Annual Report 2012

FIMA CORPORATION BERHAD

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(21185-P)

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content

ANNUAL REPORT 2012 • FIMA CORPORATION BERHAD

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Seventh (37th) Annual General Meeting ("AGM") of FIMA CORPORATION BERHAD will be held on Tuesday, 25 September 2012 at 10.30 a.m at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur for the following purposes: -

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 31 March 2012 and the Reports of the Directors and Auditors thereon.	Resolution 1
2. To declare a final dividend of 15% less 25% tax and a special dividend of 5% less 25% tax in respect of the financial year ended 31 March 2012 as recommended by the Directors.	Resolution 2
3. To re-elect the following Directors who retire by rotation pursuant to Article 113 of the Company's Articles of Association and who, being eligible, offer themselves for re-election:-	
(i) YBhg Datuk Adnan bin Shamsuddin	Resolution 3
(ii) Dr. Roshayati binti Basir	Resolution 4
4. To approve the payment of Directors' fees.	Resolution 5
5. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration.	Resolution 6

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution as Ordinary Resolution:-

6. Proposed Renewal Of The Authority For Shares Buy-Back — Resolution 7

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

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

ii. the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total retained profits, and share premium account, if any, of the Company. The audited retained profits of the Company as at 31 March 2012 amounted to RM92,858,000;

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

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

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

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

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by the Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

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

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

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

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining members who shall be entitled to attend the Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 18 September 2012. Only depositors whose names appear on the Record of Depositors as at 18 September 2012 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.

NOTICE OF ANNUAL GENERAL MEETING (contd.)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the AGM to be held on 25 September 2012, a final dividend of 15% less 25% tax per share and a special dividend of 5% less 25% tax per share for the financial year ended 31 March 2012 will be paid on 10 October 2012 to depositors whose names appear in the Record of Depositors on 27 September 2012.

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

a) shares transferred to the Depositor's Securities Account before 4.00 p.m. on 27 September 2012 in respect of transfers; and

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

By Order of the Board

LEE MO LENG
MOHD YUSOF BIN PANDAK YATIM
Secretaries

Kuala Lumpur
29 August 2012

NOTE

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

EXPLANATORY NOTE ON SPECIAL BUSINESS

Proposed Renewal of the Authority for Shares Buy-Back

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

Based on the Company's audited financial statements for the year ended 31 March 2012, the Company's retained earnings and share premium stood at RM92,858,000 and RM534,000 respectively.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors who are standing for re-election at the Thirty-Sixth (37th) Annual General Meeting of Fima Corporation Berhad are :-

(i) Retiring under Article 113 of the Company's Articles of Association
YBhg Datuk Adnan bin Shamsuddin *(Resolution 3)*

(ii) Retiring under Article 113 of the Company's Articles of Association
Dr. Roshayati binti Basir *(Resolution 4)*

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

3. Details of Attendance of Directors at Board meetings

Total of five (5) meetings were held during the financial year ended 31 March 2012. The details of attendance of each Director at the Board Meetings held during the financial year are set out below.

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

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

Five (5) Board Meetings were held during the financial year ended 31 March 2012 as follows:-

Place		Date	Time
Boardroom	)		
Kumpulan Fima Berhad	)	24 May 2011	5.40 p.m.
Suite 4.1, Level 4.1	)	29 June 2011	5.05 p.m.
Block C Plaza Damansara	)	15 August 2011	3.45 p.m.
45, Jalan Medan Setia 1	)	22 November 2011	4.55 p.m.
Bukit Damansara, 50490 K. Lumpur	)	21 February 2012	12.00 p.m.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Adnan bin Shamsuddin
Chairman

Roslan bin Hamir
Managing Director

Rezal Zain bin Abdul Rashid
Senior Independent, Non-Executive Director
(Email: ac.chairman@fimacorp.com)

Datuk Alias bin Ali
Independent, Non-Executive Director

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

AUDIT COMMITTEE

Rezal Zain bin Abdul Rashid
Chairman

Dato' Adnan bin Shamsuddin
Member

Datuk Alias bin Ali
Member

SECRETARIES

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

REMUNERATION & NOMINATION COMMITTEE

Rezal Zain bin Abdul Rashid
Member

Dato' Adnan bin Shamsuddin
Member

Datuk Alias bin Ali
Member

REGISTERED OFFICE

Suite 4.1, Level 4
Block C, Plaza Damansara
45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Tel : (603) 2092 1211
Fax : (603) 2092 5923
Website: www.fimacorp.com

REGISTRARS

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

AUDITORS

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

PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad
Standard Chartered Bank

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad

Stock Name : FIMACOR
Stock Code : 3107
Sector : Industrial Products

PROFILE OF DIRECTORS

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

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

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

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

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

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

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

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

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

PROFILE OF DIRECTORS (contd.)

REZAL ZAIN BIN ABDUL RASHID
(45 years of age, Malaysian)

Senior Independent Non-Executive Director
Accountancy degree (University of Canberra, Australia)

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

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

In 1996, he joined TDM Berhad as the Manager of Corporate & Business Development and was appointed as the Chief Operating Officer in 1999. In July 2000, he left TDM Berhad, pursuant to a management-buy-out of one of its subsidiaries. He is presently a Board member and audit committee chairman of PJI Holdings Berhad.

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

DATUK ALIAS BIN ALI
(64 years of age, Malaysian)

Independent Non-Executive Director
Bachelor of Economics (Hons) (University of Malaya)
Master in Business Management (Asian Institute of Management, Manila, Philippines)

He was appointed to the Board on 26 August 2004 and serves as a member of the Audit Committee, Remuneration Committee and Nomination Committee since 22 November 2004.

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

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

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

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

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

Note :

i) *Save as herein disclosed, none of the other Directors has any family relationship with each other and/or major shareholders of the Company.*
ii) *Save for that disclosed in the section on related party transactions, the Directors have no conflict of interest with the Company.*
iii) *None of the Directors has been convicted of any offences within the past ten (10) years.*

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statement of the Company and the Group for the financial year ended 31 March 2012.

FINANCIAL REVIEW

The Group's revenue for the year was RM300.2 million (2011: RM298.5 million), an increase of RM1.7 million or 0.6% compared to previous year. Pre-tax profit dipped by RM4.1 million or 3.6% to RM107.5 million (2011: RM111.6 million) mainly due to less favourable sales mix and recognition of RM3.7 million equity settled share options granted to the employees by the penultimate holding company, Kumpulan Fima Berhad.

Kernel Crusher Plant

Postage Stamps printed by PKN

OPERATIONS REVIEW

Production and Trading of Security and Confidential Documents

The production and trading of security and confidential documents division closed the financial year with a slight decrease in revenue. It registered RM193.7 million revenue compared to RM203.5 million in the previous year, a drop of RM9.8 million or 4.8%. Profit before tax decreased by RM16.7 million or 23.5% to RM54.3 million from RM71.0 million recorded last year. The decline was mainly attributable to price reduction in certain products and less favourable sales mix.

Certificates printed by PKN

CHAIRMAN'S STATEMENT (contd.)

NJL Oil Palm Estate

Oil Palm Plantation

The Plantation Division in Indonesia, PT Nunukan Jaya Lestari ("PT NJL") achieved 13.7% increase in revenue from RM90.2 million registered last year to RM102.6 million. Production of fresh fruit bunches ("FFB") totaled 139,144 mt (2011: 117,975 mt), a sizeable 17.9% improvement over the previous year. However, purchase of FFB from third party decreased to 22,673 mt from the previous year of 33,611 mt.

The average oil extraction rate ("OER") and oil kernel extraction rate ("OKER") were marginally lower at 23.84% (2011: 24.55%) and 38.16% (2011: 39.82%) respectively, mainly attributable to small bunches received from small holders. A total of 38,915 mt of crude palm oil ("CPO") and 2,464 mt crude palm kernel oil ("CPKO") was produced during the year. Since the commissioning of the palm kernel crusher plant in July 2010, the Division recorded its first year of CPKO sales totaling 3,392 mt at an average selling price (net of duty and transportation cost) of RM4,230 per mt.

Palm Oil Mill

On the back of higher revenue, the Plantation Division recorded RM46.5 million pre-tax profit, a marked increase of 24.7% over last year. The average selling price for CPO realized during the year (net of duty and transportation cost) decreased from RM2,392 per mt achieved in the previous year to RM2,290 per mt. The weaker pricing was mainly attributable to the increase in the average export duty rate from 8.9% to 17.5% this year.

Property Management

Office rental rates had remained steady due to the current oversupply and low demand for office space in Klang Valley. The occupancy rate of our Plaza Damansara building had decreased marginally to 75% (2011: 76%) whilst the occupancy rate for the Bangi factory premise had improved to 78% (2011: 73%).

CHAIRMAN'S STATEMENT (contd.)

FUTURE OUTLOOK

Amid the more challenging external environment, Malaysia's economy is projected to experience a steady pace of growth of 4% – 5% in 2012.

(Source: Bank Negara Malaysia)

Percetakan Keselamatan Nasional Sdn Bhd ("PKN") is optimistic on the outlook for the medium term as it continues to be innovative in its product upgrading and enhancement by adopting latest technology and techniques.

Concepta 5-colour Web Press

In view of uncertain logistic resources for delivery of CPO and CPKO, a chartered barge was engaged since April 2012 to address the problem and this will further strengthen our position as palm oil producer in Indonesia. We are currently in the process of building our own composting plant with a capacity to produce 17,000 mt of compost fertiliser yearly which will add value to our manuring regime. The composting plant is expected to be commissioned in the 3rd quarter of the financial year 2012/2013.

Apart from the natural variables in weather conditions and cropping patterns which will have an impact on FFB yield, labour shortage is expected to remain a challenge. However, with the downstream activities in place coupled with expected marginal increase in yield, PT NJL is confident of sustaining the performance at the current level.

The future prospect for office space rental is anticipated to improve with the projected steady growth of the country's economy.

DIVIDEND

The Board is pleased to recommend for shareholders' approval at the forthcoming 37th Annual General Meeting, a final dividend of 15% less 25% tax and a special dividend of 5% less 25% tax. An interim dividend of 15% less 25% tax was paid on 23 December 2011. Total net dividend per share for the financial year under review will amount to 26.25% (2011: 22.5%).

CHAIRMAN'S STATEMENT (contd.)

APPRECIATION

The Board wishes to record our thanks to all shareholders, customers, business associates and relevant government authorities for their continuing confidence and support to the Group. Special appreciation is reserved for the management and employees of our Group for their dedication and unwavering commitment.

My appreciation is also extended to my esteemed colleagues of the Board for their understanding and wise counsel.

DATO' ADNAN BIN SHAMSUDDIN
Chairman.

STATEMENT OF CORPORATE GOVERNANCE

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

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

BOARD OF DIRECTORS

A. The Board

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

B. Board Balance

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

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

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

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

During the year under review, the Board created the position of a Senior Independent Director (SID) for the Company, to serve as a point of contact to whom concerns may be conveyed. The SID is also responsible to receive reports from employees or third parties for the purpose of whistleblowing in accordance with the Group's Whistle-blowing Policy and Procedures. Accordingly, the Board appointed/redesignated Encik Rezal Zain Abdul Rashid as SID with effect from 21 February 2012. Contact details of the SID are set out in the Whistle-blowing Policy.

C. Board Meeting

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

Total of five (5) meetings were held during the financial year ended 31 March 2012. The details of attendance of each Director at the Board Meetings held during the financial years are set out below.

