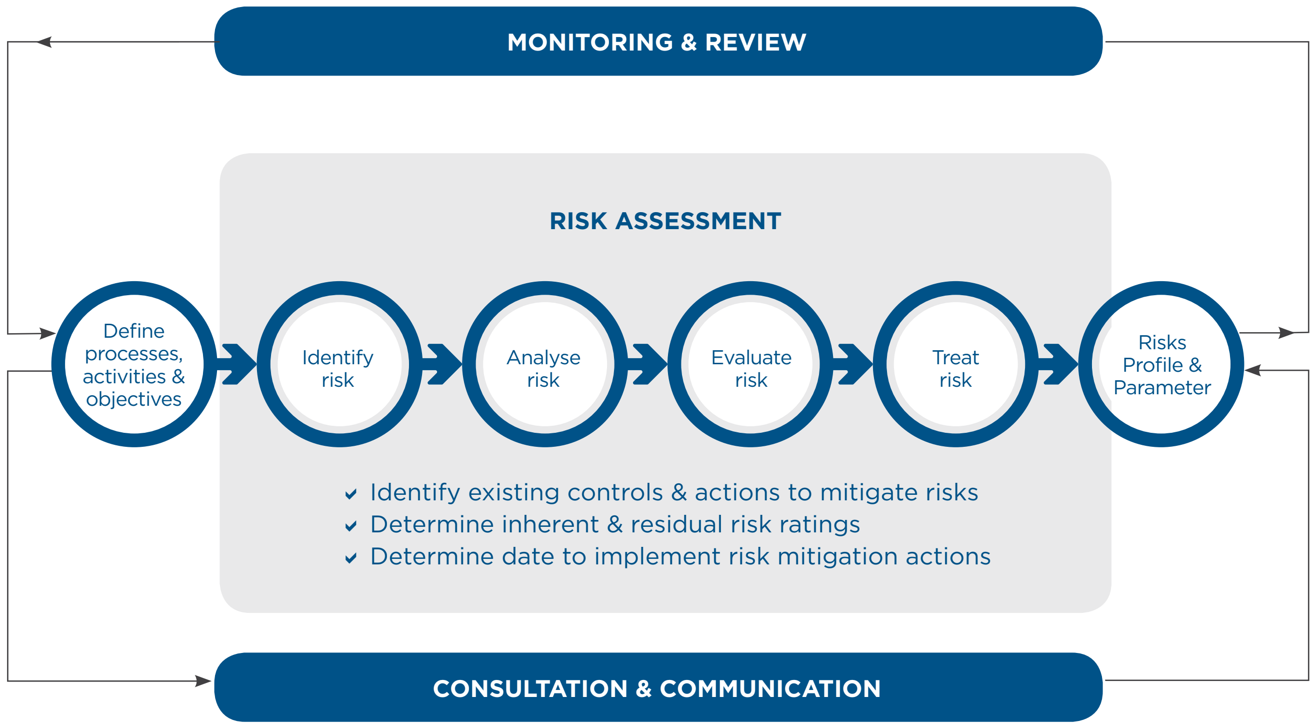
The ERM assessment was conducted through a combination of workshops and interviews involving the senior management and the key enterprise risks faced by the Group's business units are then reported to the Audit Committee on annual basis. The workshops and interviews conducted have generated the following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

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

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

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

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



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

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

Broad risk area	Sub-broad risk	Key mitigation measures
3. Compliance Internal and external regulatory requirements.	Regulatory.	• Constant monitoring for each department, division and Group. • Regular review in operational audit programme. • Continuous updating of new regulatory requirement.
4. Political Investment's returns could suffer as a result of political changes or instability in a country.	Major and unpredictable changes in government policies and regulations affecting the business	• Proactively engage with Government bodies and authorities to strengthen the work relationship and to be well informed and updated, on any changes in regulations and policies of the country.
5. Pricing Raw materials cost inflation.	Price escalation of raw materials such as fertiliser, chemicals and fuel due to yearly inflation.	• Introduced Palm Oil Mill Effluent ("POME") application and composting application as part of the fertiliser programme in order to reduce the manuring costs. • Continuously monitoring the cost of raw materials for competitive price.

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

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

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

6. WHISTLEBLOWING POLICY

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

Procedure

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

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

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

Name	:	Encik Rezal Zain bin Abdul Rashid
Via Email	:	ac_chairman@fimacorp.com
Via Mail	:	Fima Corporation Berhad Suite 4.1, Level 4, Block C, Plaza Damansara No 45, Jalan Medan Setia 1, Bukit Damansara 50490 Kuala Lumpur Attention : Chairman of Audit Committee *(to mark as "Strictly Confidential")*

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

7. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Bursa Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report for the year ended 31 March 2019 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

This statement has been reviewed and approved by the Board of Directors on 24 June 2019.

REZAL ZAIN BIN ABDUL RASHID
Chairman of Audit Committee

Additional Disclosure

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

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

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

Name of Subsidiary	Related Party	Nature of RRPT	Interested Major Shareholder and Director of Subsidiary	Estimated Annual Value Disclosed in the Preceding Year's Circular (RM'000)	Actual Value of Transactions during the Financial Year (RM'000)
PT Nunukan Jaya Lestari ("PTNJL")[1]	PT Pohon Emas Lestari ("PTPEL")[2]	Purchase of fresh fruit bunches **Buyer:** PTNJL **Seller:** PTPEL	Bapak Muhammad Ramli[3]	6,563	6,572

Notes:-

(1) PTNJL's principal activities are in the oil palm production and processing. FimaCorp effectively owns 80.0% of PTNJL;

(2) PTPEL's principal activity is oil palm production; and

(3) Bapak Muhammad Ramli is a Director of PTNJL and has 20% direct shareholding in PTNJL. He is also a Director of PTPEL and has 99.44% direct shareholding in PTPEL.

Statement of **Directors' Responsibilities**

In Relation to the Audited Financial Statements

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

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

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

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

This Statement is made in accordance with the resolution of the Board dated 24 June 2019.

Financial Statements

Directors' Report

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

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries and associate are production of security and confidential documents, oil palm production and processing and production and sale of bank notes. Information on the subsidiaries and associate are 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	65,326	55,759
Profit for the year attributable to:		
- Equity holders of the Company	57,446	55,759
- Non-controlling interests	7,880	-
	65,326	55,759

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 2018 were as follows:

	RM'000
In respect of the financial year ended 31 March 2018 as reported in the directors' report for that year:	
Single-tier final dividend of 7.5 sen, paid on 20 September 2018	18,037
In respect of the financial year ended 31 March 2019:	
Single-tier interim dividend of 5.0 sen, paid on 28 December 2018	12,011
	30,048

DIVIDENDS (CONT'D.)

The directors recommend the payment of a single-tier final dividend 7.5 sen per share respectively on 240,127,230 ordinary shares, amounting to RM18,010,000 which subject to the shareholders' approval at the forthcoming Annual General Meeting will be paid on a date to be determined. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 March 2020.

DIRECTORS

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

Dato' Adnan bin Shamsuddin *	(Chairman)
Dato' Roslan bin Hamir *	(Managing Director)
Rezal Zain bin Abdul Rashid *	
Dr. Roshayati binti Basir	
Datuk Alias bin Ali	(Retired on 30 August 2018)
Rosely bin Kusip	(Appointed on 14 March 2019)
Datuk Bazlan bin Osman	(Appointed on 5 April 2019)

* Directors of the Company and subsidiaries

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

Nazaruddin bin Mohd Hadri
Dzakwan bin Mansori
Mohd Yusof bin Pandak Yatim
Mohd Rizal bin Mat Nor
Mohd Adizuraimin bin Mohd Affandi
Jasmin binti Hood
Che Norudin bin Che Alli
Dato' Ahmad Faizel bin Abdul Karim
Muhammad Ramli
Asmi binti Andi Yakin
Abdul Khudus bin Mohd Naaim
Ab Aziz bin Yunus

In accordance with Article 108 of the Company's Constitution, Dato' Adnan bin Shamsuddin shall retire from the Board at the forthcoming Annual General Meeting and being eligible, offers himself 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.

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 disclosed below) 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 33 to the financial statements.

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

	Group RM'000	Company RM'000
Directors' remuneration	2,118	1,083

INDEMNITIES TO DIRECTORS OR OFFICERS

During the financial year, the directors and officers of the Group and of the Company are covered under the Directors & Officers Management Liability Insurance ("D&O Insurance") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the directors and officers of the Group and of the Company subject to the terms of the D&O Insurance.

The total insured limit of D&O Insurance effected for the directors and officers of the Group and of the Company was RM10 million in any one claim and in the aggregate for all claims (including deference costs). Expenses incurred on indemnity given or insurance effected for any director and officer of the Group and of the Company during the financial year amounted to RM10,000.

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
	As at 1 April 2018	**Bought**	**Sold**	**As at 31 March 2019**
The Company				
Direct interest				
Directors of the Company:				
Rezal Zain bin Abdul Rashid	5,000	-	-	5,000
Dr. Roshayati binti Basir	167,600	-	-	167,600
Director of subsidiaries:				
Nazaruddin bin Mohd Hadri	178,500	-	-	178,500

DIRECTORS' INTERESTS (CONT'D.)

	Number of ordinary shares			
	As at 1 April 2018	**Bought**	**Sold**	**As at 31 March 2019**
The Company (cont'd.)				
Indirect interest				
Directors of the Company:				
Dato' Roslan bin Hamir (1)	601,800	-	-	601,800
Dr. Roshayati binti Basir (2)(3)(4)	150,383,658	-	-	150,383,658
Kumpulan Fima Berhad				
Penultimate holding company				
Direct interest				
Directors of the Company:				
Dato' Roslan bin Hamir	320,000	-	-	320,000
Dr. Roshayati binti Basir	643,900	42,000	-	685,900
Dato' Adnan bin Shamsuddin	10,000	-	-	10,000
Rezal Zain bin Abdul Rashid	10,000	-	-	10,000
Directors of subsidiaries:				
Nazaruddin bin Mohd Hadri	399,500	-	-	399,500
Mohd Yusof bin Pandak Yatim	430,000	-	-	430,000
Mohd Rizal bin Mat Nor	155,000	-	-	155,000
Jasmin binti Hood	50,000	-	-	50,000
Indirect interest				
Director of the Company:				
Dato' Roslan bin Hamir (1)	1,291,000	-	-	1,291,000
Dr. Roshayati binti Basir (2)(3)	167,718,000	625,500	-	168,343,500
Director of subsidiaries:				
Dzakwan bin Mansori (5)	440,000	-	-	440,000

DIRECTORS' INTERESTS (CONT'D.)

	Number of ordinary shares			
	As at 1 April 2018	Bought	Sold	As at 31 March 2019
BHR Enterprise Sdn. Bhd.				
Ultimate holding company				
Direct interest				
Director of the Company:				
Dr. Roshayati binti Basir	19,060,163	-	-	19,060,163
Indirect interest				
Dr. Roshayati binti Basir (6)	38,120,326	-	-	38,120,326

	Number of preference shares			
	As at 1 April 2018	Bought	Sold	As at 31 March 2019
BHR Enterprise Sdn. Bhd.				
Ultimate holding company				
Indirect interest				
Dr. Roshayati binti Basir (7)	4	-	-	4

	Number of ordinary shares			
	As at 1 April 2018	Bought	Sold	As at 31 March 2019
Nationwide Express Holdings Berhad				
Related company				
Indirect interest				
Dr. Roshayati binti Basir (8)	72,761,870	-	-	72,761,870

DIRECTORS' INTERESTS (CONT'D.)

Deemed interested by virtue of the following:

(1) 601,800 and 1,291,000 ordinary shares are held under Maybank Nominees (Tempatan) Sdn. Bhd..

(2) Her shareholdings in BHR Enterprise Sdn. Bhd. ("BHR"), the ultimate holding company of the Company.

(3) Her mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding in the Company.

(4) 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 52.17% equity interest.

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

(6) Deemed interested by virtue of Rozilawati binti Haji Basir and Rozana Zeti binti Basir's direct shareholdings in BHR. Rozilawati binti Haji Basir and Rozana Zeti binti Basir are sisters of Dr. Roshayati binti Basir.

(7) Her mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding of preference shares in BHR.

(8) Dr. Roshayati binti Basir is deemed interested by virtue of the following:

    (i) Her shareholdings in BHR of more than 20%. BHR is major shareholder of Nationwide Express Holding Berhad ("NEHB");
    (ii) Her mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding in NEHB; and
    (iii) Her sister, Rozilawati binti Haji Basir's indirect shareholding of 3,806,512 held under M&A Nominees (Tempatan) Sdn. Bhd..

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 repurchased 814,500 of its issued ordinary shares.

As at 31 March 2019, the Company held as treasury shares a total of 5,197,100 of its 245,324,330 issued ordinary shares. Such treasury shares are held at a carrying amount of approximately RM6,156,000. Further details are disclosed in Note 24 to the financial statements.

IMMEDIATE, PENULTIMATE AND ULTIMATE HOLDING COMPANIES

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.

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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent; and 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) At the date of this report, the directors are not aware of any circumstances 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.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements 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.

AUDITORS

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

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

	Group RM'000	Company RM'000
Hanafiah Raslan & Mohamad	255	83
Other auditors	98	-
	353	83

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 June 2019.

Dato' Adnan bin Shamsuddin

Dato' Roslan bin Hamir

Statement By **Directors**

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

We, Dato' Adnan bin Shamsuddin and Dato' 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 100 to 189 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 24 June 2019.

Dato' Adnan bin Shamsuddin

Dato' Roslan bin Hamir

Statutory **Declaration**

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

I, Fadzil bin Azaha, being the officer primarily responsible for the financial management of Fima Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 100 to 189 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed at Kuala Lumpur
in the Federal Territory
on 24 June 2019.

Fadzil bin Azaha
CA 20995

Before me,

Independent **Auditors' Report**

To the members of Fima Corporation Berhad

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 March 2019, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 100 to 189.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

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

Revenue from production of security documents and net sale of oil palm products recognised by the Group amounted to approximately RM134.8 million and RM102.8 million respectively. Given its magnitude and significant volume of transactions involved, revenue recognition is identified as an area of focus in our audit.

Independent **Auditors' Report**

To the members of Fima Corporation Berhad

Revenue recognition (cont'd.)
(Refer to Note 3 to the financial statements)

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

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

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

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

(d) Tested the recording of sales transactions close to the year end, including credit notes issued after year end, to establish whether the transactions were recorded in the correct accounting period.

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

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

As part of our audit, we performed the following:

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

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

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

Information other than the financial statements and auditors' report thereon

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

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

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

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

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

Responsibilities of the Directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company so as to give a true and fair view in accordance with MFRS, IFRS and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine are necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors, either intend to liquidate the Group or the Company or cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

Independent **Auditors' Report**

To the members of Fima Corporation Berhad

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

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

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the director, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Independent **Auditors' Report**
To the members of Fima Corporation Berhad

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 15 to the financial statements.

Other matters

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

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purposes. We do not assume responsibility to any other person for the content of this report.

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

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

Kuala Lumpur, Malaysia
24 June 2019

Statements of **Comprehensive Income**

For the year ended 31 March 2019

	Note	Group 2019 RM'000	Group 2018 RM'000 (Restated)	Company 2019 RM'000	Company 2018 RM'000 (Restated)
Revenue	3	244,720	284,646	61,580	61,648
Cost of sales		(145,239)	(170,021)	-	-
Gross profit		99,481	114,625	61,580	61,648
Other income	4	6,664	8,685	462	877
Other items of expense					
Administrative expenses		(28,354)	(33,926)	(2,161)	(1,965)
Selling and marketing expenses		(8,075)	(9,235)	-	-
Other operating (income)/expenses		6,206	(20,770)	(3,901)	(3,854)
Finance cost	5	(177)	(110)	-	-
Share of results from associate		3,732	1,696	-	-
Profit before tax	6	79,477	60,965	55,980	56,706
Income tax expense	9	(14,151)	(20,891)	(221)	(847)
Profit net of tax		65,326	40,074	55,759	55,859
Other comprehensive income/expense, net of tax					
Item that will not be subsequently reclassified to profit or loss					
Remeasurement of defined benefit liability		82	(36)	-	-
Item that will be subsequently reclassified to profit or loss					
Foreign currency translation gain/(loss)		1,871	(13,867)	-	-
Total comprehensive income for the year		67,279	26,171	55,759	55,859
Profit attributable to:					
Equity holders of the Company		57,446	34,122	55,759	55,859
Non-controlling interests		7,880	5,952	-	-
Profit for the year		65,326	40,074	55,759	55,859
Total comprehensive income attributable to:					
Equity holders of the Company		59,009	25,279	55,759	55,859
Non-controlling interests		8,270	892	-	-
Total comprehensive income for the year		67,279	26,171	55,759	55,859
Earnings per share attributable to equity holders of the Company (sen per share)					
Basic/diluted earnings per share	11	23.90	14.15		

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

Statements of Financial Position

As at 31 March 2019

Group

	Note	31 March 2019 RM'000	31 March 2018 RM'000 (Restated)	1 April 2017 RM'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	12	195,033	161,178	130,886
Investment properties	13	59,163	60,670	62,177
Goodwill on consolidation	14	510	510	510
Investment in associate	16	31,274	40,845	41,061
Deferred tax assets	27	6,635	7,686	9,408
		292,615	270,889	244,042
Current assets				
Trade and other receivables	17	110,275	119,104	97,537
Biological assets	18	1,019	2,145	3,321
Inventories	19	63,316	38,857	37,431
Due from related companies	20	525	28	19
Short term investments	21	148,122	43,883	-
Cash and bank balances	22	57,855	165,596	336,309
		381,112	369,613	474,617
Total assets		673,727	640,502	718,659
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	23	122,662	122,662	122,662
Treasury shares	24	(6,156)	(4,577)	(4,181)
Other reserves	25	(3,067)	(4,564)	4,250
Retained earnings	26	460,336	432,872	440,647
		573,775	546,393	563,378
Non-controlling interests		23,383	18,958	25,913
Total equity		597,158	565,351	589,291

Statements of **Financial Position**

As at 31 March 2019

Group (cont'd.)

	Note	31 March 2019 RM'000	31 March 2018 RM'000 (Restated)	1 April 2017 RM'000 (Restated)
Non-current liabilities				
Deferred tax liabilities	27	6,803	5,430	4,105
Retirement benefit obligations	28	1,831	1,813	1,837
Finance lease obligations	29	14,868	15,588	16,176
		23,502	22,831	22,118
Current liabilities				
Trade and other payables	30	36,839	36,884	82,761
Provisions	31	11,312	12,081	16,947
Tax payable		3,761	2,578	6,291
Due to related companies	20	512	166	627
Finance lease obligations	29	643	611	624
		53,067	52,320	107,250
Total liabilities		76,569	75,151	129,368
Total equity and liabilities		673,727	640,502	718,659

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

Statements of **Financial Position**

As at 31 March 2019

Company

	Note	31 March 2019 RM'000	31 March 2018 RM'000 (Restated)	1 April 2017 RM'000 (Restated)
Assets				
Non-current assets				
Property, plant and equipment	12	2,293	1,843	1,927
Investment properties	13	48,279	49,442	50,604
Investments in subsidiaries	15	112,499	77,899	72,099
Investment in associate	16	10,000	10,000	10,000
Deferred tax assets	27	422	410	564
		173,493	139,594	135,194
Current assets				
Trade and other receivables	17	1,212	822	781
Due from related companies	20	13,438	45,174	26,732
Short term cash investments	21	31,735	7,983	-
Cash and bank balances	22	854	3,316	20,610
		47,239	57,295	48,123
Total assets		220,732	196,889	183,317
Equity and liabilities				
Equity attributable to equity holders of the Company				
Share capital	23	122,662	122,662	122,662
Treasury shares	24	(6,156)	(4,577)	(4,181)
Other reserves	25	539	539	539
Retained earnings	26	99,820	74,109	60,452
Total equity		216,865	192,733	179,472
Current liabilities				
Trade and other payables	30	1,747	1,642	1,629
Provisions	31	2,120	2,120	2,120
Tax payable		-	93	96
Due to related companies	20	-	301	-
		3,867	4,156	3,845
Total equity and liabilities		220,732	196,889	183,317

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

Statements of Changes In Equity

For the year ended At 31 March 2019

Group	Note	Equity, total RM'000	Equity attributable to the Company total RM'000	← Non-distributable Share capital RM'000
At 1 April 2017, as previously stated		586,800	561,385	122,662
Effects from adoption of MFRS		2,491	1,993	-
At 1 April 2017, as restated		589,291	563,378	122,662
Profit for the year		40,074	34,122	-
Remeasurement of defined benefit liability		(36)	(29)	-
Foreign currency translation loss		(13,867)	(8,814)	-
Total comprehensive income for the year		26,171	25,279	-
Transactions with equity holders				
Purchase of treasury shares	24	(396)	(396)	-
Dividends	10	(50,572)	(42,202)	-
Acquisition of subsidiary		1,030	-	-
Acquisition of non-controlling interests		(173)	334	-
Total transactions with equity holders		(50,111)	(42,264)	-
At 31 March 2018		565,351	546,393	122,662
At 1 April 2018, as previously stated		565,286	546,648	122,662
Effects from adoption of MFRS		65	(255)	-
At 1 April 2018, as restated		565,351	546,393	122,662
Profit for the year		65,326	57,446	-
Remeasurement of defined benefit liability		82	66	-
Foreign currency translation gain		1,871	1,497	-
Total comprehensive income for the year		67,279	59,009	-
Transactions with equity holders				
Purchase of treasury shares	24	(1,579)	(1,579)	-
Dividends	10	(33,893)	(30,048)	-
Total transactions with equity holders		(35,472)	(31,627)	-
At 31 March 2019		597,158	573,775	122,662

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

← Attributable to owners of the parent →						
← Distributable		← Non-distributable →				
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 interests RM'000**
(4,181)	449,559	(6,655)	7,605	(18,510)	4,250	25,415
-	(8,912)	10,905	(7,605)	18,510	-	498
(4,181)	440,647	4,250	-	-	4,250	25,913
-	34,122	-	-	-	-	5,952
-	(29)	-	-	-	-	(7)
-	-	(8,814)	-	(8,814)	-	(5,053)
-	34,093	(8,814)	-	(8,814)	-	892
(396)	-	-	-	-	-	-
-	(42,202)	-	-	-	-	(8,370)
-	-	-	-	-	-	1,030
-	334	-	-	-	-	(507)
(396)	(41,868)	-	-	-	-	(7,847)
(4,577)	432,872	(4,564)	-	(8,814)	4,250	18,958
(4,577)	443,801	(15,238)	7,605	(27,093)	4,250	18,638
-	(10,929)	10,674	(7,605)	18,279	-	320
(4,577)	432,872	(4,564)	-	(8,814)	4,250	18,958
-	57,446	-	-	-	-	7,880
-	66	-	-	-	-	16
-	-	1,497	-	1,497	-	374
-	57,512	1,497	-	1,497	-	8,270
(1,579)	-	-	-	-	-	-
-	(30,048)	-	-	-	-	(3,845)
(1,579)	(30,048)	-	-	-	-	(3,845)
(6,156)	460,336	(3,067)	-	(7,317)	4,250	23,383

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

Company	**Note**	**Equity, total RM'000**	**Share capital RM'000**
At 1 April 2017, as previously stated		179,472	122,662
Effects from adoption of MFRS		-	-
At 1 April 2017, as restated		179,472	122,662
Profit for the year, reprsenting total comprehensive income for the year		55,859	-
Transactions with equity holders			
Purchase of treasury shares	24	(396)	-
Dividends	10	(42,202)	-
Total transactions with equity holders		(42,598)	-
At 31 March 2018		192,733	122,662
At 1 April 2018, as previously stated		192,733	122,662
Effects from adoption of MFRS		-	-
At 1 April 2018, as restated		192,733	122,662
Profit for the year, reprsenting total comprehensive income for the year		55,759	-
Transactions with equity holders			
Purchase of treasury shares	24	(1,579)	-
Dividends	10	(30,048)	-
Total transactions with equity holders		(31,627)	-
At 31 March 2019		216,865	122,662

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

Statements of **Changes In Equity**

For the year ended at 31 March 2019

Non-distributable	Distributable	Non-distributable		
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**
(4,181)	58,896	2,095	1,556	539
-	1,556	(1,556)	(1,556)	-
(4,181)	60,452	539	-	539
-	55,859	-	-	-
(396)	-	-	-	-
-	(42,202)	-	-	-
(396)	(42,202)	-	-	-
(4,577)	74,109	539	-	539
(4,577)	72,553	2,095	1,556	539
-	1,556	(1,556)	(1,556)	-
(4,577)	74,109	539	-	539
-	55,759	-	-	-
(1,579)	-	-	-	-
-	(30,048)	-	-	-
(1,579)	(30,048)	-	-	-
(6,156)	99,820	539	-	539

Statements of **Cash Flows**

For the year ended at 31 March 2019

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000 (Restated)
Cash flows from operating activities				
Profit before tax	79,477	60,965	55,980	56,706
Adjustments for:				
Depreciation for property, plant and equipment	13,287	10,935	121	166
Depreciation of investment properties	1,507	1,507	1,163	1,162
Impairment loss on:				
- property, plant and equipment	-	832	-	-
- trade receivables	24	1,556	-	-
Write back of impairment loss on:				
- property, plant and equipment	(23,631)	-	-	-
- trade receivables	(932)	(36)	-	-
- other receivables	-	(2,534)	-	-
Fair value changes on biological assets	1,272	791	-	-
Provision for retirement benefit obligations	240	289	-	-
Inventories written (back)/down	(810)	2,484	-	-
Property, plant and equipment written off	-	1	-	1
Gain on disposal of property, plant and equipment	(1)	(2)	-	(1)
Negative goodwill on acquisition of subsidiaries	-	(275)	-	-
Provision for warranty	1,789	1,272	-	-
Reversal of provision for warranty	(2,558)	(6,138)	-	-
Share of results of associate	(3,732)	(1,696)	-	-
Dividend income	-	-	(57,240)	(57,357)
Distribution from short term cash investments	(3,342)	(454)	(328)	(83)
Interest expense	177	110	-	-
Interest income	(1,415)	(1,398)	(96)	(694)
Profit income	(718)	(6,283)	(28)	(75)
Operating profit/(loss) before working capital changes	60,634	61,926	(428)	(175)

Statements of **Cash Flows**

For the year ended at 31 March 2019

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000 (Restated)**	**RM'000**	**RM'000 (Restated)**
Operating profit/(loss) before working capital changes (cont'd.)	60,634	61,926	(428)	(175)
Decrease/(increase) in trade and other receivables	12,613	(24,818)	(123)	(41)
Increase in inventories	(22,768)	(5,724)	-	-
(Decrease)/increase in trade and other payables	(343)	(43,779)	105	13
(Increase)/decrease in related company balances	(151)	(470)	32,045	(18,141)
Cash generated from/(used in) operations	49,985	(12,865)	31,599	(18,344)
Taxes paid	(14,781)	(21,390)	(593)	(696)
Retirement benefits paid	(141)	(43)	-	-
Net cash generated from/(used in) operating activities	35,063	(34,298)	31,006	(19,040)
Cash flows from investing activities				
Purchase of property, plant and equipment	(22,912)	(9,913)	(571)	(115)
Proceeds from disposal of property, plant and equipment	2	38	-	33
Acquisition of subsidiary, net cash acquired	-	(4,564)	-	-
Acquisition of non-controlling interests	-	(173)	-	-
Distribution received from short term cash investments	3,342	454	328	83
Interest income received	1,415	1,398	96	694
Profit income received	718	6,283	28	75
Withdrawal of deposits	-	23,000	-	-
Net short term cash investments	(104,239)	(43,883)	(23,752)	(7,983)
Dividends received	13,303	1,912	56,630	57,357
Net cash (used in)/generated from investing activities	(108,371)	(25,448)	32,759	50,144

Statements of **Cash Flows**

For the year ended at 31 March 2019

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000 (Restated)
Cash flows from financing activities				
Dividends paid to equity holders	(30,048)	(42,202)	(30,048)	(42,202)
Dividends paid by a subsidiary to non-controlling interests	(3,845)	(8,370)	-	-
Acquisition of treasury shares	(1,579)	(396)	(1,579)	(396)
Repayment of obligations under finance lease	(865)	(711)	-	-
Repayment of borrowings	-	(29,026)	-	-
Subscription of redeemable convertible preference shares/preference shares/ loan stocks investments	-	-	(49,600)	(5,800)
Proceed from redemption of loan stocks investment	-	-	15,000	-
Net cash used in financing activities	(36,337)	(80,705)	(66,227)	(48,398)
Net decrease in cash and cash equivalents	(109,645)	(140,451)	(2,462)	(17,294)
Effect of exchange rate changes in cash and cash equivalents	1,904	(7,262)	-	-
Cash and cash equivalents at beginning of year	165,596	313,309	3,316	20,610
Cash and cash equivalents at end of year (Note 22)	57,855	165,596	854	3,316

(i) Reconciliation of liabilities arising from financing activities:

	1 April 2017 RM'000	Interest expense RM'000	Acquisition of subsidiary RM'000	Paid RM'000	31 March 2018 RM'000	Interest expense RM'000	Paid RM'000	31 March 2019 RM'000
Financial lease obligations	16,800	110	-	(711)	16,199	177	(865)	15,511
Borrowings			29,026	(29,026)	-	-	-	-

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

Notes To The **Financial Statements**

As at 31 March 2019

1. CORPORATE INFORMATION

The principal activities of the Company are those of property management and investment holding. The principal activities of the subsidiaries and associate 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 Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

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

Subject to certain transition elections as disclosed in Note 39, the Group and the Company have consistently applied the same accounting policies in their opening MFRS Statements of Financial Position as at 1 April 2017, being the transition date, and throughout all years presented, as if these policies had always been in effect. The impact of the transition to MFRS to the Group's and the Company's reported financial position, financial performance and cash flows are disclosed in Note 39.