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

D. Supply of Information

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

E. Board Committees

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

i) Nomination Committee

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

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

The responsibilities of the Committee are to recommend to the Board, candidates for all directorships, directors to fill seats on Board Committees and to review annually the required mix of skills and experience including the effectiveness of the Board as a whole and the contribution of each individual director.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

ii) Remuneration Committee

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

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

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

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

iii) Audit Committee

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

F. Directors' Training

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

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

Roslan Hamir

- *The New Corporate Governance Blueprint and Updates on Competition Act Seminar.*
- *Training on Convergence with IFRS in 2012.*
- *2011 Mid Year Global Economic Outlook – UBS AG*

Dato' Adnan bin Shamsuddin

- *The New Corporate Governance Blueprint and Updates on Competition Act Seminar.*
- *Training on Convergence with IFRS in 2012.*
- *Scrutinising Financial Statement Fraud and Detection of Red Flags for Directors and Officers of PLC's and Government Regulatory Agencies.*

Rezal Zain Abdul Rashid

- *Training on Convergence with IFRS in 2012.*
- *Islamic Finance: The new frontier of financing for MNCs.*

Datuk Alias bin Ali

- *The New Corporate Governance Blueprint and Regulatory Updates Seminar 2011.*
- *Competition Act and What It Means.*

Dr. Roshayati binti Basir

- *The New Corporate Governance Blueprint and Updates on Competition Act Seminar.*
- *Training on Convergence with IFRS in 2012.*
- *Scrutinising Financial Statement Fraud and Detection of Red Flags for Directors and Officers of PLC's and Government Regulatory Agencies.*

G. Re-election of Directors

In accordance with the Articles of Association of the Company, at least one-third of the Directors including the Executive Director are required to retire by rotation at each Annual General Meeting but shall be eligible for re-election.

DIRECTORS' REMUNERATION

The breakdown of the remuneration of the Directors of the Group during the financial year ended 31 March 2012 is as follows:-

	Executive RM'000	Non-Executive RM'000	Total RM'000
Fees	-	259	259
Salaries and Other Emoluments	336	104	440
Bonus	444	-	444
Benefits-in-Kind	42	-	42

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

	Number of Directors (Company)		
	Executive	Non-Executive	Total
Nil - RM50,000	-	1	1
RM50,001 – RM100,000	-	3	3
RM800,001 – RM850,000	1	-	1

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

SHAREHOLDERS

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

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

ACCOUNTABILITY AND AUDIT

Financial Reporting

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

Internal Control

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

Relationship with the External Auditors

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

WHISTLE-BLOWING POLICY

OBJECTIVES

Fima Corporation Group ("the Group") is committed to achieving the highest standards of integrity from all its employees and vendors. The Group takes a serious view of any wrongdoing on the part of its employees, management, directors, vendors or any other stakeholders who are involved with or in the Group.

This policy establishes the Group's position in encouraging employees or other stakeholders to raise genuine concerns about possible improprieties in matters relating to financial reporting, compliance and other malpractices or misconduct that may have occurred. The Whistle-blowing channels are established to help employees or other stakeholders raise concerns, without fear of reprisals or retaliations.

The Group expects all parties to always act in good faith and have reasonable grounds when reporting a Whistle-blowing complaint. However, malicious and false allegations by a whistle blower will be viewed seriously and treated as a gross misconduct and if proven may lead to dismissal.

The identity of parties reporting a Whistle-blowing complaint will be kept confidential. However, their consent will be sought should there be a need to disclose their identity for investigation purposes.

Any attempt to retaliate, victimize or intimidate against anyone who has reported a Whistle-blowing complaint in good faith will be subjected to the appropriate disciplinary actions.

TYPES OF WRONGDOING

Parties can report a Whistle-blowing complaint if they are aware of any Wrongdoing, including, but not limited to the following:

- Fraud.
- Misappropriation of assets.
- Criminal breach of trust.
- Corruption.
- Sexual harassment.
- Questionable or improper accounting.
- Misuse of confidential information.
- Breach of Group Policies and Authorities.
- Acts or omissions which are deemed to be against the interest of the Group, laws, regulations or public policies.
- Deliberate concealment of information relating to any of the above.

WHISTLE-BLOWING POLICY (contd.)

PROCEDURES

1. Any concern 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. Channel of reporting to the Managing Director are:

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

2. 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 are:

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

CORPORATE SOCIAL RESPONSIBILITY

Fima Corporation Group believes in the value of not only providing healthy returns to our shareholders but also in contributing positively to the communities we operate in.

Workplace

The Group recognizes that our employees are our most important asset and acknowledges their invaluable contribution to the Group's growth. To meet the needs of varying skills, capabilities and expertise from our employees, several personal development and skills training programmes were conducted to equip our employees with the necessary technical know-how.

PKN's Family Day at Selesa Beach Resort , Port Dickson

We value safety and health in our work place as of paramount importance to the well being of all our employees. In striving to secure a safe and healthy work environment, concerted efforts were made to prevent accidents and injuries at our workplace. Safety sign boards and first-aid boxes are placed at strategic locations and periodic safety briefings are conducted to increase awareness of safety practices.

NJL's Family Day at Derawan Island

The Group endeavours to promote work-life balance and interaction amongst the employees via various sports, family and social activities. During the year, with the full support and commitment of our employees, we had successfully organized activities such as annual dinner, family weekend beach retreat, Hari Raya open house and sport tournaments.

Community

The Group is conscious of its responsibility to act as a respected corporate citizen and its role to the community. During the year, several activities were initiated to support those in need and also the well-being of the various communities.

Our local subsidiary, Percetakan Keselamatan Nasional Sdn Bhd ("PKN") had provided financial aid to the following deserving causes:

1. The Malaysia Dialysis Organisation.

2. Pusat Jagaan Anak-anak Yatim dan Miskin Nurul Iman, Manjoi, Perak.

3. Yayasan Aminul Ummah Malaysia for its programme "Pemulihan Akhlak dan Perlindungan kepada Remaja Bermasalah".

4. Nadi Annissa, a Muslim Organisation with the specific aim to provide educational activities, counseling and legal advice in line with Syariah principles and Islamic environment for Muslim women.

5. Apartment Putra Ria, Bangsar for renovation works to build a classroom for underprivileged children.

CORPORATE SOCIAL RESPONSIBILITY (contd.)

As part of the service rendered to its valued customers and public, PKN had conducted a series of training on the features in security documents and printing techniques to the following organizations:

Organization	Subject
Jabatan Imigresen Malaysia	Understanding the Security Features and Specification -Malaysia Pass/ Visa & Residence Pass. Understanding the preparation on printing format of Malaysia Pass/Visa & Residence Pass Physical and Digital Security Verification
Polis DiRaja Malaysia	Modernization of police's pensioner card and authority card.


Training session with Jabatan Imigresen Malaysia


Volley ball Competition at NJL Estate


New Workers' Quarters in Meranti Estate, NJL


Stamps Exhibition at Putrajaya

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

1. Contribution for the construction of a mosque.

2. Contribution to Independence Day and Aidil Adha's celebration

3. Provision of free transportation to school for employee's children.

4. Supply of electricity and water to a school.

5. Donation of stationery and books to kindergartens.

ADDITIONAL COMPLIANCE INFORMATION

- **Utilisation Of Proceeds**

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

- **Share Buy-Backs**

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

- **Options, Warrants Or Convertible Securities**

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

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

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

- **Imposition Of Sanctions/Penalties**

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

- **Non-Audit Fees**

  There were no non-audit fees paid to the external auditors during the financial year.

- **Profit Estimate, Forecast Or Projection**

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

ADDITIONAL COMPLIANCE INFORMATION (contd.)

- ### Profit Guarantee

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

- ### Material Contracts And Contracts Relating To Loans

  There were no material contracts and contracts relating to loans entered into by the Company and its subsidiaries which involve the Directors or substantial shareholders entered into since the previous financial year ended 31 March 2011.

- ### Family relationship of Director with any directors and/or major shareholders

  None of the Directors has family relationships to one another.

- ### Conflict of interest and convictions for offences of Directors

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

AUDIT COMMITTEE REPORT

Members

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

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

Meetings

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

Member	Meetings Attended	Date of Meeting				
		24/05/11	29/06/11	15/08/11	22/11/11	21/02/12
Rezal Zain bin Abdul Rashid	5/5	Present	Present	Present	Present	Present
Dato' Adnan bin Shamsuddin	5/5	Present	Present	Present	Present	Present
Datuk Alias bin Ali	5/5	Present	Present	Present	Present	Present

Meetings between the external auditors and members of the Audit Committee without the presence of the Managing Director and management were held on 29 June 2011 and 21 February 2012.

Activities

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

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

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

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

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

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

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

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

Internal Audit Function

The Committee has been supported by the Group Internal Audit Department (GIA) of the penultimate holding company, Kumpulan Fima Berhad, which undertakes internal audit functions of the Group and Company based on an audit plan that is reviewed and approved by the Audit Committee. The GIA reports directly to the Audit Committee on a quarterly basis and is independent of the activities it audits.

During the year, the GIA has evaluated the adequacy, integrity and effectiveness of the Group's internal controls in safeguarding shareholders' investment and the Group's assets. The internal controls cover financial, operational and compliance and enterprise risk management. The cost incurred by the GIA in respect of internal audit function during the financial year was RM100,000.

The internal audit reports were deliberated by the Committee and recommendations were duly acted upon by the management. A number of internal control weaknesses were identified during the year, all of which have been, or are being addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties.

Terms of Reference

1.0 Composition

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

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

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

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

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

2.0 Authority

The Committee is authorised by the Board to:-

- Have authority to investigate any matter within its terms of reference;
- Have the resources which are required to perform its duties;
- Have full and unrestricted access to any information pertaining to the Company or Group;
- Have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);

- Obtain legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it is deemed necessary; and
- Convene meetings with the external auditors, excluding the attendance of the Managing Director and the management of the Company, whenever deemed necessary.

3.0 Functions

The functions of the Committee shall be:-

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

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

    (ii) significant and unusual events; and

    (iii) compliance with accounting standards and other legal requirements.
  - Any related party transaction and conflict of interest situations that may arise within the company or group including any transaction, procedure or course of conduct that raises the question of management integrity;
  - Any letter of resignation from the external auditors; and
  - Whether there is reason (supported by grounds) to believe that the external auditor is not suitable for re-appointment.
- To recommend the nomination of a person or persons as external auditors.

4.0 Meetings

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

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

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

STATEMENTS ON INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance ("Code") requires listed companies to maintain a sound system of internal controls to safeguard shareholders' investments and the Group's assets. Paragraph 15.27(b) of the Bursa Malaysia Securities Berhad Main Market Listing Requirements requires the Board to include a statement in its Annual Report on the state of internal control of the listed company as a group.

The Board of Directors of Fima Corporation Berhad ("the Board') is pleased to report the Group's Internal Control Statement, which outlines the nature and scope of internal control of the Group during the year.