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

Notes To The **Financial Statements**

As at 31 March 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 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
MFRS 16: Leases	1 January 2019
Amendments to MFRS 9: Prepayment feature with compensation	1 January 2019
Amendments to MFRS 119: Plan amendment, curtailment or settlement	1 January 2019
Amendments to MFRS 128: Long term interest in associates and joint ventures	1 January 2019
Annual Improvements to MFRS Standards 2015 - 2017 Cycle	1 January 2019
IC Interpretation 23: Uncertainty over income tax treatments	1 January 2019
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 108: Definition of Material	1 January 2020
MFRS 17: Insurance contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sales or contribution of assets between an investor and its associate or joint venture	Deferred

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

MFRS 16 Leases

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

MFRS 16 Leases (cont'd.)

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

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

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

2.3 Summary of significant accounting policies

(a) 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 only if the Company has the following:

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

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

(iii) The ability to use its power over the investee to 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;

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

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: (cont'd.)

(iii) Rights arising from other contractual arrangements; and

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

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

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

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

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

Business combinations

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

Business combinations (cont'd.)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes in the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS.

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

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

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.

Notes To The **Financial Statements**
As at 31 March 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(c) Transaction with non-controlling interests

Non-controlling interests at the reporting date, being the portion of the net assets of subsidiary companies attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiary companies, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented in the consolidated statement of 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 subsidiary companies 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 subsidiary companies 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 and is not tested for impairment individually. 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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

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

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.

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(e) Property, plant and equipment (cont'd.)

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

Leasehold land	Over lease period
Buildings	2% to 10%
Plant and machinery	10% to 50%
Factory and office renovations	2% to 20%
Equipment, furniture and fittings and motor vehicles	10% to 33.3%
Bearer plants and infrastructure	4%

Assets under construction or capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use. Immature plantations, which in general are mature 36 months after field planting are not depreciated until maturity.

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

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

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

(f) Biological assets

Biological assets comprise produce growing on bearer plants. Biological assets are classified as current assets for bearer plants that are expected to be harvested and sold or used for production on a date not more than 15 days after the reporting date.

Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output (FFB harvest) and market price at reporting date of crude palm oil and palm kernel adjusted for extraction rates less processing, harvesting and transportation costs.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(g) Investment properties (cont'd.)

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

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

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

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.

(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")).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(i) Impairment of non-financial assets (cont'd.)

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.

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 profit or loss.

(j) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through profit or loss and fair value through other comprehensive income ("FVTOCI").

"The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company has applied the practical expedient, the Group and the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(j) Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Group and of the Company are classified as either:

- Financial assets at amortised cost (debt instruments) ("AC");
- Financial assets at fair value through profit or loss ("FVTPL");
- Financial assets at FVTOCI with recycling of cumulative gains and losses (debt instruments); or
- Financial assets designated at FVTOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments).

This category is the most relevant to the Group and the Company. The Group and the Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade and other receivables and cash and bank balances.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(j) Financial assets (cont'd.)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group and the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(j) Financial assets (cont'd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

(k) Impairment of financial assets

The Group and the Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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As at 31 March 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(k) Impairment of financial assets (cont'd.)

For trade receivables and contract assets, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(l) 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.

(m) 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.

(n) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or other financial liabilities, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade payables, other payables and amount due to related companies.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(n) Financial liabilities (cont'd.)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Other financial liabilities

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

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

(o) 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.

(p) Share capital

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(q) Revenue recognition

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

(i) Sale of goods

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

(ii) Rental income

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

(iii) Dividend income

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

(iv) Receipts in advance

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

(v) Interest income and profit income

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

(vi) Management fees

Management fees are recognised as and when services are rendered.

(r) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(s) 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 RM, which is also the Company's functional currency.

(ii) Foreign currency transactions

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

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in 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 (CONT'D.)

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

(t) 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

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

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

The latest actuarial valuation was carried out using the employee data as at 31 March 2019 by PT Milliman Indonesia, an independent actuary report dated 15 April 2019.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(u) Leases

(i) As lessee

Finance leases, which transfer to the Group and the Company 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 and the Company 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.

(ii) As lessor

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

(v) Income taxes

(i) Current tax

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

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 (CONT'D.)

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

(v) Income taxes (cont'd.)

(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(v) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

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.

(w) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

(w) Fair value measurement (cont'd.)

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2 — Valuation technique for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation technique that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements 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:

(a) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Significant accounting estimates and judgements (cont'd.)

(a) Classification between investment properties and property, plant and equipment (cont'd.)

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.

(b) Inventories

In determining the costing of inventories, management's judgement is required in determining the basis of finished goods and work-in-progress valuation which comprise costs of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads based on normal operating capacity.

3. REVENUE

Revenue of the Group and of the Company consist of the following:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue from contracts with customers	237,616	278,877	-	-
Revenue from other sources				
- Dividend income from subsidiaries	-	-	43,937	55,445
- Dividend income from associate	-	-	13,303	1,912
Rental income from investment properties	5,195	5,323	3,920	3,905
Others	1,909	446	420	386
	244,720	284,646	61,580	61,648

3. REVENUE (CONT'D.)

Disaggregation of revenue from contracts with customers:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Production and trading of security and confidential documents	134,780	140,779	-	-
Net sale of oil palm products	102,836	138,098	-	-
	237,616	278,877	-	-
Geographical market				
Malaysia	135,232	140,857	-	-
Indonesia	102,384	138,020	-	-
	237,616	278,877	-	-

All revenue are recognised at a point in time as when the performance obligation are satisfied.

4. OTHER INCOME

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest income	1,415	1,398	96	694
Profit income	718	6,283	28	75
Distribution from short term cash investments	3,342	454	328	83
Gain on disposal of property, plant and equipment	1	2	-	1
Management fees	10	24	10	24
Negative goodwill on acquisition of subsidiaries	-	275	-	-
Others	1,178	249	-	-
	6,664	8,685	462	877

5. FINANCE COST

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interest expense on obligations under finance leases	177	110	-	-

6. PROFIT BEFORE TAX

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(Restated)		
Staff costs (Note 7)	32,026	29,023	1,620	1,562
Non-executive directors' remuneration (Note 8)	526	524	426	458
Auditors' remuneration:				
- Statutory audit fee	353	298	83	73
- Other services	219	224	10	9
Depreciation of property, plant and equipment (Note 12)	13,287	10,935	121	166
Depreciation of investment properties (Note 13)	1,507	1,507	1,163	1,162
Write off of property, plant and equipment (Note 12)	-	1	-	1
Impairment loss on:				
- property, plant and equipment (Note 12)	-	832	-	-
- trade receivables (Note 17)	24	1,556	-	-
Write back of impairment loss on:				
- property, plant and equipment (Note 12)	(23,631)	-	-	-
- trade receivables (Note 17)	(932)	(36)	-	-
- other receivables (Note 17)	-	(2,534)	-	-
Fair value changes on biological assets (Note 18)	1,272	791	-	-
Inventories written (back)/down	(810)	2,484	-	-
Gain on disposal of property, plant and equipment	(1)	(2)	-	(1)
Provision for warranty (Note 31)	1,789	1,272	-	-
Reversal of provision for warranty (Note 31)	(2,558)	(6,138)	-	-
Realised foreign exchange (gain)/loss	(48)	499	-	-

7. STAFF COSTS

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Wages and salaries	26,621	24,091	1,317	1,200
EPF contribution	3,408	3,246	216	202
Social security costs	228	177	7	6
Provision for retirement benefits (Note 28)	240	289	-	-
Other staff related expenses	1,529	1,220	80	154
	32,026	29,023	1,620	1,562

7. STAFF COSTS (CONT'D.)

Included in staff costs of the Group and of the Company is the Managing Director's remuneration amounting to RM1,592,000 (2018: RM1,655,000) and RM657,000 (2018: RM674,000) respectively as further disclosed in Note 8. Direct wages of employees amounting to RM6,300,000 (2018: RM6,781,000) has been included in the Group's cost of sales.

8. DIRECTORS' REMUNERATION

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Executive director's remuneration				
Salaries and other emoluments	987	960	395	381
Bonus	531	632	212	253
Benefits-in-kind	74	63	50	40
	1,592	1,655	657	674
Non-executive directors' remuneration				
Fees	310	306	225	252
Benefits-in-kind	97	100	97	100
Other emoluments	119	118	104	106
	526	524	426	458
Total	2,118	2,179	1,083	1,132
Total excluding benefits-in-kind	1,947	2,016	936	992

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

	Number of directors	
	2019	**2018**
Executive:		
RM1,650,001 - RM1,700,000	-	1
RM1,550,001 - RM1,600,000	1	-
Non-executive:		
Below RM50,000	1	-
RM50,001 - RM100,000	2	1
RM100,001 - RM150,000	-	1
RM150,001 - RM200,000	2	2

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2019 and 2018 are:

	Group		Company	
	2019 RM'000	**2018 RM'000 (Restated)**	**2019 RM'000**	**2018 RM'000 (Restated)**
Current income tax:				
- Malaysian income tax	14,866	17,929	444	700
- Overprovision in prior years	(2,657)	(257)	(211)	(7)
	12,209	17,672	233	693
Deferred taxation (Note 27):				
- Relating to reversal and origination of temporary differences	1,660	2,467	(38)	(38)
- Under provision in prior years	282	752	26	192
	1,942	3,219	(12)	154
Total income tax expense	14,151	20,891	221	847

Domestic income tax is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the year. The corporate rate tax applicable to the Indonesian subsidiary of the Group is 25% (2018: 25%).

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

	Group		Company	
	2019 RM'000	**2018 RM'000 (Restated)**	**2019 RM'000**	**2018 RM'000 (Restated)**
Profit before tax	79,477	60,965	55,980	56,706
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	19,074	14,632	13,435	13,609
Effect of tax rates in foreign jurisdiction	405	428	-	-
Effect of expenses not deductible for tax purposes	4,906	5,805	787	839
Effect of partial tax exemption	(17)	(41)	-	-
Deferred tax assets not recognised	663	88	-	-
Effect of share of results of associate	(896)	(407)	-	-
Income not subject to tax	(7,609)	(109)	(13,816)	(13,786)
Under provision of deferred tax in prior years	282	752	26	192
Overprovision of income tax expense in prior years	(2,657)	(257)	(211)	(7)
	14,151	20,891	221	847

10. DIVIDENDS

	Dividends in respect of year		Dividends recognised in year	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Interim				
Recognised during the financial year:				
Single-tier interim dividend for year ended 31 March 2019 of 5.0 sen paid on 28 December 2018	12,011	-	12,011	-
Single-tier interim dividend for year ended 31 March 2018 of 5.0 sen paid on 29 December 2017	-	12,058	-	12,058
Final				
Single tier final dividend for year ended 31 March 2018 of 7.5 sen paid on 20 September 2018	-	18,037	18,037	-
Single tier final dividend for year ended 31 March 2017 of 7.5 sen paid on 18 September 2017	-	-	-	18,086
Special				
Single tier special dividend for year ended 31 March 2017 of 5.0 sen paid on 18 September 2017	-	-	-	12,058
	12,011	30,095	30,048	42,202

The directors recommend the payment of a single-tier final dividend 7.5 sen per share on 240,127,230 ordinary shares, amounting to a total of RM18,010,000, which subject to the shareholders' approval at the forthcoming Annual General Meeting will be paid on a date to be determined. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 March 2020.

11. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year, excluding treasury shares held by the Company.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 March 2019 and 2018:

	Group	
	2019	**2018**
Consolidated profit attributable to equity holders of the Company (RM'000)	57,446	34,122
Weighted average number of ordinary shares in issue ('000)	240,390	241,116
Basic earnings per share for the year (sen)	23.90	14.15

(b) Diluted

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

12. PROPERTY, PLANT AND EQUIPMENT

Group

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000
At 31 March 2019				
Cost				
At 1 April 2018	1,550	127,396	15,190	82,857
Additions	-	617	368	1,529
Disposals	-	-	-	(728)
Reclassification	-	-	96	467
Exchange differences	-	4	283	411
At 31 March 2019	1,550	128,017	15,937	84,536
Accumulated depreciation and impairment loss				
At 1 April 2018	-	26,711	11,013	78,455
Depreciation charge for the year	-	3,136	1,005	2,653
Write back of impairment loss	-	(10,415)	(2,387)	(142)
Disposals	-	-	-	(727)
Exchange differences	-	-	187	358
At 31 March 2019	-	19,432	9,818	80,597
Analysed as:				
Accumulated depreciation	-	16,307	7,801	80,589
Accumulated impairment loss	-	3,125	2,017	8
	-	19,432	9,818	80,597
Net carrying amount	1,550	108,585	6,119	3,939

Factory and office renovations RM'000	Equipment, Furniture and fittings and motor vehicles RM'000	Bearer plant and infrastructure RM'000	Work in progress RM'000	Total RM'000
19,974	44,929	96,696	2,041	390,633
212	3,943	14,206	2,037	22,912
-	(648)	-	-	(1,376)
-	-	-	(563)	-
208	252	1,117	60	2,335
20,394	48,476	112,019	3,575	414,504
19,867	41,225	52,184	-	229,455
63	2,296	4,134	-	13,287
-	-	(10,687)	-	(23,631)
-	(648)	-	-	(1,375)
208	234	748	-	1,735
20,138	43,107	46,379	-	219,471
20,138	43,107	38,655	-	206,597
-	-	7,724	-	12,874
20,138	43,107	46,379	-	219,471
256	5,369	65,640	3,575	195,033

Notes To The **Financial Statements**
As at 31 March 2019

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group (cont'd.)

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000
At 31 March 2018				
Cost				
At 1 April 2017	1,550	101,015	15,744	84,502
Additions	-	-	685	1,861
Acquisition of subsidiary (Note 15(h))	-	26,400	-	-
Disposals	-	-	-	(17)
Reclassification	-	-	1,011	-
Write-offs	-	-	-	(265)
Exchange differences	-	(19)	(2,250)	(3,224)
At 31 March 2018	1,550	127,396	15,190	82,857
Accumulated depreciation and impairment loss				
At 1 April 2017	-	24,067	11,741	78,677
Charge for the year:				
- Depreciation	-	2,649	684	2,846
- Impairment loss	-	-	832	-
Disposals	-	-	-	(17)
Write-offs	-	-	-	(265)
Exchange differences	-	(5)	(2,244)	(2,786)
At 31 March 2018	-	26,711	11,013	78,455
Analysed as:				
Accumulated depreciation	-	12,350	5,784	78,195
Accumulated impairment loss	-	14,361	5,229	260
	-	26,711	11,013	78,455
Net carrying amount	1,550	100,685	4,177	4,402

Factory and office renovations RM'000	Equipment, Furniture and fittings and motor vehicles RM'000	Bearer plant and infrastructure RM'000	Work in progress RM'000	Total RM'000
21,743	46,569	91,445	3,330	365,898
-	1,069	6,146	152	9,913
-	-	8,600	-	35,000
-	(249)	-	-	(266)
-	-	-	(1,011)	-
-	(358)	-	-	(623)
(1,769)	(2,102)	(9,495)	(430)	(19,289)
19,974	44,929	96,696	2,041	390,633
21,539	40,573	58,415	-	235,012
97	3,208	1,451	-	10,935
-	-	-	-	832
-	(213)	-	-	(230)
-	(357)	-	-	(622)
(1,769)	(1,986)	(7,682)	-	(16,472)
19,867	41,225	52,184	-	229,455
19,867	41,225	30,770	-	188,191
-	-	21,414	-	41,264
19,867	41,225	52,184	-	229,455
107	3,704	44,512	2,041	161,178

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company

At 31 March 2019	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
Cost					
At 1 April 2018	1,769	5	341	644	2,759
Additions	-	-	123	448	571
At 31 March 2019	1,769	5	464	1,092	3,330
Accumulated depreciation					
At 1 April 2018	112	3	335	466	916
Charge for the year	14	-	24	83	121
At 31 March 2019	126	3	359	549	1,037
Net carrying amount	1,643	2	105	543	2,293
At 31 March 2018					
Cost					
At 1 April 2017	1,769	5	341	679	2,794
Additions	-	-	-	115	115
Disposals	-	-	-	(147)	(147)
Write-offs	-	-	-	(3)	(3)
At 31 March 2018	1,769	5	341	644	2,759
Accumulated depreciation					
At 1 April 2017	98	2	278	489	867
Charge for the year	14	1	57	94	166
Disposals	-	-	-	(115)	(115)
Write-offs	-	-	-	(2)	(2)
At 31 March 2018	112	3	335	466	916
Net carrying amount	1,657	2	6	178	1,843

12. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

*** Land and buildings of the Company**

At 31 March 2019	Freehold land RM'000	Buildings RM'000	Total RM'000
Cost			
At 1 April 2018/31 March 2019	1,550	219	1,769
Accumulated depreciation			
At 1 April 2018	-	112	112
Charge for the year	-	14	14
At 31 March 2019	-	126	126
Net carrying amount	1,550	93	1,643
At 31 March 2018			
Cost			
At 1 April 2017/31 March 2018	1,550	219	1,769
Accumulated depreciation			
At 1 April 2017	-	98	98
Charge for the year	-	14	14
At 31 March 2018	-	112	112
Net carrying amount	1,550	107	1,657

(a) The factory extension of the Group with a net book value of RM59,000 (2018: RM92,000) 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 RM132,792,000 (2018: RM121,439,000) and RM695,000 (2018: RM440,000) respectively.

Notes To The **Financial Statements**
As at 31 March 2019

13. INVESTMENT PROPERTIES

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cost				
At 1 April 2018/2017 and 31 March	87,559	87,559	72,116	72,116
Accumulated depreciation				
At 1 April 2018/2017	26,889	25,382	22,674	21,512
Charge for the year	1,507	1,507	1,163	1,162
At 31 March	28,396	26,889	23,837	22,674
Net carrying amount	59,163	60,670	48,279	49,442
Fair value	62,650	61,805	51,000	50,005

(a) The land title of a freehold land and building of the Company with a net book value of approximately RM47,489,000 (2018: RM48,633,000) is pledged as security for certain unutilised credit facilities of the Group.

(b) 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 RM790,000 (2018: RM809,000) has yet to be finalised.

(c) The fair value of the investment properties during the year was determined based on comparison approach. By the comparison approach, recent transactions and asking prices of comparable properties in and around the locality are analysed for comparison purposes with adjustmnets made for difference in time, location, size, planning provisions, tenure, title restriction, if any, and other relevant charactaristics to arrive at the value of the property. The fair value of the properties as at 31 March 2019 and 31 March 2018 are based on valuation carried out by professional independent valuers, Messrs Hatta & Associates Sdn. Bhd..

(d) Rental income generated from and direct operating expenses incurred on income generated from investment properties are as follows:

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Rental income	5,195	5,323	3,920	3,905
Direct operating expenses	3,848	3,799	3,430	3,430

14. GOODWILL ON CONSOLIDATION

	Group 2019 RM'000	2018 RM'000
At 1 April 2018/2017 and 31 March	510	510

(a) Key assumptions used in value-in-use calculations

The key assumptions used in value-in-use calculations are as follows:

	2019 %	2018 %
Discount rate [1]	10	10
Terminal growth rate [2]	5	5

Assumptions:
1. Pre-tax discount rate applied to the cash flow projections.
2. Weighted average growth rate used to extrapolate cash flows beyond the budget period.

(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

Company	Unquoted shares RM'000	Redeemable convertible loan stocks RM'000	Redeemable preference shares RM'000	Redeemable convertible preference shares RM'000	Total RM'000
At 1 April 2018	26,999	50,900	-	-	77,899
Subscription	-	5,800	35,400	8,400	49,600
Redemption	-	(15,000)	-	-	(15,000)
Conversion	-	(41,700)	-	41,700	-
At 31 March 2019	26,999	-	35,400	50,100	112,499
At 1 April 2017	26,999	45,100	-	-	72,099
Subscription	-	5,800	-	-	5,800
At 31 March 2018	26,999	50,900	-	-	77,899

15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(a) Details of subsidiaries are as follows:

Name of company	Country of incorporation	Proportion of ownership interest 2019 %	2018 %	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.
Fima Technology Sdn. Bhd. (i) (formerly known as FCB Property Management Sdn. Bhd.)	Malaysia	100	100	Property management and engineering consultation services.
FCB Plantation Holdings Sdn. Bhd. (i)	Malaysia	100	100	Investment holding.
Gabungan Warisan Sdn. Bhd. (i)	Malaysia	100	100	Oil palm plantation.
Subsidiary of FCB Plantation Holdings Sdn. Bhd.				
Cendana Laksana Sdn. Bhd. (i)	Malaysia	100	100	Oil palm plantation.
Next Oasis Sdn. Bhd. (i)	Malaysia	100	100	Investment holding.
PT Nunukan Jaya Lestari (ii)	Indonesia	80	80	Oil palm production and processing.
R.N.E. Plantantion Sdn. Bhd. (i)	Malaysia	70	70	Oil palm plantation.
FCB Eastern Plantations Sdn. Bhd. (i)	Malaysia	100	100	Oil palm plantation.

15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(a) Details of subsidiaries are as follows: (cont'd.)

Name of company	Country of incorporation	Proportion of ownership interest 2019 %	2018 %	Principal activities
Subsidiary of Next Oasis Sdn. Bhd.				
Taka Worldwide Trading Sdn. Bhd. (i)	Malaysia	100	100	Oil palm plantation.
Etika Gangsa Sdn. Bhd. (i)	Malaysia	100	100	Oil palm plantation.
Subsidiary of FCB Eastern Plantations Sdn. Bhd.				
Ladang Bunga Tanjong Sdn. Bhd. (i)	Malaysia	80	80	Oil palm plantation.

(i) Audited by Hanafiah Raslan & Mohamad, a member of Ernst & Young Global
(ii) Audited by member firms of Ernst & Young Global in Jakarta

(b) Financial information of a material subsidiary, PT Nunukan Jaya Lestari ("PTNJL"), which has a non-controlling interests is set out below. The summarised financial information presented below is the amount before inter-company elimination.

(i) Summarised statement of financial position

	2019 RM'000	2018 RM'000
Non-current assets - Property, plant and equipment	49,103	27,695
Non-current assets - Others	2,594	3,550
Current assets - Cash and cash equivalents	27,984	31,809
Current assets - Others	45,488	43,411
Total assets	125,169	106,465
Current liabilities	15,360	19,500
Non-current liabilities	1,338	1,291
Total liabilities	16,698	20,791
Net assets	108,471	85,674
Equity attributable to equity holders of the company	108,471	85,674

15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(b) Financial information of a material subsidiary, PTNJL, which has a non-controlling interests is set out below. The summarised financial information presented below is the amount before inter-company elimination. (cont'd.)

(ii) Summarised statement of comprehensive income

	2019 RM'000	2018 RM'000
Revenue	102,384	138,020
Profit for the year	32,770	33,029
Other comprehensive income	82	(30,505)
Total comprehensive income	32,852	4,546
Dividend paid to non-controlling interests	3,845	8,370

(iii) Summarised statement of cash flows

	2019 RM'000	2018 RM'000
Net cash generated from operating activities	32,095	34,193
Net cash used in investing activities	(3,599)	(2,546)
Net cash used in financing activities	(34,225)	(44,373)
Net decrease in cash and cash equivalents	(5,729)	(12,726)
Cash and cash equivalents at beginning of the year	31,809	51,797
Effect of exchange rate changes	1,904	(7,262)
Cash and cash equivalents at end of the year	27,984	31,809

(c) During the year, the Company subscribed to RM5.8 million (58 units) redeemable convertible loan stocks issued by the following subsidiaries:

	RM'000
Cendana Laksana Sdn. Bhd.	4,000
Taka Worldwide Trading Sdn. Bhd.	900
Etika Gangsa Sdn. Bhd.	900
	5,800

All redeemable convertible loan stocks are subscribed at nominal value of RM100,000 per loan stock with 5.0% per annum coupon rate.

The redeemable loan stocks were subsequently converted into redeemable convertible preference shares as further disclosed in Note 15(e) below.

15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(d) During the year, the Company has redeemed RM15.0 million (150 units) redeemable convertible loan stocks from a subsidiary, FCB Plantation Holdings Sdn. Bhd..

(e) During the year, the Company has converted the remaining RM41.7 million (417 units) redeemable convertible loan stocks issued by the following subsidiaries into redeemable convertible preference shares:

	RM'000
Gabungan Warisan Sdn. Bhd.	5,000
Cendana Laksana Sdn. Bhd.	30,100
Taka Worldwide Trading Sdn. Bhd.	3,900
Etika Gangsa Sdn. Bhd.	2,700
	41,700

The dividend rate from redeemable convertible preference shares are not fixed, non-cumulative and subject to shareholder's approval.

(f) The Company has subscribed to another RM8.4 million redeemable convertible preference shares issued by the following subsidiaries subsequent to conversion of redeemable convertible loan stocks in Note 15(e) above:

	RM'000
Gabungan Warisan Sdn. Bhd.	500
Next Oasis Sdn. Bhd.	6,300
Taka Worldwide Trading Sdn. Bhd.	700
Etika Gangsa Sdn. Bhd.	900
	8,400

(g) During the year, the Company has subscribed to RM35.4 million redeemable preference shares issued by a subsidiary, Ladang Bunga Tanjong Sdn. Bhd.. The redeemable preference shares are carrying cumulative dividend of 4.25% per annum with no fixed redemption period.

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(h) Acquisition of subsidiary in previous financial year

On 6 October 2017, FCB Plantation Holdings Sdn. Bhd. has entered into a conditional Sale and Purchase Agreement with Java Berhad to acquire 1,000,000 ordinary shares representing the entire total issued and paid-up capital of Java Plantations Sdn. Bhd. ("JPSB") for a purchase consideration of RM4,613,941. JPSB holds an 80% interest in Ladang Bunga Tanjong Sdn. Bhd., which operates an oil palm plantation held under the Individual Title Geran 36415, Lot 2429, Mukim Lubok Bongor, Jajahan Jeli, Kelantan measuring approximately 3,289.9 acres or 1,331.0 hectares. The lease period for the land is for 66 years and expiring on 28 September 2069. The acquisition was completed on 20 February 2018. On 6 April 2018, JPSB has changed its name to FCB Eastern Plantations Sdn. Bhd..