RESPONSIBILITY OF THE BOARD

The Board recognises the importance of sound internal control and enterprise risk management practices for good corporate governance. The Board is committed to maintaining both a sound system of internal control and proper risk management throughout its operations. The Board affirms its overall responsibility for the Group's system of internal control and for reviewing its adequacy and integrity. Such system covers not only financial controls but also controls relating to operational, risk management and compliance with applicable laws, regulations, rules, directives and guidelines. The process for identifying, evaluating and managing the significant risks faced by the Group is on going, regularly reviewed by the Board through its Audit Committee and has been in place for the whole year under review. In view of the limitations inherent in any system of internal controls, the system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

SYSTEM OF INTERNAL CONTROLS

Salient features of the framework of the system of internal controls of the Group are as follows :-

- The Group has a policy on the financial limits and approval authorities for its operating and capital expenditure.

- The Board reviews and monitors the achievements of the Group's performance covering each business unit's performance on a quarterly basis.

- A monthly financial report is provided to the members of the Board to facilitate review and monitoring of the Group's financial performance.

- A Heads of Division meeting chaired by the Managing Director is held monthly to deliberate on operational, financial and key management issues.

- An annual budget is prepared and adopted by the Board to facilitate the monitoring of the Group's financial performance. The results of the lines of business are reported monthly and variances are analysed against the budget and acted on in a timely manner.

- Ongoing reviews on the system of the internal controls are carried out by the Internal Audit Department established by the penultimate holding company, Kumpulan Fima Berhad. Results of such reviews are reported to the Audit Committee. The work of the internal auditors is focused on areas of priority as identified by the Group's enterprise risk management process.

- The Audit Committee holds regular meetings to deliberate on findings and recommendations for improvement by both the internal and external auditors on the state of the system internal controls. The minutes of the Audit Committee meetings are tabled to the Board.

- Standards and guidelines for the day-to-day operations are set out in the Group's policies and procedures.

ENTERPRISE RISK MANAGEMENT

The Audit Committee and the Board are supported by a Risk Management Committee. The Risk Management Committee identifies and communicates to the Audit Committee and the Board the present and potential critical risks the Group faces, their changes and the management action plans to manage these risks. The Audit Committee and the Board in discharging their duties are supported by the Risk Management Unit, comprising senior management and is headed by the Managing Director.

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

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

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

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

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.24 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement for inclusion in the Annual Report for the year ended 31 March 2012 and reported to the Board that nothing has come to their attention that causes them to believe that his Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of internal controls.

DIRECTORS' RESPONSIBILITY STATEMENTS

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

The directors also have a general responsibility for taking such steps as are reasonable open to them to control and safeguard the assets of the Group and to prevent and detect fraud and other irregularities. In the opinion of the directors, the Company has applied the appropriate accounting policies and standards consistently in the preparation of the financial statements for the financial year ended 31 March 2012, which give a true and fair view of the state of affairs of the Group and the Company.

FIVE YEAR FINANCIAL HIGHLIGHTS OF THE GROUP
YEAR ENDED 30 MARCH

(RM'000)	2012	2011	2010	2009	2008
REVENUE	300,174	298,480	280,095	223,465	176,788
PROFIT					
Profit before Taxation	107,505	111,566	88,649	62,093	40,945
Profit after Taxation	78,917	84,757	64,570	59,481	31,372
Profit attributable to Non-Controlling Interests	7,010	5,271	3,879	2,351	-
ASSETS AND LIABILITES					
Total Assets	547,153	515,838	457,181	377,902	336,677
Total Liabilities	91,520	114,975	125,801	119,128	117,006
Financed By:					
Shareholder’s Equity	435,189	380,814	315,458	245,196	207,403
Non-Controlling Interests	20,444	20,049	15,922	13,578	12,268
EARNINGS AND DIVIDEND					
Earnings per share	89.4 sen	98.8 sen	75.4 sen	70.7 sen	37.7 sen
Dividends per share - Gross	35.0 sen	30.0 sen	20.0 sen	17.0 sen	16.0 sen
Dividends per share - Net	26.25 sen	22.5 sen	15.0 sen	12.8 sen	11.9 sen
SHARE PRICES					
Transacted price per share (RM)					
Highest	6.95	6.52	4.70	2.30	2.73
Lowest	4.88	3.92	1.92	1.79	2.00

PLANTATION STATISTICS YEAR ENDED 31 MARCH

		2012	2011	2010	2009	2008
Planted Area						
Mature	(hectare)	6,353.50	6,278.25	6,164.10	5,655.80	4,221.80
Immature	(hectare)	47.68	95.82	209.97	718.27	2,152.27
Total Planted Area	(hectare)	6,401.18	6,374.07	6,374.07	6,374.07	6,374.07
FFB Production						
Own estates	(mt)	139,144	117,975	113,888	90,735	41,811
Purchased	(mt)	22,673	33,611	52,857	26,517	4,990
Total processed	(mt)	163,203	150,144	166,745	117,252	46,801
Oil Extraction Rate (OER)	(%)	23.84	24.55	24.95	24.29	25.97
Yield per mature hectare	(mt FFB)	21.90	18.79	18.48	16.04	9.90
Average selling price *(Net of duty and transportation cost)*						
Crude palm oil	(RM/mt)	2,290	2,392	2,193	2,228	2,189
Crude palm kernel oil	(RM/mt)	4,230	-	-	-	-

FIMA CORPORATION BERHAD
(21185-P)

financial STATEMENTS

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DIRECTORS REPORT

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 2012.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of property management and investment holding. The principal activities of the subsidiaries and associates are production of security and confidential documents, oil palm production and processing and production and sale of bank notes as described in Notes 16 and 17 to the financial statements, respectively. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	78,917	20,962
Attributable to:		
Equity holders of the Company	71,907	20,962
Non-controlling interests	7,010	-
	78,917	20,962

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.

DIRECTORS REPORT (contd.)

DIVIDENDS

The amount of dividends paid by the Company since 31 March 2011 were as follows:

	RM'000
In respect of the financial year ended 31 March 2011 as reported in the directors' report for that year:	
Final dividend of 15% less 25% taxation, paid on 07 October 2011	9,053
Special dividend of 5% less 25% taxation, paid on 07 October 2011	3,018
In respect of the financial year ended 31 March 2012:	
Interim dividend of 15% less 25% taxation, paid on 23 December 2011	9,053
	21,124

The Directors recommend the payment of a final dividend of 15% less taxation of 25% and a special dividend of 5% less taxation of 25% on 80,470,710 ordinary shares, amounting to a total dividend of RM12,070,607 (15.0 sen net per share), which subject to the shareholders' approval at the forthcoming Annual General Meeting will be paid on a date to be determined. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 March 2013.

DIRECTORS

The directors who served since the date of the last report and at the date of this report are:

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

In accordance with Article 113 of the Company's Articles of Association, Dato' Adnan bin Shamsuddin and Dr. Roshayati binti Basir retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' BENEFITS

Neither at the end of the financial year nor at anytime during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted pursuant to the Kumpulan Fima Berhad Employee Share Scheme ("ESS").

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

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 Each			
	As at 1 April 2011	Bought	Sold	As at 31 March 2012
The Company				
Direct				
Roslan bin Hamir	205,600	-	-	205,600
Indirect * (1) (2) (3)				
Dr. Roshayati binti Basir	50,127,886	-	-	50,127,886

DIRECTORS' INTERESTS (CONTD.)

	Number of Ordinary Shares of RM1 Each			
	As at 1 April 2011	Bought	Sold	As at 31 March 2012
Kumpulan Fima Berhad				
Penultimate Holding Company				
Direct				
Roslan bin Hamir	111,000	-	-	111,000
Dato' Adnan bin Shamsuddin	10,000	-	-	10,000
Indirect *(1) (2)				
Dr. Roshayati binti Basir	146,202,300	-	-	146,202,300

* Deemed interested by virtue of the following:

(1) Her shareholding in BHR Enterprise Sdn Bhd ("BHR");

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

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

		Number of Options Over Ordinary Shares of RM1 Each			
	Option Price RM	As at 1 April 2011	Granted	Exercised	As at 31 March 2012
Kumpulan Fima Berhad Penultimate Holding Company					
Roslan bin Hamir	1.48	-	1,200,000	-	1,200,000

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

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

TREASURY SHARES

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

As at 31 March 2012, the Company held as treasury shares a total of 1,956,100 of its 82,426,810 issued ordinary shares. Such treasury shares are held at a carrying amount of approximately RM3,604,000. Further details are disclosed in Note 24 to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there are no known bad debts and that adequate allowance had been made for doubtful debts; and

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

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

   (i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

OTHER STATUTORY INFORMATION (CONTD.)

(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 its 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, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 June 2012.

Dato' Adnan bin Shamsuddin	Roslan bin Hamir
Chairman	Managing Director

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

We, Dato' Adnan bin Shamsuddin and Roslan bin Hamir, being two of the directors of Fima Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 43 to 121 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 and of their financial performance and cash flows for the year then ended.

The information set out in Note 38 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 June 2012.

Dato' Adnan bin Shamsuddin
Chairman

Roslan bin Hamir
Managing Director

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

I, Lee Mo Leng, being the officer primarily responsible for the financial management of Fima Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 43 to 122 are in my opinion, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Lee Mo Leng
at Kuala Lumpur in the Federal
Territory on 26 June 2012.

Lee Mo Leng

Before me,
Kathirvelayudham A/L Palaniappan PPN
Pesuruhjaya Sumpah
No. W 385

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIMA CORPORATION BERHAD

Report on the financial statements

We have audited the financial statements of Fima Corporation Berhad, which comprise the statements of financial position as at 31 March 2012 of the Group and of the Company, and the statement of comprehensive income, statement of changes in equity and statements of cash flow of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 43 to 121.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risk material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIMA CORPORATION BERHAD (contd.)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2012 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIMA CORPORATION BERHAD (contd.)

Other reporting responsibilities

The supplementary information set out in Note 38 on page 122 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysia Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

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

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Wan Daneena Liza binti Wan Abdul Rahman
No. 2978/03/14(J)
Chartered Accountant

Kuala Lumpur, Malaysia
Date: 26 June 2012

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Revenue	3	300,174	298,480	22,180	25,811
Cost of sales		(163,027)	(159,927)	-	-
Gross profit		137,147	138,553	22,180	25,811
Other income	4	6,211	6,198	9,690	1,809
Other items of expense					
Administrative expenses		(18,478)	(13,710)	(1,471)	(1,009)
Selling and marketing expenses		(2,742)	(2,855)	-	-
Other expenses		(18,839)	(16,970)	(3,647)	(3,072)
Finance costs	5	(1,044)	(1,963)	(391)	(902)
Share of results from associates		5,250	2,313	-	-
Profit before tax	6	107,505	111,566	26,361	22,637
Income tax expense	9	(28,588)	(26,809)	(5,399)	(4,661)
Profit net of tax		78,917	84,757	20,962	17,976
Other comprehensive income					
Foreign currency translation loss		(92)	(852)	-	-
Other comprehensive income for the year, net of tax		(92)	(852)	-	-
Total comprehensive income for the year		78,825	83,905	20,962	17,976
Profit attributable to:					
Equity holders of the Company		71,907	79,486	20,962	17,976
Non-controlling interests		7,010	5,271	-	-
Profit for the year		78,917	84,757	20,962	17,976
Total comprehensive income attributable to:					
Equity holders of the Company		71,815	78,634	20,962	17,976
Non-controlling interests		7,010	5,271	-	-
Total comprehensive income for the year		78,825	83,905	20,962	17,976
Earnings per share attributable to equity holders of the Company (sen per share)					
Basic/diluted earnings per share	11	89.36	98.78		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2012

	Note	Group 2012	Group 2011	Company 2012	Company 2011
		RM'000	RM'000	RM'000	RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	12	38,913	41,018	1,741	1,775
Investment properties	13	69,720	71,230	56,426	57,593
Biological assets	14	67,186	73,392	-	-
Goodwill on consolidation	15	510	510	-	-
Investment in subsidiaries	16	-	-	23,663	23,663
Investment in associates	17	27,515	34,077	10,000	15,000
Other investment	18	-	-	24,200	35,000
Deferred tax assets	27	4,522	3,979	439	446
		208,366	224,206	116,469	133,477
CURRENT ASSETS					
Trade and other receivables	19	60,664	79,188	5,622	3,669
Inventories	20	61,222	43,635	-	-
Due from related companies	21	1	8	1	17,857
Cash and cash equivalents	22	216,900	168,801	56,402	45,131
		338,787	291,632	62,025	66,657
TOTAL ASSETS		547,153	515,838	178,494	200,134
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	23	82,427	82,427	82,427	82,427
Share premium		534	534	534	534
Treasury shares	24	(3,604)	(3,604)	(3,604)	(3,604)
Other reserves	25	545	(3,047)	1,972	1,530
Retained earnings	26	355,287	304,504	92,858	93,020
		435,189	380,814	174,187	173,907
Non-controlling interests		20,444	20,049	-	-
Total equity		455,633	400,863	174,187	173,907

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2012 (contd.)

	Note	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities	27	-	1	-	-
Retirement benefit obligations	28	1,146	1,035	-	-
Borrowings	29	2,037	4,577	-	-
		3,183	5,613	-	-
CURRENT LIABILITIES					
Borrowings	29	-	35,000	-	20,000
Trade and other payables	30	79,542	64,614	3,408	3,909
Tax payable		8,726	9,588	328	345
Due to related companies	21	69	160	571	1,973
		88,337	109,362	4,307	26,227
Total liabilities		91,520	114,975	4,307	26,227
TOTAL EQUITY AND LIABILITIES		547,153	515,838	178,494	200,134

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2012

			------Attributable to owners of the parent------									
				Non-distributable		Distributable	Non-distributable					
Group	Note	Equity, total RM'000	Equity attributable to equity holders of the Company total RM'000	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total (Note 25) RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Equity contribution from parent RM'000	Non-controlling interests RM'000
At 1 April 2010		331,380	315,458	82,427	534	(3,604)	238,296	(2,195)	1,530	(3,725)	-	15,922
Total comprehensive income for the year		83,905	78,634	-	-	-	79,486	(852)	-	(852)	-	5,271
Transaction with owners												
Dividends	10	(13,278)	(13,278)	-	-	-	(13,278)	-	-	-	-	-
Redemption of loan stock		(1,144)	-	-	-	-	-	-	-	-	-	(1,144)
Total transactions with owners		(14,422)	(13,278)	-	-	-	(13,278)	-	-	-	-	(1,144)
At 31 March 2011		400,863	380,814	82,427	534	(3,604)	304,504	(3,047)	1,530	(4,577)	-	20,049
At 1 April 2011		400,863	380,814	82,427	534	(3,604)	304,504	(3,047)	1,530	(4,577)	-	20,049
Total comprehensive income for the year		78,825	71,815	-	-	-	71,907	(92)	-	(92)	-	7,010
Transaction with owners												
Dividends	10	(25,835)	(21,124)	-	-	-	(21,124)	-	-	-	-	(4,711)
Grant of equity settled share options		3,684	3,684	-	-	-	-	3,684	-	-	3,684	-
Redemption of loan stock		(1,904)	-	-	-	-	-	-	-	-	-	(1,904)
Total transactions with owners		(24,055)	(17,440)	-	-	-	(21,124)	3,684	-	-	3,684	(6,615)
At 31 March 2012		455,633	435,189	82,427	534	(3,604)	355,287	545	1,530	(4,669)	3,684	20,444

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2012 (contd.)

	Note	Equity, total RM'000	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total (Note 25) RM'000	Asset revaluation reserve RM'000	Equity contribution from parent RM'000
			|-------- Non-distributable--------		|	Distributable	|------------ Non-distributable ----------		|
Company									
At 1 April 2010		169,209	82,427	534	(3,604)	88,322	1,530	1,530	-
Total comprehensive income for the year		17,976	-	-	-	17,976	-	-	-
Transaction with owners									
Dividends	10	(13,278)	-	-	-	(13,278)	-	-	-
Total transactions with owners		(13,278)	-	-	-	(13,278)	-	-	-
At 31 March 2011		173,907	82,427	534	(3,604)	93,020	1,530	1,530	-
At 1 April 2011		173,907	82,427	534	(3,604)	93,020	1,530	1,530	-
Total comprehensive income for the year		21,404	-	-	-	20,962	442	-	442
Transaction with owners									
Dividends	10	(21,124)	-	-	-	(21,124)	-	-	-
Total transactions with owners		(21,124)	-	-	-	(21,124)	-	-	-
At 31 March 2012		174,187	82,427	534	(3,604)	92,858	1,972	1,530	442

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	107,505	111,566	26,361	22,637
Adjustments for:				
Depreciation for property, plant and equipment	11,783	10,607	57	69
Depreciation of investment properties	1,510	1,516	1,167	1,172
Amortisation of biological assets	4,130	4,189	-	-
Impairment loss on trade receivables	592	-	-	-
Write-back of impairment loss on trade receivables	(56)	(114)	(52)	(111)
Impairment loss on other trade receivables	620	-	-	-
Provision for retirement benefit obligations	184	317	-	-
Write down of inventories	409	208	-	-
Gain on disposal of property, plant and equipment	(126)	(391)	-	(21)
Share options granted under ESOS	3,684	-	442	-
Gain on disposal of equity interest in associate	-	-	(6,812)	-
Share of results of associates	(5,250)	(2,313)	-	-
Dividend income	-	-	(18,200)	(21,850)
Interest income	(5,914)	(3,742)	(1,835)	(1,099)
Interest expense	1,044	1,963	391	902
Operating profit before working capital changes	120,115	123,806	1,519	1,699
Decrease/(increase) in trade and other receivables	17,382	19,501	(1,900)	4,983
Increase in inventories	(17,996)	(15,669)	-	-
Increase/(decrease) in trade and other payables	14,928	(8,329)	(501)	86
(Decrease)/increase in related company balances	(84)	62	16,454	(9,468)
Cash generated from/(used in) operations	134,345	119,371	15,572	(2,700)
Taxes paid	(29,929)	(29,150)	(860)	(354)
Interest paid	(1,044)	(1,963)	(391)	(902)
Retirement benefits paid	(47)	(40)	-	-
Interest income received	5,914	3,742	1,835	1,099
Net cash generated from/(used in) operating activities	109,239	91,960	16,156	(2,857)

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012 (contd.)

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(10,494)	(11,063)	(23)	(25)
Additions to biological assets	(673)	(1,115)	-	-
Proceeds from disposal of property, plant and equipment	126	396	-	25
Proceeds from disposal of equity interest in associate company	11,812	-	11,812	-
Dividends received	-	5,250	13,650	17,700
Net (cash used in)/generated from investing activities	771	(6,532)	25,439	17,700
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(21,124)	(13,278)	(21,124)	(13,278)
Dividends paid by a subsidiary to non-controlling interests	(4,711)	-	-	-
Redemption of loan stocks investment	(4,444)	(2,668)	10,800	-
Repayment of short term borrowings	(35,000)	-	(20,000)	-
Net cash used in financing activities	(65,279)	(15,946)	(30,324)	(13,278)
NET INCREASE IN CASH AND CASH EQUIVALENTS	44,731	69,482	11,271	1,565
Effect of exchange rate changes in cash and cash equivalents	3,368	3,175	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	168,801	96,144	45,131	43,566
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 22)	216,900	168,801	56,402	45,131

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards ("FRSs") and of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRSs which are mandatory for financial periods beginning on or after 1 April 2011 as described fully in Note 2.2.

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 New FRSs, Amendments to FRS and IC Interpretations

(a) Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 April 2011, the Group and the Company adopted the following new and amended FRS and Issues Committee ("IC") Interpretations which are mandatory for the current financial year.

Effective annual financial periods beginning on or after 1 March 2010:
- Amendments to FRS 132 Classification of Rights Issues

Effective annual financial periods beginning on or after 1 July 2010:
- FRS 1 First-time Adoption of Financial Reporting Standards
- Amendments to FRS 2 Share Based Payment
- FRS 3 Business Combinations
- Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 127 Consolidated and Separate Financial Statements
- Amendments to FRS 138 Intangible Assets
- Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 12 Service Concession Arrangements
- IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17 Distributions of Non-cash Assets to Owners

Effective annual financial periods beginning on or after 1 January 2011:
- IC Interpretation 18 Transfers of Assets from Customers
- Amendments to FRS 1 Limited Exemptions for First-time Adopters
- Amendments to FRS 1 Additional Exemptions for First-time Adopters
- Amendments to FRS 7 Improving Disclosures about Financial Instruments
- IC Interpretation 4 Determining whether an Arrangement contains a Lease
- Improvements to FRS issued in 2010

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

(a) Changes in Accounting Policies (Contd.)

The adoption of the above standards and interpretations did not have any significant effect on the financial performance or position of the Group and of the Company except for those disclosed below:

(i) Revised FRS 3: Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS introduces a number of changes in accounting for business combinations occurring after 1 July 2010. These changes impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results.

The revised FRS 3 continues to apply the acquisition method to business combinations but with some significant changes. All payments to purchase a business are recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the statement of comprehensive income. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs are expensed off to the profit or loss.

Under the revised FRS 127, minority interest is referred to as non-controlling interest. The amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) be accounted for as an equity transaction. Therefore, such transactions will no longer give rise to a change in goodwill, nor will they give rise to a gain or loss. Further, losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance. Prior to 1 April 2011, the allocation of such losses to non-controlling interests would cease when the carrying amount of the non-controlling interests is nil. The subsequent profits attributable to the non-controlling interests would not be added to the carrying amount of the non-controlling interest until all the previous losses have been made good.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

(a) Changes in Accounting Policies (Contd.)

(ii) Amendments to FRS 7: Improving Disclosure about Financial Instruments

The amended standard requires enhanced disclosure about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by source of inputs using a three level fair value hierarchy (Level 1, Level 2, and Level 3), by class, for all financial instruments recognised at fair value. A reconciliation between the beginning and ending balance for Level 3 fair value measurements is required. Any significant transfers between levels of the fair value hierarchy and the reasons for those transfers need to be disclosed. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value measurement disclosures are presented in Note 35. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 34.

(b) Standards and Interpretations Issued but Not Yet Effective

	Effective for annual period beginning on or after
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 July 2011
Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement	1 July 2011
Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	1 January 2012
Amendments to FRS 7: Transfers of Financial Assets	1 January 2012
Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets	1 January 2012
FRS 124 Related Party Disclosures	1 January 2012
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associate and Joint Ventures	1 January 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

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

	Effective for annual period beginning on or after
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

The adoption of the FRSs, Amendments to FRS and Interpretations above are expected to have no significant impact on the financial statements of the Group and the Company in the period of initial application, except as disclosed below:

(i) Amendments to FRS 7: Transfers of Financial Assets

The amendments require additional disclosure about financial assets that been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognised and their asssociated liabilities. In addition, the amendments requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involements in those derecognised assets. The amendment affects disclosure only and has no impact on the Group's financial position or performance.