The details of the net assets acquired and cash flows arising from the acquisition of JPSB's Group are as follows:

	Carrying amount RM'000	Fair value RM'000
Property, plant and equipment	13,038	26,400
Biological assets	11,198	8,600
Trade and other receivables	38	38
Cash and bank balances	50	50
Inventories	6	6
Trade and other payables	(149)	(149)
Borrowings	(29,026)	(29,026)
	(4,845)	5,919
Less: Non-controlling interest shares on fair value of Ladang Bunga Tanjong Sdn. Bhd.		(1,030)
		4,889
Negative goodwill on acquisition		(275)
Purchase consideration settled in cash		4,614
Less: Cash and bank balances		(50)
Cash outflow of the JPSB Group acquisition		4,564

16. INVESTMENT IN ASSOCIATE

	Group 2019 RM'000	Group 2018 RM'000	Company 2019 RM'000	Company 2018 RM'000
Unquoted shares, at cost	10,000	10,000	10,000	10,000
Share of post acquisition results	21,274	30,845	-	-
	31,274	40,845	10,000	10,000

Details of the associate, which is incorporated in Malaysia, are as follows:

Name of associate	Group's effective interest 2019 %	Group's effective interest 2018 %	Principal activities
Giesecke & Devrient Malaysia Sdn. Bhd.	**20**	20	Production and sale of bank notes

The financial statements of Giesecke & Devrient Malaysia Sdn. Bhd. ("G&D") is not coterminous with those of the Group as G&D has a financial year end of 31 December to conform with its holding company's financial year end. For the purpose of applying the equity method of accounting, the financial statements of G&D for the year ended 31 December 2018 have been used and appropriate adjustments have been made for the effects of transactions between 31 December 2018 and 31 March 2019.

Summarised financial information in respect of G&D is set out below. The summarised financial information represents the amounts in the financial statements of the associate and not the Group's share of those amounts.

(i) Summarised statement of financial position

	2019 RM'000	2018 RM'000
Assets and liabilities		
Current assets	76,225	79,654
Non-current assets	191,501	189,977
Total assets	267,726	269,631
Current liabilities	41,592	32,762
Non-current liabilities	69,763	32,643
Total liabilities	111,355	65,405
Net assets	156,371	204,226

16. INVESTMENT IN ASSOCIATE (CONT'D.)

(ii) Summarised statement of comprehensive income

	2019 RM'000	2018 RM'000
Revenue	184,080	164,504
Profit before tax	17,667	11,570
Profit for the year	18,660	8,477
Total comprehensive income	18,660	8,477

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

	2019 RM'000	2018 RM'000
Net assets at 1 April 2018/2017	204,226	205,309
Total comprehensive income	18,660	8,477
Dividend	(66,515)	(9,560)
Net assets at 31 March	156,371	204,226
Interest in associate	20%	20%
Carrying value of Group's interest in associate	31,274	40,845

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Trade receivables				
Third parties	83,866	106,390	528	445
Less: Allowance for impairment	(657)	(2,860)	-	-
Trade Receivables, Net	83,209	103,530	528	445
Other receivables				
Deposits	530	660	188	188
Sundry receivables	6,768	4,337	6	10
Tax recoverable	3,795	40	267	-
Prepayments	8,763	7,605	223	179
GST input tax	7,811	3,450	-	-
Staff loan	265	330	-	-
Less: Allowance for impairment	(866)	(848)	-	-
Other Receivables, Net	27,066	15,574	684	377
Total trade and other receivables	110,275	119,104	1,212	822

17. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2018: 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 balances of RM41,827,000 (2018: RM55,319,000) due from the Government of Malaysia.

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

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000 (Restated)**	**RM'000**	**RM'000**
Neither past due nor impaired	24,561	28,275	107	80
Past due but not impaired:				
1 to 60 days	8,150	28,443	123	36
61 to 120 days	2,339	9,905	107	64
More than 121 days	48,159	36,907	191	265
	58,648	75,255	421	365
Impaired	657	2,860	-	-
	83,866	106,390	528	445

<u>Receivables that are neither past due nor impaired</u>

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.

<u>Receivables that are past due but not impaired</u>

The Group and the Company has trade receivables amounting to RM58,648,000 (2018: RM75,255,000) and RM421,000 (2018: RM365,000), 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.

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17. TRADE AND OTHER RECEIVABLES (CONT'D.)

(a) Trade receivables (cont'd.)

Receivables that are impaired

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

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
Gross amounts of impaired trade receivables	657	2,860	-	-
Less: Allowance for individual impairment losses	(657)	(2,860)	-	-
	-	-	-	-

Movement in allowance accounts:

	Group		Company	
	2019 RM'000	2018 RM'000 (Restated)	2019 RM'000	2018 RM'000
At 1 April 2018/2017	2,860	1,554	-	-
Charge for the year (Note 6)	24	1,556	-	-
Write back of impairment loss (Note 6)	(932)	(36)	-	-
Bad debts written off	(1,306)	-	-	-
Exchange differences	11	(214)	-	-
As 31 March	657	2,860	-	-

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.

17. TRADE AND OTHER RECEIVABLES (CONT'D.)

(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	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Gross amounts of impaired other receivables	866	848	-	-
Less: Allowance for individual impairment losses	(866)	(848)	-	-
	-	-	-	-

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	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 April 2018/2017	848	3,714	-	-
Write back for impairment loss (Note 6)	-	(2,534)	-	-
Exchange differences	18	(332)	-	-
As 31 March	866	848	-	-

18. BIOLOGICAL ASSETS

	Group 2019 RM'000	Group 2018 RM'000 (Restated)
At 1 April 2018/2017	2,145	3,321
Fair value changes recognised in profit or loss (Note 6)	(1,272)	(791)
Exchange differences	146	(385)
At 31 March	1,019	2,145

Biological assets represents the fresh fruit bunches ("FFB") of up to 15 days prior to harvest for use in the Group's palm product operations. During the financial year ended 31 March 2019, the Group harvested approximately 166,080 metric tonnes ("MT") of FFB (2018: 175,774 MT). The quantity of unharvested FFB of the Group as at 31 March 2019 included in the fair valuation of FFB was 6,101 MT (2018: 6,433 MT).

In arriving at the fair value, the Group adopted the income approach which considers the net present value of all directly attributable cash inflows, cash outflows and imputed contributory asset charges where no actual cash flows associated with the use of assets essential to the agricultural activity. Changes to the assumed prices of the FFB and tonnage included in the valuation will have a direct effect on the reported valuation.

The Groups biological assets computation is a Level 3 fair value estimation.

If the selling prices of FFB or tonnage changed by 10%, the Group's fair value changes in FFB would have increased or decreased by approximately RM210,000 (2018: RM299,000).

19. INVENTORIES

	Group 2019 RM'000	Group 2018 RM'000
At cost:		
Work-in-progress	33,082	16,539
Oil palm products	10,957	8,432
Printing materials	11,135	8,910
Fertilizer	3,476	815
Consumables	4,666	4,161
	63,316	38,857

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM91,689,000 (2018: RM102,923,000).

20. DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Due from penultimate holding company	83	13	83	12
Due from subsidiaries	-	-	13,341	45,152
Due from associate company	-	4	-	4
Due from other related companies	442	11	14	6
	525	28	13,438	45,174
Due to penultimate holding company	(511)	(164)	-	-
Due to subsidiaries	-	-	-	(301)
Due to other related companies	(1)	(2)	-	-
	(512)	(166)	-	(301)

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

21. SHORT TERM INVESTMENTS

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At fair value:				
Investment in units				
- Islamic	148,122	43,883	31,735	7,983

Short term cash investments represent funds placed with licensed fund managers. The portfolio of securities managed by the fund managers comprise of money market funds, commercial papers and fixed deposits. Investment securities held as fixed deposit placements allow prompt redemption at anytime.

Other details of fair value of short term cash investments are further disclosed in Note 35.

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22. CASH AND BANK BALANCES

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and bank balances	32,184	27,698	834	477
Fixed deposit with licensed banks	25,671	137,898	20	2,839
Total cash and cash equivalents	57,855	165,596	854	3,316

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	%	**%**	**%**	**%**
Licensed banks	3.05	3.65	2.95	3.60

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	Days	**Days**	**Days**	**Days**
Licensed banks	9	33	30	10

23. SHARE CAPITAL

	Number of shares		Amount	
	2019	2018	2019	2018
	'000	'000	RM'000	RM'000
Issued and fully paid:				
At 1 April 2018/2017 and At 31 March	245,324	245,324	122,662	122,662

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

24. TREASURY SHARES

This amount relates to the acquisition cost of treasury shares.

The shareholders of the Company, by a special resolution passed in a general meeting held on 30 August 2018, gave their approval for the Company's plan to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 814,500 (2018: 210,100) of its issued ordinary shares from the open market at an average price of RM1.94 (2018: RM1.88) per ordinary share. The total consideration paid for the repurchase including transactions costs was RM1,579,000 (2018: RM396,000). The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act, 2016.

Of the total 245,324,330 (2018: 245,324,330) issued and fully paid ordinary shares as at 31 March 2019, 5,197,100 (2018: 4,382,600) are held as treasury shares by the Company. As at 31 March 2019, the number of outstanding ordinary shares in issue and fully paid-up is therefore 240,127,230 (2018: 240,941,730).

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25. OTHER RESERVES

Group	Foreign currency translation deficit RM'000	Asset revaluation reserve Rm'000	Equity contribution from parent RM'000	Total RM'000
At 1 April 2017, as previously stated	(18,510)	7,605	4,250	(6,655)
Effects from adoption of MFRS	18,510	(7,605)	-	10,905
At 1 April 2017, as restated	-	-	4,250	4,250
Foreign currency translation	(8,814)	-	-	(8,814)
At 31 March 2018	(8,814)	-	4,250	(4,564)
At 1 April 2018, as previously stated	(27,093)	7,605	4,250	(15,238)
Effects from adoption of MFRS	18,279	(7,605)	-	10,674
At 1 April 2018, as restated	(8,814)	-	4,250	(4,564)
Foreign currency translation	1,497	-	-	1,497
At 31 March 2019	(7,317)	-	4,250	(3,067)

Company			
At 1 April 2017, as previously stated	1,556	539	2,095
Effects from adoption of MFRS	(1,556)	-	(1,556)
At 1 April 2017/31 March 2018/ 1 April 2018, as restated and 31 March 2019	-	539	539

The nature and purpose of each category of reserve are as follows:

(a) Asset revaluation reserve

The asset revaluation reserve was previously used to record increases in the fair value of freehold land, leasehold 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.

25. OTHER RESERVES (CONT'D.)

(c) Equity contribution from parent

Equity contribution from parent represents the equity-settled share options and shares granted by penultimate holding company, Kumpulan Fima Berhad 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 Kumpulan Fima Berhad.

26. RETAINED EARNINGS

As at 31 March 2019 and 31 March 2018, the Company may distribute the entire balance of the retained earnings under the single tier system.

27. DEFERRED TAXATION

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000 (Restated)	RM'000	RM'000
At 1 April 2018/2017	(2,256)	(5,303)	(410)	(564)
Recognised in:				
- profit or loss (Note 9)	1,942	3,219	(12)	154
- other comprehensive income	27	(12)	-	-
Exchange differences	455	(160)	-	-
At 31 March	168	(2,256)	(422)	(410)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(6,635)	(7,686)	(422)	(410)
Deferred tax liabilities	6,803	5,430	-	-
	168	(2,256)	(422)	(410)

27. DEFERRED TAXATION (CONT'D.)

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 2017, as restated	4,081	2,364	6,445
Recognised in profit or loss	108	565	673
Exchange differences	-	(96)	(96)
At 31 March 2018, as restated	4,189	2,833	7,022
Recognised in profit or loss	6,211	(308)	5,903
Exchange differences	-	7	7
At 31 March 2019	10,400	2,532	12,932

Deferred tax assets of the Group:

	Tax losses and unabsorbed capital allowances RM'000	Retirement benefit obligations RM'000	Other payables RM'000	Property, plant and equipment RM'000	Total RM'000
At 1 April 2017	-	(453)	(7,992)	(3,303)	(11,748)
Recognised in:					
- profit or loss	-	60	1,591	895	2,546
- other comprehensive income	-	(12)	-	-	(12)
Exchange difference	-	(43)	-	(21)	(64)
At 31 March 2018	-	(448)	(6,401)	(2,429)	(9,278)
Recognised in:					
- profit or loss	(4,510)	(16)	1,091	(526)	(3,961)
- other comprehensive income	-	27	-	-	27
Exchange difference	-	(15)	-	463	448
At 31 March 2019	(4,510)	(452)	(5,310)	(2,492)	(12,764)

27. DEFERRED TAXATION (CONT'D.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2019	2018
	RM	RM
Unutilised tax losses	13,330	13,556
Unabsorbed capital allowances	27,335	24,347
	40,665	37,903

The unutilised tax losses and unabsorbed capital allowances of the Group are available indefinitely against future taxable profit of the respective entities within the Group subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

However, effective from year of assessment 2019 as announced in the Malaysia Annual Budget 2019, the unutilised tax losses of the Group as at 31 March 2019 and thereafter will be only be available for carry forward for a period of 7 consecutive years. Upon expiry of the 7 years, the unutilised tax losses will be disregarded.

Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profit of other entities in the Group and they have arisen in entities that have a recent history of losses.

Deferred tax liability/(asset) of the Company:

	Accelerated capital allowances RM'000	Provision for liabilities RM'000	Total RM'000
At 1 April 2017, as restated	60	(624)	(564)
Recognised in profit or loss	149	5	154
At 31 March 2018, as restated	209	(619)	(410)
Recognised in profit or loss	42	(54)	(12)
At 31 March 2019	251	(673)	(422)

28. 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 2019.

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28. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

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

	Group 2019 RM'000	Group 2018 RM'000
Present value of unfunded defined benefits obligations	1,831	1,813
Analysed as:		
Non-current	1,831	1,813

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

	Group 2019 RM'000	Group 2018 RM'000
Current service cost	147	200
Interest cost	93	89
Total, included in staff costs (Note 7)	240	289

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

	Group 2019 RM'000	Group 2018 RM'000
At 1 April 2018/2017	1,813	1,837
Recognised in profit or loss (Note 6)	240	289
Benefits paid	(141)	(43)
Remeasurement of defined benefit liability	(110)	(49)
Exchange differences	29	(221)
At 31 March	1,831	1,813

28. RETIREMENT BENEFIT OBLIGATIONS (CONT'D.)

(d) Principal assumptions used by the foreign subsidiary in Indonesia in determining employee benefits liability as of 31 March 2019 and 2018 are as follows:

	Group	
	2019	**2018**
Discount rate	8.00%	7.25%
Annual salary increase	7.00%	7.00%
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:

	Group	
	2019	**2018**
	RM'000	**RM'000**
A 1 per cent decrease/increase in discount rate will increase/decrease the defined benefit obligation by	146	131
A 1 per cent increase/decrease in expected salary growth will increase/ decrease the defined benefit obligation by	128	127

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

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

29. FINANCE LEASE OBLIGATIONS

The minimum lease payments and the present value of the obligations under finance lease for the years ended 31 March 2019 and 2018 are as follows:

	Group	
	2019	2018
	RM'000	RM'000
Mininum lease payments:		
- Not later than 1 year	865	772
- Later than 1 year but not later than 5 years	4,781	4,423
- Later than 5 years	81,159	82,460
Total minimum lease payments	86,805	87,655
Less: Amounts representing finance charges	(71,295)	(71,456)
Present value of minimum lease payments	15,510	16,199
Present value of finance lease payables:		
- Not later than 1 year	643	611
- Later than 1 year but not later than 5 years	2,550	2,430
- Later than 5 years	12,318	13,158
Present value of minimum lease payments	15,511	16,199
Less: Amount due within 12 months	(643)	(611)
Amount due after 12 months	14,868	15,588

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables				
Third parties	6,916	7,982	63	1
Other payables				
Tenants' rental deposits	955	965	945	955
Accruals	15,230	21,687	319	341
Provision for bonus	4,159	4,069	420	345
Receipts in advance	5,731	1,144	-	-
Others	3,848	1,037	-	-
	29,923	28,902	1,684	1,641
Total trade and other payables	36,839	36,884	1,747	1,642

Trade payables amounts are non-interest bearing which are normally settled on 30 to 90 days (2018: 30 to 90 days) term.

31. PROVISIONS

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Provision for warranty	9,192	9,961	-	-
Provision for compensation claim	2,120	2,120	2,120	2,120
	11,312	12,081	2,120	2,120

(a) Provision for warranty is based on current volumes of products sold still under warranty and on historic quality rates as well as estimates and assumptions regarding future quality rates for new products.

(b) Provision for compensation claim is for a tenant's renovation costs and general damages arising from an early termination of a tenancy agreement by the Company. On 27 September 2011, the Court of Appeal had allowed the Company's appeal against the decision handed down by the High Court in favour of the tenant and directed that the matter be remitted back to the High Court for a full trial. There has been no development since then.

The movement of the provision for warranty is as follows:

	Group	
	2019	**2018**
	RM'000	**RM'000**
At 1 April 2018/2017	9,961	14,827
Reversal of provision (Note 6)	(2,558)	(6,138)
Charge for the year (Note 6)	1,789	1,272
At 31 March	9,192	9,961

32. COMMITMENTS

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Capital expenditure:				
Approved and contracted for:				
Property, plant and equipment	2,970	2,010	-	-
Approved but not contracted for:				
Property, plant and equipment	25,712	14,973	944	481
	28,682	16,983	944	481

33. RELATED PARTY DISCLOSURES

(a) Related party transactions

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

Group	2019 RM'000	2018 RM'000
Kumpulan Fima Berhad, penultimate holding company		
- Rental income receivable	767	772
- Management fees/services payable	(891)	(511)
Fellow subsidiaries:		
Fima Instanco Sdn. Bhd.		
- Rental income receivable	165	120
- Service receivable	150	80
Related by virtue of common shareholder of the Company:		
Nationwide Express Holdings Berhad		
- Purchases made	(42)	(207)
- Rental income receivable	88	78
Related by virtue of director/(s) of the Company and/or Group having substantial interest:		
TD Technologies Sdn. Bhd.		
- Services payable	(106)	(102)
First Zanzibar Sdn. Bhd.		
- Services payable	-	(37)
PT Pohon Emas Lestari		
- Purchases made	(6,572)	(6,563)
Associate:		
Giesecke & Devrient Malaysia Sdn. Bhd.		
- Management services receivable	10	24
Company		
Kumpulan Fima Berhad, penultimate holding company		
- Rental income receivable	767	772
- Management fees/services payable	(193)	(250)

33. RELATED PARTY DISCLOSURES (CONT'D.)

(a) Related party transactions (cont'd.)

Company (cont'd.)	**2019 RM'000**	**2018 RM'000**
Subsidiaries:		
Fima Technology Sdn. Bhd. (formerly known as FCB Property Management Sdn. Bhd.)		
- Rental income receivable	17	17
- Management services receivable	202	236
- Purchases made	(867)	(831)
Percetakan Keselamatan Nasional Sdn. Bhd.		
- Rental income receivable	163	163
- Management services receivable	264	394
- Purchases made	(131)	(118)
Security Printers (M) Sdn. Bhd.		
- Management services receivable	34	62
Associate:		
Giesecke & Devrient Malaysia Sdn. Bhd.		
- Management services receivable	10	24
Related by virtue of common shareholder of the Company:		
Nationwide Express Holdings Berhad		
- Rental income receivable	17	16

Information regarding outstanding balance arising from related party transactions as at the financial year end are disclosed in Note 20 to the financial statements.

33. RELATED PARTY DISCLOSURES (CONT'D.)

(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	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short-term benefits	3,824	3,772	1,125	1,238
Post-employment benefits:				
Defined contribution plan	600	624	143	160
Other benefits	190	82	157	50
	4,614	4,478	1,425	1,448

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

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors remuneration:				
Directors of the Company (Note 8)	2,118	2,179	1,083	1,132
Directors of subsdiaries	2,496	2,299	342	316

34. 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) Plantation - Oil palm production and processing.

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

34. SEGMENTAL INFORMATION (CONT'D.)

(a) Business segments: (cont'd.)

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.

(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.

Notes To The **Financial Statements**

As at 31 March 2019

34. SEGMENTAL INFORMATION (CONT'D.)

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	
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Revenue				
External sales	134,780	140,779	72,620	90,837
Inter-segment sales	-	-	-	-
Total revenue	134,780	140,779	72,620	90,837
Results				
Profit from operations	30,558	22,807	68,920	84,795
Finance costs	-	-	-	-
Share of results of associate	-	-	3,732	1,696
Profit before tax				
Income tax expense				
Profit net of tax				
Assets and Liabilities				
Segment assets	275,381	285,132	223,193	256,405
Interest in associate	-	-	31,274	40,845
Consolidated total assets				
Segment liabilities	37,314	31,299	8,834	35,815
Consolidated total liabilities				
Other Information				
Capital expenditure	2,380	1,279	573	115
Depreciation and amortisation	3,145	3,893	123	94
Impairment	24	9	-	-
Non-cash expenses other than depreciation, amortisation and impairment	23	2,495	-	-

	Property management		Oil palm production		Eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	7,104	5,769	102,836	138,098	(72,620)	(90,837)	244,720	284,646
	1,179	1,268	-	-	(1,179)	(1,268)	-	-
	8,283	7,037	102,836	138,098	(73,799)	(92,105)	244,720	284,646
	1,453	1,613	47,611	40,391	(72,620)	(90,227)	75,922	59,379
	-	-	(177)	(110)	-	-	(177)	(110)
	-	-	-	-	-	-	3,732	1,696
							79,477	60,965
							(14,151)	(20,891)
							65,326	40,074
	60,799	62,147	227,123	208,120	(144,043)	(212,147)	642,453	599,657
	-	-	-	-	-	-	31,274	40,845
							673,727	640,502
	728	349	48,189	87,367	(18,496)	(79,679)	76,569	75,151
							76,569	75,151
	10	12	19,949	8,507	-	-	22,912	9,913
	1,172	1,584	10,354	6,871	-	-	14,794	12,442
	-	-	-	832	-	-	24	841
	-	1	1,489	1,069	-	591	1,512	3,565

34. SEGMENTAL INFORMATION (CONT'D.)

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	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
Malaysia	142,336	146,626	548,558	534,037	18,964	8,199
Indonesia	102,384	138,020	125,169	106,465	3,948	1,714
	244,720	284,646	673,727	640,502	22,912	9,913

35. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 31 March 2019 are as follows:

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

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

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

The following table presents the Group's and the Company's other financial assets that are measured at fair value as at 31 March 2019 and 31 March 2018.

	Date of valuation	Group Level 1 RM'000	Company Level 1 RM'000
As at 31 March 2019			
Assets disclosed at fair value:			
Short term investments	31 March 2019	148,122	31,735
As at 31 March 2018			
Assets disclosed at fair value:			
Short term investments	31 March 2018	43,883	7,983

35. FINANCIAL INSTRUMENTS (CONT'D.)

(a) Classification of financial instruments (cont'd.)

The following table presents the Group's and the Company's other financial assets that are measured at fair value as at 31 March 2019 and 31 March 2018. (cont'd.)

	Date of Valuation	Group Level 3 RM'000	Company Level 3 RM'000
As at 31 March 2019			
Assets disclosed at fair value:			
Investment properties (Note 13)	31 March 2019	62,650	51,000
Assets measured at fair value:			
Biological assets (Note 18)	31 March 2019	1,019	-
Assets measured at fair value:			
Reeemable preference shares (Note 15 (g))	31 March 2019	-	35,400
As at 31 March 2018			
Assets disclosed at fair value:			
Investment properties (Note 13)	31 March 2018	61,805	50,005
Assets measured at fair value:			
Biological assets (Note 18)	31 March 2018	2,145	-

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

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
(i) Financial assets measured at amortised cost				
Trade receivables	83,209	103,530	528	445
Other receivables excluding tax recoverable, GST input tax and prepayments (Note 17)	6,697	4,479	194	198
Amount due from related companies (Note 20)	525	28	13,438	45,174
Cash and bank balances (Note 22)	57,855	165,596	854	3,316
Total financial assets measured at amortised cost	148,286	273,633	15,014	49,133

35. FINANCIAL INSTRUMENTS (CONT'D.)

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

	Group		Company	
	2019 RM'000	2018 RM'000	2019 RM'000	2018 RM'000
(ii) Fair value through profit or loss				
Short term investments (Note 21)	148,122	43,883	31,735	7,983
(iii) Financial liabilities measured at amortised cost				
Trade payables (Note 30)	6,916	7,982	63	1
Other payables (Note 30)	29,923	28,902	1,684	1,641
Amount due to related companies (Note 20)	512	166	-	301
Total financial liabilities measured at amortised cost	37,351	37,050	1,747	1,943

36. 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.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(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.

Sensitivity analysis

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

	2019 RM'000	**2018 RM'000**
IDR		
Assets		
- Trade and other receivables	26,411	29,141
- Cash and cash equivalents	27,984	31,809
	54,395	60,950
Liabilities		
- Trade and other payables	7,937	13,948

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.

	Group	
	2019 Effect on profit net of tax RM'000	**2018 Effect on profit net of tax RM'000**
IDR - strengthens 5% (2018: 5%)	+1,765	+1,786
IDR - weakens 5% (2018: 5%)	-1,765	-1,786

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(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	
	2019	**2018**
	RM'000	**RM'000**
Group		
Financial liabilities:		
Trade and other payables (Note 30)	36,839	36,884
Amount due to related companies (Note 20)	512	166
Total undiscounted financial liabilities	37,351	37,050
Company		
Financial liabilities:		
Trade and other payables excluding deposits, accruals and provision for bonus (Note 30)	63	1
Amount due to related companies (Note 20)	-	301
Total undiscounted financial liabilities	63	302

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(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 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 RM41,827,000 (2018: RM55,319,000) due from the Government of Malaysia.

37. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders. The Group's approach in managing capital based on defined guidelines that are approved by the Board.

There were no changes in the Group's approach to capital management during the year.

38. MATERIAL LITIGATION

(a) Hak Guna Usaha No. 01/Nunukan Utara

On 23 August 2016, the Company's subsidiary, PTNJL, received an order ("Ministerial Order") issued by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional ("Defendant") dated 25 July 2016 to revoke PTNJL's land title Hak Guna Usaha ("HGU") for the cultivation of oil palm in Kalimantan Utara with immediate effect.

The Ministerial Order was on the basis that the HGU was improperly issued due to administrative irregularities performed by certain officers of the Badan Pertanahan Nasional Provinsi Kalimantan Timur at the time of the issuance of the HGU in 2003, resulting in parts of the area within the HGU to overlap with forestry areas.

On 21 October 2016, PTNJL filed an application in the Pengadilan Tata Usaha ("PTUN") in Jakarta, Indonesia seeking an order to annul the Ministerial Order. Simultaneously, in the said application, PTNJL has also sought an order from PTUN to postpone the enforcement of the Ministerial Order pending full and final determination of the matter by the Indonesian courts.

38. MATERIAL LITIGATION (CONT'D.)

(a) Hak Guna Usaha No. 01/Nunukan Utara (cont'd.)

On 13 June 2017, the State Administrative Court delivered an oral judgment and dismissed the application filed PTNJL to annul the Ministerial Order. On 21 June 2017, PTNJL had filed an application to the Court of Appeal to appeal against the decision of the State Administrative Court.

The Pengadilan Tinggi Tata Usaha Negara Jakarta vide its written decision dated 11 December 2017:

(i) has partly allowed PTNJL's appeal against the State Administrative Court's decision, with costs;

(ii) has declared that the Ministerial Order revoking PTNJL's HGU to be void, save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares; and

(iii) has ordered the Defendant to revoke the Ministerial Order save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares.

Subsequently, PTNJL filed its statement of appeal on 10 January 2018 and appeal on 23 January 2018 to the Mahkamah Agung Republik Indonesia ("Mahkamah Agung") in respect of the aforesaid decision.

Mahkamah Agung, vide its written decision dated 21 August 2018, has allowed PTNJL's appeal and ruled that the Ministerial Order revoking PTNJL's HGU be annulled. The Mahkamah Agung also ordered the Defendant, to simultaneously:

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

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

PTNJL is currently taking the necessary legal steps to enforce the court's decision.