(ii) Amendments to FRS 101: Presentation of Items of Other Comprehensive Income

The amendments to FRS 101 change the grouping of items presented in Other Comprehensive Income. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never reclassified. The amendment affects presentation only and has no impact on the Group's finacial position or performance.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Changes in Accounting Policies (Contd.)

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

(iii) FRS 10: Consolidated financial statements

FRS 10 replaces the portion of FRS 127 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. FRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by FRS 10 will require management to exercise significant judgement to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in FRS 127.

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

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

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

On 19 November 2011, the Malaysian Accounting Standards (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS") Framework.

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

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework for an additional one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 April 2013.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.2 Changes in Accounting Policies (Contd.)

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

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2014. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

Currently, the Group is in the process of assessing the gap between current Group accounting policies and the requirements of MFRS Framework and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2014.

2.3 Summary of Significant Accounting Policies

(a) Revenue Recognition

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

(i) Sale of goods

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

(ii) Rental income

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

(iii) Property management services

Revenue from property management is recognised when services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(a) Revenue Recognition (Contd.)

(iv) Dividend income

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

(v) Receipts in advance

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

(b) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

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

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

(ii) Basis of Consolidation

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

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

(ii) Basis of Consolidation (Contd.)

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(c) Transaction with non-controlling interests

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

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

(d) Associates

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

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

In applying the equity method, unrealised gains and losses on transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(d) Associates (Contd.)

Goodwill relating to associates is included in the carrying amount of the investment and is not amortised. Any excess of the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss in the period in which the investment is acquired.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The most recent available audited financial statements of the associates are used by the Group in applying the equity method. Where the dates of the audited financial statements used are not coterminous with those of the Group, the share of results is arrived at from the last audited financial statements available and management financial statements to the end of the accounting period. Uniform accounting policies are adopted for like transactions and events in similar circumstances.

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

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in the profit or loss.

(e) Goodwill

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(f) Inventories

Inventories are stated at the lower of cost, determined on the First-In, First-Out ("FIFO") basis, and net realisable value. However, inventories of the foreign subsidiary in Indonesia are valued based on the weighted average method. Cost of finished goods and work-in-progress includes direct materials, direct labour, other direct costs and appropriate production overheads. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(g) Property, Plant and Equipment and Depreciation

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

Subsequent to recognition, equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Capital work-in-progress is not depreciated until the assets are ready for use. Depreciation for other property, plant and equipment is provided on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Buildings	2% to 10%
Plant and machinery	10% - 25%
Factory and office renovation	2% to 20%
Equipment, furniture and fittings and motor vehicles	10% - 33.3%

Freehold land has an unlimited useful life and is therefore not depreciated.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

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

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

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 property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(h) Investment Properties

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(h) Investment Properties (Contd.)

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

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

(i) Biological Assets - Oil Palm Planting Expenditure

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

(j) Income Tax

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(j) Income Tax (Contd.)

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

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(k) Provision for Liabilities

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(l) Impairment of Non-financial Assets

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

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

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

An impairment loss is recognised as an expense in the profit or loss immediately, unless the asset is carried at a revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any unutilised previously recognised revaluation surplus for the same asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined,net of depreciation, had no impairment loss been recognised previously.

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(m) Financial Liabilities

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(m) Financial Liabilities (Contd.)

(ii) Other financial liabilities

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

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

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

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

(n) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(n) Employee Benefits (Contd.)

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

The defined benefit obligation of the foreign subsidiary in Indonesia 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 2012.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(n) Employee Benefits (Contd.)

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

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

- Employee Share Option Scheme ("ESOS")

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(n) Employee Benefits (Contd.)

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

- Restricted Share Grant Scheme ("RSGS")

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

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

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

(o) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(o) Foreign Currencies (Contd.)

(ii) Foreign Currency Transactions

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

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

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

(p) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(q) Share Capital

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

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

(r) Financial Assets

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

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

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include loans and receivables and available for sale financial assets.

(i) Loans and receivables

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(r) Financial Assets (Contd.)

(ii) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale.

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

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

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

(s) Impairment of Financial Assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(s) Impairment of Financial Assets (Contd.)

(i) Trade and other receivables and other financial assets carried at amortised cost

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgments

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

Key Sources of Estimation Uncertainty

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

(i) Income taxes

Significant judgment is required in determining the allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax matters based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made. The Group's and Company's tax expense for the current financial year is RM28,588,000 (2011: RM26,809,000) and RM5,399,000 (2011: RM4,661,000) respectively, as disclosed in Note 9.

(ii) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The Group's and Company's net deferred tax assets as at 31 March 2012 is RM4,522,000 (2011: RM3,979,000) and RM439,000 (2011: RM446,000) respectively, as disclosed in Note 27.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgments (Contd.)

Key Sources of Estimation Uncertainty (Contd.)

(iii) Depreciation

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

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

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

3. REVENUE

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Dividend income from subsidiaries	-	-	18,200	16,600
Dividend income from associate	-	-	-	5,250
Production and trading of security and confidential documents	193,613	203,403	-	-
Net sale of oil palm products	102,564	90,223	-	-
Property management services	3,997	4,854	3,980	3,961
	300,174	298,480	22,180	25,811

4. OTHER INCOME

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Interest income	5,914	3,742	1,835	1,099
Gain on disposal of property, plant and equipment	126	391	-	21
Management fees	24	24	24	24
Marketing fees	-	-	1,018	655
Net gain on settlement with a minority shareholder	-	2,000	-	-
Gain on disposal of equity interest in associate company	-	-	6,812	-
Others	147	41	1	10
	6,211	6,198	9,690	1,809

5. FINANCE COSTS

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Interest expense on borrowings				
Revolving credit (Note 29)	673	1,396	391	902
Redeemable Convertible Loan Stocks ("RCLS") (Note 29)	371	567	-	-
Total finance costs	1,044	1,963	391	902

6. PROFIT BEFORE TAXATION

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

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Staff costs (Note 7)	23,676	18,111	1,411	738
Non-executive directors' remuneration (Note 8)	363	350	228	241
Auditors' remuneration				
- Holding company's auditors	129	128	39	39
- Other auditors	40	38	-	-
Factory rental	557	1,363	-	-
Repairs and maintenance	2,554	2,235	108	78
Depreciation of property, plant and equipment (Note 12)	11,783	10,607	57	69
Depreciation of investment properties (Note 13)	1,510	1,516	1,167	1,172
Amortisation of biological assets (Note 14)	4,130	4,189	-	-
Impairment loss on trade receivables	592	-	-	-
Write back of impairment loss on trade receivables	(56)	(114)	(52)	(111)
Impairment loss on other receivables	620	-	-	-
Write down of inventories	409	208	-	-
Gain on disposal of property, plant and equipment	(126)	(391)	-	(21)
Gain on disposal of equity interest in associate (Note 4)	-	-	6,812	-
Provision for retirement benefit obligations (Note 28)	184	317	-	-
Realised foreign exchange loss	3,476	2,260	-	-

7. STAFF COSTS

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Wages and salaries	17,169	15,211	835	602
EPF contribution	1,704	1,602	94	102
Social security costs	146	128	3	2
Provision for retirement benefits (Note 28)	184	317	-	-
Share options granted under ESOS	3,684	-	442	-
Other staff related expenses	789	853	37	32
	23,676	18,111	1,411	738

Included in staff costs of the Group and of the Company is the executive director's remuneration amounting to RM822,000 (2011: RM990,000) and RM319,000 (2011: RM401,000) respectively as further disclosed in Note 8. Direct wages of employees amounting to RM6,868,000 (2011: RM5,960,000) have been included in cost of sales.

8. DIRECTORS' REMUNERATION

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

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Executive director's remuneration				
Salaries and other emoluments	336	592	134	237
Bonus	444	350	178	140
Benefits-in-kind	42	48	7	24
	822	990	319	401
Non-executive directors' remuneration				
Fees	259	238	152	152
Other emoluments	104	112	76	89
	363	350	228	241
Total	1,185	1,340	547	642
Total excluding benefits-in-kind	1,143	1,292	540	618

8. DIRECTORS' REMUNERATION (CONTD.)

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

	Number of Directors 2012	2011
Executive:		
RM950,001 - RM1,000,000	-	1
RM800,001 - RM850,000	1	-
Non-Executive:		
Up to RM50,000	1	1
RM50,001 - RM100,000	3	3

9. INCOME TAX EXPENSES

Major components of income tax expenses

The major components of income tax expense for the years ended 31 March 2012 and 2011 are:

	Group 2012 RM'000	Group 2011 RM'000	Company 2012 RM'000	Company 2011 RM'000
Current income tax	29,653	28,383	5,350	4,637
(Over)/under provision in prior year	(475)	(552)	42	24
	29,178	27,831	5,392	4,661
Deferred tax (Note 27):				
Origination and reversal of temporary differences	(559)	(902)	10	-
Overprovision in prior year	(31)	(120)	(3)	-
	(590)	(1,022)	7	-
Income tax expense recognised in profit or loss	28,588	26,809	5,399	4,661

9. INCOME TAX EXPENSES (CONTD.)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 March 2012 and 2011 are as follows:

	2012 RM'000	2011 RM'000
Group		
Profit before tax	107,505	111,566
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	26,876	27,892
Effect of tax rates in foreign jurisdiction	1,866	-
Effect of expenses not deductible for tax purposes	2,049	1,104
Effect of partial tax exemption	(384)	(302)
Utilisation of reinvestment allowances	-	(635)
Effect of share of results of associates	(1,313)	(578)
Overprovision of deferred tax in prior year	(31)	(120)
Overprovision of income tax expense in prior year	(475)	(552)
Income tax expense recognised in profit or loss	28,588	26,809

Domestic income tax is calculated at the Malaysia statutory tax rate of 25% (2011: 25%) of the estimated assessable profit for the year. The corporate tax rate applicable to the Indonesian subsidiary of the Group is 25% (2011: 25%).

	2012 RM'000	2011 RM'000
Company		
Profit before tax	26,361	22,637
Taxation at Malaysian statutory tax rate of 25% (2011: 25%)	6,590	5,659
Effect of income not subject to tax	(1,703)	(1,312)
Effect of expenses not deductible for tax purposes	473	291
Overprovision of deferred tax in prior years	(3)	-
Underprovision of income tax expense in prior year	42	23
Income tax expense for the year	5,399	4,661

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2012 (contd.)

10. DIVIDENDS

	Dividends in Respect of Year		Dividends Recognised in Year	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Interim				
Interim dividend for year ended 31 March 2011 of 10% less 25% taxation paid on 24 December 2010	-	6,035	-	6,035
Interim dividend for year ended 31 March 2012 of 15% less 25% taxation paid on 23 December 2011	9,053	-	9,053	-
Final				
Final dividend for year ended 31 March 2010 of 12% less 25% taxation paid on 8 October 2010	-	-	-	7,243
Final dividend for year ended 31 March 2011 of 15% less 25% taxation paid on 7 October 2011	-	9,053	9,053	-
Special				
Special dividend for year ended 31 March 2011 of 5% less 25% taxation paid on 7 October 2011	-	3,018	3,018	-
	9,053	18,106	21,124	13,278

The Directors recommend the payment of a final dividend of 15% less taxation of 25% and a special dividend of 5% less taxation of 25% on 80,470,710 ordinary shares, amounting to a total dividend of RM12,070,607 (15.0 sen net per share), which subject to the shareholders' approval at the forthcoming Annual General Meeting will be paid on a date to be determined. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in shareholders' equity as an appropriation of retained earnings in the next financial year ending 31 March 2013.

11. EARNINGS PER SHARE

(a) Basic

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

	Group	
	2012	**2011**
Profit attributable to equity holders of the Company (RM'000)	71,907	79,486
Weighted average number of ordinary shares in issue ('000)	80,471	80,471
Basic earnings per share (sen)	89.36	98.78

(b) Diluted

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

12. PROPERTY, PLANT AND EQUIPMENT

Group

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

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group

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

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group

	At Valuation	At Cost				
	Land and Buildings* RM'000	Plant and Machinery RM'000	Factory and Office Renovations RM'000	Equipment, Furniture and Fittings and Motor Vehicles RM'000	Work In Progress RM'000	Total RM'000
At 31 March 2011						
At Valuation/Cost						
At 1 April 2010	2,061	57,237	24,046	13,887	2,022	99,253
Additions	459	6,366	20	4,159	59	11,063
Disposals	-	(1,411)	-	(703)	-	(2,114)
Transfers	196	1,497	-	-	(1,693)	-
Exchange differences	(11)	(121)	(714)	(231)	(68)	(1,145)
At 31 March 2011	2,705	63,568	23,352	17,112	320	107,057

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group

	At Valuation	|-----------At Cost			-----------|	
	Land and Buildings* RM'000	Plant and Machinery RM'000	Factory and Office Renovations RM'000	Equipment, Furniture and Fittings and Motor Vehicles RM'000	Work In Progress RM'000	Total RM'000
At 31 March 2011						
Accumulated Depreciation						
At 1 April 2010	34	40,149	9,182	8,555	-	57,920
Charge for the year	72	5,741	2,229	2,565	-	10,607
Disposals	-	(1,411)	-	(698)	-	(2,109)
Exchange differences	-	(20)	(250)	(109)	-	(379)
At 31 March 2011	106	44,459	11,161	10,313	-	66,039
Net carrying amount	2,599	19,109	12,191	6,799	320	41,018

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

*** Land and Buildings of the Group**

	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Total RM'000
At 31 March 2012				
At Valuation				
At 1 April 2011	1,500	132	1,073	2,705
Additions	-	-	8	8
Transfer	-	-	493	493
Exchange differences	-	(5)	(33)	(38)
At 31 March 2012	1,500	127	1,541	3,168
Accumulated Depreciation				
At 1 April 2011	-	-	106	106
Charge for the year	-	-	142	142
Exchange differences	-	-	(4)	(4)
At 31 March 2012	-	-	244	244
Net carrying amount	1,500	127	1,297	2,924
At 31 March 2011				
At Cost				
At 1 April 2010	1,500	136	425	2,061
Additions	-	-	459	459
Revaluation surplus	-	-	196	196
Exchange differences	-	(4)	(7)	(11)
At 31 March 2011	1,500	132	1,073	2,705
Accumulated Depreciation				
At 1 April 2010	-	-	34	34
Charge for the year	-	-	72	72
At 31 March 2011	-	-	106	106
Net carrying amount	1,500	132	967	2,599

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company

At 31 March 2012	At Valuation Land and Buildings* RM'000	At Cost Plant and Machinery RM'000	Office Renovations RM'000	Equipment, Furniture, and Fittings and Motor Vehicles RM'000	Total RM'000
At Valuation/Cost					
At 1 April 2011	1,700	2	53	507	2,262
Additions	-	-	-	23	23
At 31 March 2012	1,700	2	53	530	2,285
Accumulated Depreciation					
At 1 April 2011	13	2	53	419	487
Charge for the year	14	-	-	43	57
At 31 March 2012	27	2	53	462	544
Net carrying amount	1,673	-	-	68	1,741
At 31 March 2011					
At Cost					
At 1 April 2010	1,700	2	53	619	2,374
Additions	-	-	-	25	25
Disposal	-	-	-	(137)	(137)
At 31 March 2011	1,700	2	53	507	2,262
Accumulated Depreciation					
At 1 April 2010	-	2	53	496	551
Charge for the year	13	-	-	56	69
Disposal	-	-	-	(133)	(133)
At 31 March 2011	13	2	53	419	487
Net carrying amount	1,687	-	-	88	1,775

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

*** Land and Buildings of the Company**

At 31 March 2012	Freehold land RM'000	Buildings RM'000	Total RM'000
At Cost			
At 1 April 2011/31 March 2012	1,500	200	1,700
Accumulated Depreciation			
At 1 April 2011	-	13	13
Charge for the year	-	14	14
At 31 March 2012	-	27	27
Net carrying amount	1,500	173	1,673
At 31 March 2011			
At Cost			
At 1 April 2010/31 March 2011	1,500	200	1,700
Accumulated Depreciation			
At 1 April 2010	-	-	-
Charge for the year	-	13	13
At 31 March 2011	-	13	13
Net carrying amount	1,500	187	1,687

(a) The factory extension of the Group with a net book value of RM670,000 (2011: RM835,000) was constructed on a piece of land leased from the lessor. The lease will expire on 30 April 2020.

(b) Included in the property, plant and equipment of the Group and the Company are cost of fully depreciated assets still in use of RM38,469,000 (2011: RM35,919,000) and RM478,000 (2011: RM393,000) respectively.

13. INVESTMENT PROPERTIES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cost				
At 1 April/31 March	87,559	87,559	72,116	72,116
Accumulated Depreciation				
At 1 April	16,329	14,813	14,523	13,351
Charge for the year	1,510	1,516	1,167	1,172
At 31 March	17,839	16,329	15,690	14,523
Net carrying amount	69,720	71,230	56,426	57,593
Fair value	73,100	75,750	59,100	61,550

(a) The land titles of a freehold land and building of the Company with a net book value of approximately RM55,507,000 (2011: RM56,656,000) is pledged as securities for borrowings of the Group as disclosed in Note 29(i).

(b) The land title of a building of the Company which is located at Pekan Nenas, Johor with a net book value of approximately RM919,000 (2011: RM937,000) is in the process of being transferred.

(c) Factory buildings of a subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. with a net book value of RM7,012,000 (2011: RM7,271,000) are situated on a piece of leasehold land which will expire on 29 September 2086.

14. BIOLOGICAL ASSETS

	Group	
	2012	2011
OIL PALM PLANTING	RM'000	RM'000
Cost		
At 1 April	86,809	88,658
Additions	673	1,115
Exchange difference	(3,252)	(2,964)
At 31 March	84,230	86,809
Accumulated Amortisation		
At 1 April	(13,417)	(9,547)
Amortisation for the year	(4,130)	(4,189)
Exchange difference	503	319
At 31 March	(17,044)	(13,417)
Net carrying amount	67,186	73,392

15. GOODWILL ON CONSOLIDATION

	Group
	RM'000
At 1 April 2011/31 March 2012	510

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

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

The following describes each key assumption on which management has based its cash flow projections to undertake the impairment testing of goodwill:

(i) Budgeted Gross Margin

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

(ii) Growth Rates

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

15. GOODWILL ON CONSOLIDATION (CONTD.)

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

(iii) Discount Rates

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

(b) Sensitivity to Changes in Assumptions

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

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2012	2011
	RM'000	RM'000
Unquoted shares, at cost	23,663	23,663

Details of the subsidiaries are as follows:

Name of Company	Country of incorporation	Equity Interest Held 2012 %	Equity Interest Held 2011 %	Principal Activities
Security Printers (M) Sdn. Bhd.	Malaysia	100	100	Trading of security and confidential documents.
Percetakan Keselamatan Nasional Sdn. Bhd.	Malaysia	100	100	Production of security and confidential documents.
FCB Property Management Sdn. Bhd.	Malaysia	100	100	Property management.
FCB Plantation Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding.
PT Nunukan Jaya Lestari #	Indonesia	80	80	Oil palm production and processing.

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

17. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	10,000	15,000	10,000	15,000
Share of post acquisition results	17,515	19,077	-	-
	27,515	34,077	10,000	15,000
Represented by:				
Share of net assets	27,515	34,077	10,000	15,000

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

		Group's effective interest	
Name of Associates	Principal Activities	2012	2011
		%	%
KadKash Sdn. Bhd.	Dormant.	40	40
Giesecke and Devrient Malaysia Sdn. Bhd.	Production and sale of bank notes.	20	30

During the year, 10% equity interest in associate company, Giesecke & Devrient Malaysia Sdn. Bhd. ("G&D") was disposed off for a cash consideration of RM11.8 million, resulting in a gain on disposal of RM nil and RM6.8 million for the Group and Gompany respectively.

The financial statements of the above associates are coterminous with those of the Group, except for G&D which has a financial year end of 31 December to conform with its holding company's financial year end. For the purpose of applying the equity method of accounting, the financial statements of G&D for the year ended 31 December 2011 have been used and appropriate adjustments have been made for the effects of significant transactions between 31 December 2011 and 31 March 2012.

17. INVESTMENTS IN ASSOCIATES (CONTD.)

The summarised financial information of the associates are as follows:

	2012 RM'000	2011 RM'000
Gross Assets and liabilities		
Current assets	48,632	68,719
Non-current assets	111,465	75,989
Total assets	160,097	144,708
Current liabilities	25,505	25,099
Non-current liabilities	2,664	6,018
Total liabilities	28,169	31,117
Results		
Revenue	63,919	69,111
Profit for the year	23,988	7,712

18. OTHER INVESTMENT

Available for Sale

Redeemable Convertible Loan Stock ("RCLS")

	Number of RCLS of RM100,000 each		Company	
	2012	2011	2012 RM'000	2011 RM'000
At 1 April	350	350	35,000	35,000
Redemption during the year	(108)	-	(10,800)	-
At 31 March	242	350	24,200	35,000

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

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

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Current				
Trade receivables				
Third parties	45,006	72,087	502	435
Less: Allowance for impairment	(794)	(278)	-	(72)
Trade receivables, net	44,212	71,809	502	363
Other receivables				
Deposits	765	785	155	154
Sundry receivables	10,516	3,425	4,752	2,576
Tax recoverable	88	1,172	88	355
Prepayments	5,265	1,846	125	221
Staff loan	438	151	-	-
Less: Allowance for impairment	(620)	-	-	-
	16,452	7,379	5,120	3,306
Total trade and other receivables	60,664	79,188	5,622	3,669

Trade receivables are non-interest bearing and are generally on 30 to 90 day (2011: 30 to 90 day) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for a balance of RM39,783,000 (2011: RM67,542,000) due from the Government of Malaysia.

19. TRADE AND OTHER RECEIVABLES (CONTD.)

Ageing analysis of trade receivables

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

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impaired	16,212	20,406	157	83
1 to 60 days past due but not impaired	23,899	28,949	148	66
61 to 120 days past due but not impaired	813	22,211	34	29
More than 121 days past due but not impaired	3,288	243	163	185
	28,000	51,403	345	280
Impaired	794	278	-	72
	45,006	72,087	502	435

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

The Group and the Company has trade receivables amounting to RM28,000,000 (2011: RM51,403,000) and RM345,000 (2011: RM280,000), respectively that are past due at the reporting date but not impaired.

No allowance for impairment is made as in the opinion of the directors, the outstanding debts are expected to be collected in full within the next twelve months.