The amount of write back relating to the impairment of property, plant and equipment previously affected by the Ministerial Order was RM23,631,000 which has been reflected in the Note 6 and Note 12.

On 18 February 2019, PTNJL's solicitors has received notice (which was subsequently forwarded to PTNJL on 19 February 2019) that the Defendant has filed an application for judicial review together with its judicial review memorandum at the Mahkamah Agung on 8 February 2019. The Defendant is seeking to set aside the Mahkamah Agung's written decision dated 21 August 2018 on grounds that the court had among others misapplied the law to the relevant facts in arriving at the decision. PTNJL has on 18 March 2019 filed a counter memorandum at the Mahkamah Agung in response to the said application. The decision is currently pending.

Under Indonesian laws and regulations, commencement of judicial review proceedings does not prevent the implementation of the Mahkamah Agung's written decision as aforesaid.

38. MATERIAL LITIGATION (CONT'D.)

(b) Legal action against Datasonic Technologies Sdn. Bhd.

On 30 July 2018, the Company's subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. ("the Plaintiff"), has commenced a High Court action against Datasonic Technologies Sdn. Bhd. ("the Defendant").

The claim is for a sum of RM24,975,000 (excluding interest and cost), being the amount due and owing by the Defendant to the Plaintiff for 1.5 million Malaysian passport booklets which were supplied by the Plaintiff to the Defendant.

At the request of the Defendant during the case management on 3 October 2018, the Plaintiff agreed to attempt mediation with the aim of arriving at an amicable resolution. The mediation took place on 17 October 2018 and 19 October 2018. However, the parties could not reach a resolution.

On 19 April 2019, the Company announced that the settlement negotiation between the parties have failed. Accordingly, the High Court Judge has fixed the matter for case management on 13 May 2019 (for compliance with pre-trial directions) and trial on 12 July 2019, 9 August 2019, 8 January 2020 and 9 January 2020.

During the case management on 31 May 2019, the High Court judge has directed the parties to appear before her on 12 July 2019 as a final attempt to explore settlement as requested by Defendant.

This civil suit is not expected to have any material impact on the financial and operational position of the company.

39. EXPLANATION OF TRANSITION TO MFRS

As stated in Note 2.1, these are the first financial statements of the Group and of the Company prepared in accordance with MFRS.

The accounting policies set out in Note 2.3 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 31 March 2019, the comparative information presented in these financial statements for the financial year ended 31 March 2018 and in the preparation of the opening MFRS statement of financial position at 1 April 2017 (the Group's and the Company's date of transition to MFRSs).

In preparing the opening statement of financial position at 1 April 2017, the Group and the Company have adjusted amounts reported previously in financial statements prepared in accordance with FRSs.

The significant accounting policies adopted in preparing the financial statements are consistent with those of the audited financial statement for the year ended 31 March 2018, except as discussed below:

(a) Transition from FRS to MFRS Framework

(i) Property, plant and equipment

Under the FRS accounting framework, the Group and the Company elected to account for the freehold land, leasehold land and buildings included within property, plant and equipment using the revaluation model. The Group and the Company have elected to use the previous revaluation as deemed cost under MFRS. Accordingly, the carrying amounts of these property, plant and equipment have not been restated and the previous revaluation reserve of the Group and the Company were reclassified to retained earnings.

39. EXPLANATION OF TRANSITION TO MFRS (CONT'D.)

The significant accounting policies adopted in preparing the financial statements are consistent with those of the audited financial statement for the year ended 31 March 2018, except as discussed below: (cont'd.)

(a) Transition from FRS to MFRS Framework (cont'd.)

(ii) Foreign currency translation difference

Under FRS, the Group recognised foreign currency translation differences in other comprehensive income and accumulated the amount in the foreign currency translation deficit in equity.

Upon transition to MFRS, the Group has elected to deem all foreign currency translation differences that arose prior to the date of transition in respect of all foreign operations to be nil at the date of transition.

(b) Adoption of MFRS 9 Financial Instruments

MFRS 9 replaces MFRS 139 and amends the previous requirements in three main area (i) classification and measurement of financial assets; (ii) impairment of financial assets, mainly by introducing a forward looking expected loss impairment model and (iii) hedge accounting including removing some of the restrictions on applying hedge accounting in MFRS 139. With the exeption of hedge accounting, the Group has applied MFRS 9 retrospectively, with the initial application date of 1 April 2018 and adjusting the comparative information for the period beginning 1 April 2017.

The impact of MFRS 9 adoption is described below:

(i) Classification and measurement

MFRS 9 contains a new classification and measurement approach for the financial assets that reflects the business model in which the assets are managed and their cash flows characteristics.

MFRS 9 contains three principal classification catergories for the financial assets as follows:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss
- Financial assets at fair value through other comprehensive income

The standard also eliminates the previous FRS 139 categories of Held - to - Maturity, Loan and Receivables ("L&R") and Available-for-Sale ("AFS"). All the Group's and the Company's financial liabilities previously categorised under L&R are now categorised as financial liabilities at amortised cost.

39. EXPLANATION OF TRANSITION TO MFRS (CONT'D.)

The significant accounting policies adopted in preparing the financial statements are consistent with those of the audited financial statement for the year ended 31 March 2018, except as discussed below: (cont'd.)

(b) Adoption of MFRS 9 Financial Instruments (cont'd.)

(i) Classification and measurement (cont'd.)

The following table shows the original measurement categories in accordance FRS 139 and the new measurement categories under MFRS 9 for the Group's and the Company's financial assets as at 1 April 2018.

	Original classification under FRS 139	Original carrying amount under FRS 139 RM'000	New classification under MRFS 9	New carrying amount under MFRS 9 RM'000
Group				
Trade receivables	L&R	105,077	AC	103,530
Other receivables, excluding tax recoverable, GST input tax and prepayments	L&R	4,479	AC	4,479
Amount due from related companies	L&R	28	AC	28
Cash and bank balances	L&R	165,596	AC	165,596
Short term cash investments	FVTPL	43,883	FVTPL	43,883
Company				
Trade receivables	L&R	445	AC	445
Other receivables, excluding tax recoverable, GST input tax and prepayments	L&R	198	AC	198
Amount due from related companies	L&R	45,174	AC	45,174
Cash and bank balances	L&R	3,316	AC	3,316
Short term cash investments	FVTPL	7,983	FVTPL	7,983

(ii) Impairment of financial assets

MFRS 9 also replaces the loss model in MFRS 139 with ECL model. Under MFRS 9, loss allowances will be measured on either 12-months ECLs or lifetime ECLs.

39. EXPLANATION OF TRANSITION TO MFRS (CONT'D.)

The significant accounting policies adopted in preparing the financial statements are consistent with those of the audited financial statement for the year ended 31 March 2018, except as discussed below: (cont'd.)

(c) Adoption of MFRS 141 Agriculture

Under the MFRS framework, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116 Property, Plant and Equipment. After initial recognition, the bearer biological assets will be measured at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The Group is currently measuring the bearer biological assets at fair value less accumulated impairment losses recognised after the date of valuation. Upon adoption of MFRS framework, the Group decided to apply the cost model for accounting the bearer plants, the change in accounting framework will result in the reclassification of the bearer assets from biological assets to property, plant and equipment, and the revaluation amount on the transition date to be recorded as deemed costs of the bearer plants which will subsequently be stated at cost less any accumulated impairment losses.

The amendments also require produce that grows on bearer plants to be within the scope of MFRS 141 measured at fair value less cost to sell. Changes in fair value less cost to sell are recognised in profit or loss.

The effects of transitioning from FRS to MFRS, adoptions of MFRS 9 and MFRS 141 are as follows:

Reconciliation of Statements of Financial Position

	Previously reported under FRS RM'000	Effects from transition to MFRS RM'000	Effects from adoption of MFRS 9 RM'000	Effects from adoption of MFRS 141 RM'000	New carrying amount under MFRS RM'000
Group					
As at 1 April 2017					
Non-current assets					
Property, plant and equipment	97,856	-	-	33,030	130,886
Biological assets	33,030	-	-	(33,030)	-
Current assets					
Biological assets	-	-	-	3,321	3,321
Trade and other receivables	97,537	-	-	97,537	-
Equity					
Other reserves	(6,655)	10,905	-	-	4,250
Retained earnings	449,559	(10,905)	-	1,993	440,647
Non-controlling interests	25,415	-	-	498	25,913
Non-current liability					
Deferred tax liabilities	3,275	-	-	830	4,105

39. EXPLANATION OF TRANSITION TO MFRS (CONT'D.)

The effects of transitioning from FRS to MFRS, adoptions of MFRS 9 and MFRS 141 are as follows: (cont'd.)

Reconciliation of Statements of Financial Position (cont'd.)

	Previously reported under FRS RM'000	Effects from transition to MFRS RM'000	Effects from adoption of MFRS 9 RM'000	Effects from adoption of MFRS 141 RM'000	New carrying amount under MFRS RM'000
Group (cont'd.)					
As at 31 March 2018					
Non-current assets					
Property, plant and equipment	116,666	-	-	44,512	161,178
Biological assets	44,512	-	-	(44,512)	-
Current assets					
Biological assets	-	-	-	2,145	2,145
Trade and other receivables	120,651	-	(1,547)	-	119,104
Equity					
Other reserves	(15,238)	10,905	-	(231)	(4,564)
Retained earnings	443,801	(10,905)	(1,547)	1,523	432,872
Non-controlling interests	18,638	-	-	320	18,958
Non-current liability					
Deferred tax liabilities	4,897	-	-	533	5,430
Company					
As at 1 April 2017					
Equity					
Other reserves	2,095	(1,556)	-	-	539
Retained earnings	58,896	1,556	-	-	60,452
As at 31 March 2018					
Equity					
Other reserves	2,095	(1,556)	-	-	539
Retained earnings	72,553	1,556	-	-	74,109

39. EXPLANATION OF TRANSITION TO MFRS (CONT'D.)

The effects of transitioning from FRS to MFRS, adoptions of MFRS 9 and MFRS 141 are as follows: (cont'd.)

Reconciliation of Statement of Comprehensive Income
For the year ended 31 March 2018

	Previously reported under FRS RM'000	Effects from transition to MFRS RM'000	Effects from adoption of MFRS 9 RM'000	Effects from adoption of MFRS 141 RM'000	New carrying amount under MFRS RM'000
Group					
Revenue	284,646	-	-	-	284,646
Cost of sales	(169,230)	-	-	(791)	(170,021)
Gross profit	115,416	-	-	(791)	114,625
Other income	8,685	-	-	-	8,685
Other items of expense					
Administrative expenses	(33,926)	-	-	-	(33,926)
Selling and marketing expenses	(9,235)	-	-	-	(9,235)
Other operating (income)/ expenses	(19,223)	-	(1,547)	-	(20,770)
Finance cost	(110)	-	-	-	(110)
Share of results from associate	1,696	-	-	-	1,696
Profit before tax	63,303	-	(1,547)	(791)	60,965
Income tax expense	(21,092)	-	-	201	(20,891)
Profit net of tax	42,211	-	(1,547)	(590)	40,074
Other comprehensive income/ expense, net of tax					
Item that will not be subsequently reclassified to profit or loss					
Remeasurement of defined benefit liability	(36)	-	-	-	(36)
Item that will be subsequently reclassified to profit or loss					
Foreign currency translation gain/(loss)	(13,578)	-	(289)	-	(13,867)
Total comprehensive income for the year	28,597	-	(1,547)	(879)	26,171
Profit attributable to:					
Equity holders of the Company	36,110	-	(1,547)	(441)	34,122
Non-controlling interest	6,101	-	-	(149)	5,952
Profit for the year	42,211	-	(1,547)	(590)	40,074

39. EXPLANATION OF TRANSITION TO MFRS (CONT'D.)

The effects of transitioning from FRS to MFRS, adoptions of MFRS 9 and MFRS 141 are as follows: (cont'd.)

Reconciliation of Statement of Comprehensive Income
For the year ended 31 March 2018 (cont'd.)

	Previously reported under FRS RM'000	Effects from transition to MFRS RM'000	Effects from adoption of MFRS 9 RM'000	Effects from adoption of MFRS 141 RM'000	New carrying amount under MFRS RM'000
Group (cont'd.)					
Total comprehensive income attributable to:					
Equity holders of the Company	27,527	-	(1,547)	(701)	25,279
Non-controlling interest	1,070	-	-	(178)	892
Total comprehensive income for the year	28,597	-	(1,547)	(879)	26,171

Reconciliation of Statement of Cash Flows
For the year ended 31 March 2018

	Previously reported under FRS RM'000	Effects from adoption of MFRS 9 RM'000	Effects from adoption of MFRS 141 RM'000	Reported under MFRS RM'000
Group				
Profit before tax	63,303	(1,547)	(791)	60,965
Depreciation for property, plant and equipment	9,484	-	1,451	10,935
Amortisation of biological assets	1,451	-	(1,451)	-
Fair value changes on biological assets	-	-	791	791
Allowance for impairment on trade receivables	9	1,547	-	1,556
Purchase of property, plant and equipment	(3,767)	-	(6,146)	(9,913)
Additions to biological assets	(6,146)	-	6,146	-

40. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2019 were authorised for issue in accordance with a resolution of the directors on 24 June 2019.

List of Properties

Held by the Group at 31 March 2019

No.	Location	Description/ Existing Use	Tenure	Land Area (Acres)	Built-Up Area (Sq/ft.)	Net Book Value as at 3/31/19 (RM)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	FIMA CORPORATION BERHAD							
1.	H.S.(D) 13531 PTD 4656 Mukim Jeram Batu Pontian, Johor	Industrial Land and Building	Freehold	2.71	66,608	790,000	7 July 1993/ 23 March 2015	51
2.	Lot 1176 Mukim Pasir Panjang Port Dickson Negeri Sembilan	Bungalow	Freehold	0.82	3,114	1,641,685	7 July 1993/ 23 March 2015	70
3.	Lot 52068 Grant 50064 Mukim of Kuala Lumpur Wilayah Persekutan	Office Building	Freehold	1.45	270,372	47,488,365	17 August 1995/ 23 March 2015	21
	Sub Total			**4.98**	**340,094**	**49,920,050**		
	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	10,884,896	26 January 2006	32
	Sub Total			**8.30**	**250,560**	**10,884,896**		
	CENDANA LAKSANA SDN. BHD.							
1.	PN 7602 (Lot 2925) and HSD 398 (PT 757P) Mukim of Tebak District of Kemaman Terengganu	Agriculture/ Oil Palm Plantation/ Building	Leasehold expiring 8/08/2048 (PN 7602) 8/08/2039 (HSD 398)	1,940.73	14,080	27,065,660	6 January 2014/23 March 2015	N/A
	Sub Total			**1,940.73**	**14,080**	**27,065,660**		
	GABUNGAN WARISAN SDN. BHD.							
1.	PT 4718 H.S(D) 9350 Mukim of Kuala Stong District of Kuala Krai Kelantan	Agriculture/ Oil Palm Plantation	Leasehold expiring 22/07/2112	617.27	N/A	6,441,875	17 October 2014/23 March 2015	N/A
	Sub Total			**617.27**	**N/A**	**6,441,875**		

List of **Properties**

Held by the Group at 31 March 2019

No.	Location	Description/ Existing Use	Tenure	Land Area (Acres)	Built-Up Area (Sq/ft.)	Net Book Value as at 3/31/19 (RM)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	TAKA WORLDWIDE TRADING SDN. BHD.							
1.	PT 6943 H.S(D) 2345 Mukim of Relai District of Gua Musang Kelantan	Agriculture/ Oil Palm Plantation	Leasehold expiring 5/03/2107	500.00	N/A	4,286,685	23 March 2015	N/A
	Sub Total			**500.00**	**N/A**	**4,286,685**		
	ETIKA GANGSA SDN. BHD.							
1.	PT 6944 H.S(D) 2346 Mukim of Relai District of Gua Musang Kelantan	Agriculture/ Oil Palm Plantation	Leasehold expiring 5/03/2107	500.00	N/A	3,900,308	23 March 2015	N/A
	Sub Total			**500.00**	**N/A**	**3,900,308**		
	LADANG BUNGA TANJONG SDN. BHD.							
1.	GRN 36415 Lot 2429 Mukim Lubok Bungor Jajahan Jeli Kelantan	Agriculture/ Oil Palm Plantation/ Building	Leasehold expiring 28/09/2069	3,288.90	21,800	25,863,242	20 February 2018	N/A
	Sub Total			**3,288.90**	**21,800**	**25,863,242**		
	R.N.E. PLANTATION SDN. BHD.							
1.	PT 14352 H.S(D) 16214 Mukim Sungai Siput District of Kuala Kangsar Perak	Agriculture/ Oil Palm Plantation	Leasehold expiring 3/08/2075	4,942.00	N/A	22,479,290	4 December 2015	N/A
	Sub Total			**4,942.00**	**N/A**	**22,479,290**		
	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/ Building	Leasehold expiring 12/05/2038 (HGU) 17/03/2035 (HGB)	49,355.75 286.15	N/A 112,375	23,722,975 852,335	9 April 2007 31 December 2014	N/A 14
	Sub Total			**49,641.90**	**112,375**	**24,575,310**		
	GRAND TOTAL			**58,155.18**	**738,909**	**175,417,316**		

Analysis of **Shareholdings**

As at 28 June 2019

THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	% of Total Shareholdings
1.	FIMA METAL BOX HOLDINGS SDN BHD	147,245,358	60.02
2.	FIMA CORPORATION BERHAD (SHARE BUY BACK ACCOUNT)	5,311,000	2.16
3.	LEONG KOK TAI	3,218,200	1.31
4.	WONG YU @ WONG WING YU	2,757,800	1.12
5.	TAN AH KOW @ TAN TOONG SOON	2,430,000	0.99
6.	LIAU CHOON HWA & SONS SDN BHD	2,373,700	0.97
7.	HAMIDAH BINTI ABDUL RAHMAN	1,816,800	0.74
8.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR BANK OF SINGAPORE LIMITED	1,562,700	0.64
9.	JS NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LIAU THAI MIN	1,408,400	0.57
10.	BHR ENTERPRISE SDN BHD	1,321,500	0.54
11.	WONG YU @ WONG WING YU	1,260,000	0.51
12.	CHIN KIAN FONG	1,251,000	0.51
13.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIAU THAI MIN	1,208,200	0.49
14.	WONG SOO PING	1,117,200	0.46
15.	LEE SIEW PENG	1,090,000	0.44
16.	YEO KHEE HUAT	1,065,000	0.43
17.	ONG TECK PEOW	964,800	0.39
18.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	957,200	0.39
19.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	936,094	0.38
20.	YONG SIEW LEE	836,000	0.34
21.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN YEE MING	810,000	0.33
22.	INTROSCAPE SDN BHD	796,300	0.32
23.	TAN SIEW YOKE	714,000	0.29
24.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	693,501	0.28
25.	LIM SIEW GEOK	690,000	0.28
26.	ONG SIOK BEE	688,500	0.28
27.	TAN SIEW	669,000	0.27
28.	SOH CHOO KEAN	639,000	0.26
29.	CHEN GUANGQIANG	608,900	0.25
30.	YOONG HOI YEN	606,700	0.25

SUBSTANTIAL SHAREHOLDER

Name	DIRECT HOLDINGS No. of Shares	 % of Shareholdings
FIMA METAL BOX HOLDINGS SDN BHD	147,245,358	60.02

Analysis of **Shareholdings**

As at 28 June 2019

DISTRIBUTION BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shareholdings
Less than 100	298	8.98	3,379	0.00
100 - 1,000	489	14.74	280,011	0.11
1,001 - 10,000	1,590	47.93	7,932,271	3.23
10,001 - 100,000	803	24.21	24,065,279	9.81
100,001 to less than 5% of issued shares	136	4.10	65,798,032	26.82
5% and above of issued shares	1	0.03	147,245,358	60.02
TOTAL	3,317	100.00	245,324,330	100.00

CLASSIFICATION OF SHAREHOLDERS

Category	No. of Holders	% of Holders	No. of Shares	% of Shareholdings
1. Government Agencies	1	0.03	7,500	0.00
2. Bumiputra				
a. Individuals	76	2.29	2,772,371	1.13
b. Companies	11	0.33	154,237,708	62.87
c. Nominees Company	142	4.28	4,448,081	1.81
3. Non-Bumiputra				
a. Individuals	2,700	81.40	65,258,236	26.60
b. Companies	68	2.05	7,509,738	3.06
c. Nominees Company	194	5.85	5,689,630	2.32
MALAYSIAN TOTAL	3,192	96.23	239,923,264	97.80
4. Foreign				
a. Individuals	83	2.50	1,548,227	0.63
b. Companies	3	0.09	116,673	0.05
c. Nominees Company	39	1.18	3,736,166	1.52
FOREIGN TOTAL	125	3.77	5,401,066	2.20
GRAND TOTAL	3,317	100.00	245,324,330	100.00

DIRECTORS' SHAREHOLDINGS

	DIRECT HOLDINGS		INDIRECT HOLDINGS	
Directors	No. of Shares	% of Shareholdings	No. of Shares	% of Shareholdings
DATO' ADNAN BIN SHAMSUDDIN	-	-	-	-
DATO' ROSLAN BIN HAMIR	-	-	601,800 [a]	0.25
REZAL ZAIN BIN ABDUL RASHID	5,000	0.00	-	-
DR. ROSHAYATI BINTI BASIR	167,600	0.07	150,383,658 [b]	61.30
ROSELY BIN KUSIP	-	-	-	-
DATUK BAZLAN BIN OSMAN	-	-	-	-

Notes:-

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

(b) Deemed interested by virtue of her mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct and indirect shareholdings in the Company and her direct shareholding in BHR Enterprise Sdn. Bhd., a substantial shareholder of Kumpulan Fima Berhad, which in turn owns Fima Metal Box Holdings Sdn. Bhd., a substantial shareholder of the Company.

Directory of **Group Operation**

MANUFACTURING DIVISION

www.fimacorp.com

Fima Corporation Berhad (21185-P)
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2092 5923

Percetakan Keselamatan Nasional Sdn. Bhd. (166151-T)
No. 1, Jalan Chan Sow Lin
55200 Kuala Lumpur
Telephone : +603-9222 2511
Facsimile : +603-9222 4401

Security Printers (M) Sdn. Bhd. (34025-W)
No. 1, Jalan Chan Sow Lin
55200 Kuala Lumpur
Telephone : +603-9222 2511
Facsimile : +603-9222 4401

PLANTATION DIVISION

PT Nunukan Jaya Lestari (NPWP 02.033.898.4-723.000)
Jln. Hasanuddin RT. 06
No. 62, Sungai Bolong
Kabupaten Nunukan
Kalimantan Utara 77482
Indonesia
Telephone : 006 2 55624551
Facsimile : 006 2 5562025081

Cendana Laksana Sdn. Bhd. (1024167-W)
Ladang Cendana
Batu 40, Jerangau-Jabor Highway
Air Putih, 24050 Kemaman
Terengganu
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Gabungan Warisan Sdn. Bhd. (327836-P)
Ladang Dabong
PT 4718, Mukim Kuala Stong
Jajahan Kuala Krai, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Next Oasis Sdn. Bhd. (1109497-D)
Ladang Aring
PT 6943 & PT 6944
Mukim Relai, Jajahan Gua Musang
Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Taka Worldwide Trading Sdn. Bhd. (714855-P)
Ladang Aring
PT 6943 Mukim Relai
Jajahan Gua Musang, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Directory of **Group Operation**

Etika Gangsa Sdn. Bhd. (754947-D)
Ladang Aring
PT 6944 Mukim Relai
Jajahan Gua Musang, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

R.N.E. Plantation Sdn. Bhd. (1067900-V)
HSD 16214, PT 14352
Mukim Sungai Siput
Daerah Kuala Kangsar
Perak
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

FCB Eastern Plantations Sdn. Bhd. (210695-H)
Lot 2429, Mukim Lubok Bongor
Daerah Kuala Balah
17600 Jeli
Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

Ladang Bunga Tanjong Sdn. Bhd. (389287-K)
Lot 2429, Mukim Lubok Bongor
Daerah Kuala Balah
17600 Jeli
Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

OTHERS

Fima Technology Sdn. Bhd. (264746-K)
(formerly known as FCB Property Management Sdn. Bhd.)
Suite 4.1, Level 4
Block C, Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2094 5996

ASSOCIATE COMPANY

Giesecke & Devrient Malaysia Sdn. Bhd. (573030-M)
Lot 6, Off Jalan Delima 1/1
Batu 3, 40150 Shah Alam, Selangor
Telephone : +603-5629 2929
Facsimile : +603-5629 2800

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PROXY FORM

FIMA CORPORATION BERHAD
(21185-P)

I/We ______________________________________ NRIC/Company No. ____________________
(Full Name in Capital Letters)

of ____
(Full Address)

being a Member of **FIMA CORPORATION BERHAD** ("the Company"), do hereby appoint
______________________________________ NRIC/Company No. ____________________
(Full Name in Capital Letters)

of ____
(Full Address)

or failing him/her ______________________________ NRIC/Company No. ____________________
(Full Name in Capital Letters)

of ____
(Full Address)

as my/our* proxy to vote for me/us* and on my/our* behalf at the Forty-Fourth (44th) Annual General Meeting ("AGM") of the Company to be held at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 28 August 2019 at 9.30 a.m.

Please indicate the manner in which you wish your votes should be cast with an "X" in the appropriate spaces below. Unless voting instructions are specified herein, the proxy will vote or abstain from voting as he/she thinks fit.

	RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of final dividend of 7.5 sen under the single-tier system in respect of the financial year ended 31 March 2019. **- Ordinary Resolution 1**		
2.	To re-elect Dato' Adnan bin Shamsuddin who retire in accordance with Article 108 of the Company's Constitution. **- Ordinary Resolution 2**		
3.	To re-elect Encik Rosely bin Kusip who retire in accordance with Article 88 of the Company's Constitution. **- Ordinary Resolution 3**		
4.	To re-elect Datuk Bazlan bin Osman who retire in accordance with Article 88 of the Company's Constitution. **- Ordinary Resolution 4**		
5.	To approve the payment of Directors' fees for the Non-Executive Directors of the Company for the ensuing financial year. **- Ordinary Resolution 5**		
6.	To approve the payment of Directors' fees for the Non-Executive Directors who sit on the Boards of subsidiary companies from 29 August 2019 until the conclusion of the next AGM of the Company. **- Ordinary Resolution 6**		
7.	To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Directors from 29 August 2019 until the conclusion of the next AGM of the Company. **- Ordinary Resolution 7**		
8.	To appoint Messrs. Ernst & Young, who have given their consent to act, as Auditors of the Company in place of the retiring Auditors, Messrs. Hanafiah Raslan & Mohamad and to authorize the Directors to determine their remuneration. **- Ordinary Resolution 8**		
AS SPECIAL BUSINESS			
9.	Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature. **- Ordinary Resolution 9**		
10.	Proposed renewal of the authority for share buy-back. **- Ordinary Resolution 10**		
11.	Proposed retention of Encik Rezal Zain bin Abdul Rashid as Independent Non-Executive Director. **- Ordinary Resolution 11**		
12.	Proposed retention of Dato' Adnan bin Shamsuddin as Independent Non-Executive Director. **- Ordinary Resolution 12**		

** Strike out whichever not applicable*

No. of Shares held
CDS Account No.

____

Signature *(If Shareholder is a Corporation, this part should be executed under seal)*

Dated this __________ **day of** ____________________ **2019**

NOTES:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may not be a member of the Company and a member may appoint up to two (2) proxies by specifying the proportion of his shareholding to be represented by each proxy.
2. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
3. The instrument appointing a proxy must be completed and deposited at the registered office of the Company not less than 24 hours before the time of holding the meeting or any adjournment thereof.
4. Only members registered in the General Meeting Record of Depositors as at 23 August 2019 shall be eligible to attend the 44th AGM or appoint proxy(ies) to attend and/or vote on their behalf.
5. The voting at the 44th AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the results of the poll.

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FIMA CORPORATION BERHAD
(21185-P)

AFFIX STAMP

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

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