19. TRADE AND OTHER RECEIVABLES (CONTD.)

Receivables that are impaired

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

	Group		Company	
	Individually impaired		Individually impaired	
	2012	2011	2012	2011
	RM’000	RM’000	RM’000	RM’000
Trade receivables	794	278	-	72
Less: Allowance for impairment loss	(794)	(278)	-	(72)
	-	-	-	-

Movement in allowance accounts:

	Group		Company	
	2012	2011	2012	2011
	RM’000	RM’000	RM’000	RM’000
At 1 April	278	1,390	72	1,168
Allowance for impairment loss (Note 6)	592	-	-	-
Write back of impairment loss (Note 6)	(56)	(114)	(52)	(111)
Written off	(20)	(998)	(20)	(985)
As 31 March	794	278	-	72

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

20. INVENTORIES

	Group	
	2012	2011
	RM'000	RM'000
At net realisable value:		
Work-in-progress	32,666	17,934
Printing materials	9,919	11,408
Oil palm products	6,384	6,561
Fertilizer	1,200	4,084
Consumables	11,053	3,648
	61,222	43,635

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM105,112,000 (2011: RM106,082,000).

21. DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Due from subsidiaries	-	-	-	17,849
Due from other related companies	1	4	1	4
Due from associate company	-	4	-	4
	1	8	1	17,857
Due to penultimate holding company	(69)	(143)	-	(90)
Due to subsidiaries	-	-	(571)	(1,866)
Due to other related companies	-	(17)	-	(17)
	(69)	(160)	(571)	(1,973)

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

22. CASH AND CASH EQUIVALENTS

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Cash in hand and at bank	5,800	13,106	902	1,431
Deposits with:				
Licensed banks	211,100	155,695	55,500	43,700
	216,900	168,801	56,402	45,131

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

	Group		Company	
	2012	2011	2012	2011
	%	%	%	%
Licensed banks	3.25	3.29	3.17	3.07

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

	Group		Company	
	2012	2011	2012	2011
	Days	Days	Days	Days
Licensed banks	32	18	16	21

23. SHARE CAPITAL

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

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

24. TREASURY SHARES

This amount relates to the acquisition cost of treasury shares.

The shareholders of the Company, by a special resolution passed in a general meeting held on 10 September 2007, gave their approval for the Company's plan to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

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

Of the total 82,426,810 (2010: 82,426,810) issued and fully paid ordinary shares as at 31 March 2012, 1,956,100 (2011: 1,956,100) are held as treasury shares by the Company. As at 31 March 2012, the number of outstanding ordinary shares in issue and fully paid-up is therefore 80,470,710 (2011: 80,470,710) ordinary shares of RM1 each.

25. OTHER RESERVES

	Asset Revaluation Reserve RM'000	Foreign Currency Translation Reserve RM'000	Equity Contribution from Parent RM'000	Total RM'000
Group				
At 1 April 2010	1,530	(3,725)	-	(2,195)
Foreign currency translation	-	(852)	-	(852)
At 31 March 2011	1,530	(4,577)	-	(3,047)
At 1 April 2011	1,530	(4,577)	-	(3,047)
Foreign currency translation	-	(92)	-	(92)
Grant of equity-settled share options	-	-	3,684	3,684
At 31 March 2012	1,530	(4,669)	3,684	545
Company				
At 1 April 2010/31 March 2011	1,530	-	-	1,530
Grant of equity-settled share options	-	-	442	442
At 31 March 2012	1,530	-	442	1,972

25. OTHER RESERVES (CONTD.)

The nature and purpose of each category of reserve are as follows:

(a) Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of freehold land and buildings and decreases to the extent that such decreases relates to an increase on the same asset previously recognised in equity.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used record exchange differences arising from the translation of the financial statements of foreign operation whose functional currencies are different from that of the Group’s presentation currrency. It is also used to record the exchange differences arising from monetary items which from part of the Group’s net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(c) Equity contribution from parent

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

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

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

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

  There were no shares granted under RSGS to the Group eligible employees in the current financial year.

25. OTHER RESERVES (CONTD.)

(c) Equity contribution from parent (Contd.)

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

The eligibility criteria of the ESS are as follows:

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

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

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

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

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

<u>Movement of share options during the financial year</u>

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

	Group 2012 Number	WAEP RM
Outstanding at 1 April	-	-
-Granted	19,680,000	1.48
-Forfeited	(117,000)	1.48
-Exercised	(1,908,700)	1.48
Outstanding at 31 March	17,654,300	1.48
Exercisable at 31 March	7,862,300	1.48

25. OTHER RESERVES (CONTD.)

(c) Equity contribution from parent (Contd.)

(a) The weighted average fair value of options granted during the financial year was RM0.41.

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

(c) The range of exercise prices for options outstanding at the end of the year was RM1.48. The weighted average remaining contractual life for these options is 4.89 years.

Fair value of share options granted

The fair value of the share options granted is estimated at the grant date using a binomial option pricing model, taking into account the terms and conditions upon which the instruments were granted.

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

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

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

26. RETAINED EARNINGS

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

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007. As at 31 March 2012, the Company has sufficient credit in the Section 108 balance to pay franked dividends amounting to RM43,088,000 (2011: RM71,256,000). If the balance of the retained earnings of RM49,770,000 (2011: RM21,764,000) were to be distributed as dividends, the Company may distribute such dividends under the single tier system.

27. DEFERRED TAXATION

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
At 1 April	(3,978)	(2,984)	(446)	(446)
Recognised in profit or loss (Note 9)	(590)	(1,022)	7	-
Exchange differences	46	28	-	-
At 31 March	(4,522)	(3,978)	(439)	(446)
Presented after appropriate offsetting as follows:				
Deferred tax assets	(4,522)	(3,979)	(439)	(446)
Deferred tax liabilities	-	1	-	-
	(4,522)	(3,978)	(439)	(446)

27. DEFERRED TAXATION (CONTD.)

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

Deferred tax liabilities of the Group:

	Accelerated Capital Allowances RM'000
At 1 April 2010	1,256
Recognised in profit or loss	(54)
At 31 March 2011	1,202
Recognised in profit or loss	(223)
At 31 March 2012	979

Deferred tax assets of the Group:

	Retirement Benefit Obligations RM'000	Other Payables RM'000	Total RM'000
At 1 April 2010	(193)	(4,047)	(4,240)
Recognised in profit or loss	(66)	(874)	(940)
At 31 March 2011	(259)	(4,921)	(5,180)
Recognised in profit or loss	(28)	(495)	(523)
At 31 March 2012	(287)	(5,416)	(5,703)

Deferred tax liability of the Company:

	Accelerated Capital Allowances RM'000
At 1 April 2010	84
Recognised in profit or loss	-
At 31 March 2011	84
Recognised in profit or loss	7
At 31 March 2012	91

27. DEFERRED TAXATION (CONTD.)

Deferred tax assets of the Company:

	Provision for Liabilities RM'000	Total RM'000
At 1 April 2010	(530)	(530)
Recognised in profit or loss	-	-
At 31 March 2011	(530)	(530)
Recognised in profit or loss	-	-
At 31 March 2012	(530)	(530)

28. RETIREMENT BENEFIT OBLIGATIONS

	Group	
	2012 RM'000	2011 RM'000
At 1 April	1,035	772
Provision for the year (Note 7)	184	317
Contributions paid	(47)	(40)
Exchange differences	(26)	(14)
At 31 March	1,146	1,035

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 2012.

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

	Group	
	2012 RM'000	2011 RM'000
Present value of unfunded defined benefits obligations	1,146	1,035
Analysed as:		
Non-current:		
Later than 1 year but not later than 5 years	1,146	1,035

28. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

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

	Group	
	2011	2010
	RM'000	RM'000
Current service cost	133	174
Interest cost	51	143
Total, included in employee benefits expense (Note 7)	184	317

The principal assumptions used by the foreign subsidiary in Indonesia in determining employee benefits liability as of 31 March 2012 and 2011 are as follows:

	2012	2011
Discount rate	6.5%	8.5%
Annual salary increase	8%	8%
Retirement age	55	55

29. BORROWINGS

		Group		Company	
	Note	2012	2011	2012	2011
		RM'000	RM'000	RM'000	RM'000
Short term borrowing:					
Secured:					
Revolving credits	(i)	-	35,000	-	20,000
Long term borrowing:					
Unsecured:					
Redeemable Convertible Loan Stocks ("RCLS")	(ii)	2,037	4,577	-	-
Total borrowings		2,037	39,577	-	20,000

29. BORROWINGS (CONTD.)

i) The short term revolving credits of the Group are secured by a first legal charge over a property of the Company with a carrying value of RM55,507,000 (2011: RM56,656,000) known as PT 4181, HS (D) 85322, Mukim of Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan as disclosed in Note 13(a).

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

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

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

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

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

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

Based on the above terms, the RCLS is regarded as a compound instrument, consisting a liability and an equity component.

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

	Group		Company	
	2012	2011	2012	2011
	%	%	%	%
Revolving credits	3.89	3.89	4.02	4.02
RCLS	8.00	8.00	-	-

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables				
Third parties	54,100	38,738	3	5
Other payables				
Tenants' rental deposits	1,032	1,005	1,032	1,005
Accruals and other liabilities	2,757	3,865	253	779
Provision for bonus	2,529	2,303	-	-
Receipts in advance	1,247	1,494	-	-
Provision for compensation claim	2,120	2,120	2,120	2,120
Others	15,757	15,089	-	-
	25,442	25,876	3,405	3,904
Total trade and other payables	79,542	64,614	3,408	3,909

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 day (2011: 30 to 90 day) terms.

(b) Provision for compensation claim

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

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

30. TRADE AND OTHER PAYABLES (CONTD.)

(b) Provision for compensation claim (Contd.)

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

On 27 September 2011, the Court of Appeal had allowed the Company's appeal against the decision handed down by the High Court and directed that the matter be remitted back to the High Court for a full trial.

(c) Others

Included in others is a provision of RM11,654,405 (2011: RM11,061,905) made in respect of return of certain goods for which the actual amount is subject to the agreement of several parties.

31. COMMITMENTS

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Capital expenditure:				
Approved but not contracted for:				
Property, plant and equipment	5,126	5,386	200	55
	5,126	5,386	200	55
Approved and contracted for:				
Property, plant and equipment	623	661	-	-
	623	661	-	-
	5,749	6,047	200	55
Share of capital commitments of associated companies:				
Approved and contracted for:				
Property, plant and equipment	12,560	2,971	-	-

32. RELATED PARTY DISCLOSURES

(a) Related party transactions

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

Group	Note	2012 RM'000	2011 RM'000
Kumpulan Fima Berhad, penultimate holding company			
Rental income receivable	(i)	461	388
Sales made	(i)	20	5
Management fees/services payable	(i)	(220)	(125)
Fellow subsidiaries:			
Malaysian Transnational Trading (MATTRA) Corporation Berhad			
Rental income receivable	(i)	5	66
Maintenance services receivable	(i)	-	4
Related by virtue of having common director/(s):			
Nationwide Express Courier Services Berhad			
Purchases made	(ii)	(114)	(135)
Sales made	(i)	-	13
Rental income receivable	(i)	94	94
Nationwide Freight Forwarders Sdn. Bhd.			
Purchases made	(ii)	(53)	(233)
Related by virtue of director/(s) having substantial interest:			
TD Technologies Sdn. Bhd.			
Services payable	(ii)	(67)	(86)
First Zanzibar Sdn. Bhd.			
Services payable	(ii)	(32)	(39)
Associate:			
Giesecke & Devrient Malaysia Sdn. Bhd.			
Management services receivable	(i)	24	24

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31 MARCH 2012 (contd.)

32. RELATED PARTY DISCLOSURES (CONTD.)

(a) Related party transactions (Contd.)

Company	Note	2012 RM'000	2011 RM'000
Kumpulan Fima Berhad, penultimate holding company			
Rental income receivable	(i)	461	388
Management fees/services payable	(i)	(12)	(4)
Fellow subsidiaries:			
Malaysian Transnational Trading (MATTRA) Corporation Berhad			
Rental income receivable	(i)	5	66
Subsidiaries:			
FCB Property Management Sdn. Bhd.			
Rental income receivable	(i)	17	17
Management services receivable	(i)	120	132
Purchases made	(ii)	(852)	(808)
Percetakan Keselamatan Nasional Sdn. Bhd.			
Management services receivable	(i)	220	199
Purchases made	(ii)	(34)	(37)
Security Printers (M) Sdn. Bhd.			
Management services receivable	(i)	33	29
PT Nunukan Jaya Lestari			
Management services receivable	(i)	1,018	882
Related by virtue of having common director/(s):			
Nationwide Express Courier Services Berhad			
Rental income receivable	(i)	15	15
Purchases made	(ii)	(2)	(1)
Associate:			
Giesecke & Devrient Malaysia Sdn. Bhd.			
Management services receivable	(i)	24	24

32. RELATED PARTY DISCLOSURES (CONTD.)

(a) Related party transactions (Contd.)

(i) The rental, management fees, sale of products and rendering of services to penultimate company, fellow subsidiaries, subsidiaries, related companies and associate were made according to the published prices and conditions offered to the major customers of the Group and the Company.

(ii) The purchase of products and services from fellow subsidiaries, subsidiaries and related companies were made according to the published prices and conditions offered by these related parties to their major customers.

(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	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Short-term employee benefits	2,116	2,086	490	559
Post-employment benefits:				
Defined contribution plan	310	298	50	59
Other benefits	70	62	7	24
	2,496	2,446	547	642

Included in the total key management personnel above are:

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 8)	1,185	1,340	547	642

33. SEGMENT INFORMATION (CONTD.)

Business Segments

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

	Production and trading of security documents		Investment holding and Property management		Oil Palm Production		Eliminations		Consolidated	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue										
External sales	193,613	203,403	3,997	3,972	102,564	91,105	-	-	300,174	298,480
Inter-segment sales	71	84	1,339	1,214	-	-	(1,410)	(1,298)	-	-
Total revenue	193,684	203,487	5,336	5,186	102,564	91,105	(1,410)	(1,298)	300,174	298,480
Results										
Profit from operations	54,611	71,471	1,846	4,095	46,842	35,650	-	-	103,299	111,216
Finance costs	(282)	(494)	(391)	(902)	(371)	(567)	-	-	(1,044)	(1,963)
Share of results of associates	-	-	5,250	2,313	-	-	-	-	5,250	2,313
Profit before tax									107,505	111,566
Income tax expense									(28,588)	(26,809)
Profit net of tax									78,917	84,757
Assets and Liabilities										
Segment assets	248,825	218,326	179,918	270,523	205,270	154,756	(114,375)	(161,844)	519,638	481,761
Interest in associates	-	-	27,515	34,077	-	-	-	-	27,515	34,077
Consolidated total assets									547,153	515,838
Segment liabilities	74,657	73,943	4,371	44,180	11,478	12,523	1,014	(15,671)	91,520	114,975
Consolidated total liabilities									91,520	114,975
Other Information										
Capital expenditure	4,548	6,335	23	25	5,923	4,703	-	-	10,494	11,063
Depreciation and amortisation	6,666	5,786	1,226	1,242	9,531	9,284	-	-	17,423	16,312
Non-cash expenses other than depreciation and amortisation	1,048	133	(52)	(111)	133	389	-	-	1,129	411

Geographical Segments

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

	Revenue		Segment Assets		Capital Expenditure	
	2012	2011	2012	2011	2012	2011
Malaysia	197,610	207,375	371,811	325,139	4,571	6,360
Indonesia	102,564	91,105	147,827	156,622	5,923	4,703
	300,174	298,480	519,638	481,761	10,494	11,063

34. 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 31 March 2011. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group actively reviews its debt portfolio, taking into account the investment holding period and nature of its assets. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

The information on maturity dates and effective interest rates of financial assets and liabilities are disclosed in their respective notes.

(b) Foreign Exchange Risk

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

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

Sensitivity analysis

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.

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

(b) Foreign Exchange Risk (Contd.)

	Group 2012 Effect on profit net of tax RM'000	Group 2011 Effect on profit net of tax RM'000
IDR - strengthens 4% (2011: 3%)	40	(130)
IDR - weakens 4% (2011: 3%)	(40)	130

(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.

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

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31 MARCH 2012 (contd.)

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

(c) Liquidity/Funding Risk (Contd.)

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

	2012 <--------Contractual Cashflow-------->		
	On demand or within one year RM	One to five years RM	Total RM
Company			
Financial liabilities:			
Trade and other payables	3,408	-	3,408
Amount due to related companies	571	-	571
Total undiscounted financial liabilities	3,979	-	3,979

	2011 <--------Contractual Cashflow-------->		
	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial liabilities:			
Trade and other payables	64,614	-	64,614
Borrowings	36,365	4,943	41,308
Amount due to related companies	160	-	160
Total undiscounted financial liabilities	101,139	4,943	106,082
Company			
Financial liabilities:			
Trade and other payables	3,909	-	3,909
Borrowings	20,804	-	20,804
Amount due to related companies	1,973	-	1,973
Total undiscounted financial liabilities	26,686	-	26,686

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

(d) Credit Risk

Credit risk, or the risk of counterparties defaulting, is controlled by the application of credit approvals, limits and monitoring procedures. Credit risk is minimised and monitored via strictly limiting the Group's associations to business partners with high creditworthiness. Trade receivables are monitored on an ongoing basis via Group management reporting procedures.

The Group does not have any significant exposure to any individual customer or counterparty except with the Government of Malaysia as disclosed in Note 19. The Group does not have any major concentration of credit risk related to any financial instruments.

35. FINANCIAL INSTRUMENTS

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

		Group		Company	
	Note	Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
Financial Liabilities					
At 31 March 2012					
Borrowings	29	2,037	2,412	-	-
At 31 March 2011					
Borrowings	29	4,577	5,253	-	-

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

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

(ii) Borrowings

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

35. FINANCIAL INSTRUMENTS (CONTD.)

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

	Group		Company	
	2012	2011	2012	2011
	RM'000	RM'000	RM'000	RM'000
(i) Loans and receivables				
Current:				
Trade receivables (Note 19)	44,212	71,809	502	363
Other receivables (Note 19)	16,452	7,379	5,120	3,306
Less: Prepayments (Note 19)	(5,265)	(1,846)	(125)	(221)
Tax recoverable (Note 19)	(88)	(1,172)	(88)	(355)
	11,099	4,361	4,907	2,730
Amount due from related companies (Note 21)	1	8	1	17,857
Non-current:	-	-	-	-
Total trade and other receivables (current and non-current)	55,312	76,178	5,410	20,950
Add: Cash and cash equivalents (Note 22)	216,900	168,801	56,402	45,131
Total loans and receivables	272,212	244,979	61,812	66,081
(ii) Financial liabilities measured at amortised cost				
Trade payables (Note 30)	54,100	38,738	3	5
Other payables (Note 30)	25,442	25,876	3,405	3,904
Amount due to related companies (Note 21)	69	160	571	1,973
Borrowings (Note 29)	2,037	39,577	-	20,000
Total financial liabilities measured at amortised cost	81,648	104,351	3,979	25,882

36. 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.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2012 were authorised for issue in accordance with a resolution of the directors on 26 June 2012.

38. SUPPLEMENTARY INFORMATION

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

	Group		Company	
	Amount	Fair Value	Amount	Fair Value
	RM'000	RM'000	RM'000	RM'000
Total retained profits of the Company and its subsidiaries				
Realised	329,313	274,806	94,539	94,694
Unrealised	(9,251)	(9,204)	(1,681)	(1,674)
	320,062	265,602	92,858	93,020
Total share of retained earnings from associated companies				
Realised	21,208	26,083	-	-
Unrealised	(3,693)	(7,006)	-	-
	17,515	19,077	-	-
	337,577	284,679	92,858	93,020
Add : Consolidation adjustments	17,710	19,825	-	-
Retained profits as per financial statements	355,287	304,504	92,858	93,020

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

LIST OF PROPERTIES HELD BY THE GROUP
AT 31 MARCH 2012

No.	Location	Description/ Existing Use	Tenure	Land Area (Acre)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/3/2012 (RM)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	FIMA CORPORATION BERHAD							
1.	Lot 3767 & 3768 Grant 24531 & 24532 Mukim Jeram Batu Pontian, Johor	Industrial land and building	Freehold	2.71	66,608	918,801	07 July 1993	44
2.	Lot 1176 Mukim Pasir Panjang Port Dickson Negeri Sembilan	Bungalow	Feeehold	0.82	3,114	1,673,332	07 July 1993/ 02 January 2010	63
3.	Lot 50575 Grant 12754 Mukim of Kuala Lumpur Wilayah Persekutan	Office Building	Freehold	1.45	270,372	55,507,460	17 August 1995	14
	Sub Total			**4.98**	**340,094**	**58,099,593**		
	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	13,293,482	26 January 2006	25
	Sub Total			**8.30**	**250,560**	**13,293,482**		
	PT NUNUKAN JAYA LESTARI							
1.	Hak Guna Usaha (HGU) No. 1 and Hak Guna Bangunan (HGB) No. 50 Kelurahan Nunukan Barat Kabupaten & Kecamatan Nunukan Propinsi Kalimantan Timur Indonesia	Agriculture/ oil palm plantation and palm oil mill	Leasehold expiring 12/05/2038 (HGU) 17/03/2035 (HGB)	49,199.22	112,375	9,069,342	9 April 2007	7
	Sub Total			**49,199.22**	**112,375**	**9,069,342**		
	GRAND TOTAL			**49,212.50**	**703,029**	**80,462,417**		

ANALYSIS OF SHAREHOLDINGS
AS AT 25 JULY 2012

SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	89	4.36	2,176	0.00
100 - 1,000	405	19.84	317,042	0.38
1,001 - 10,000	1,143	56.00	4,782,449	5.80
10,001 - 100,000	340	16.66	10,252,722	12.44
100,001 to less than 5% of issued shares	63	3.09	17,990,635	21.83
5% and above of issued shares	1	0.05	49,081,786	59.55
	2,041	100.00	82,426,810	100.00

CATEGORY OF SHAREHOLDINGS

Category of Shareholders	Shareholders	%	Shareholdings	%
1. Government Agencies/Institutions	1	0.05	2,500	0.00
2. Bumiputra				
a. Individual	52	2.55	1,343,532	1.63
b. Companies	9	0.44	51,517,486	62.51
c. Nominees	120	5.88	3,789,417	4.60
3. Non-Bumiputra				
a. Individual	1,495	73.25	19,085,755	23.15
b. Companies	60	2.94	2,226,362	2.70
c. Nominees	145	7.10	2,538,860	3.08
Malaysian Total	**1,882**	**92.21**	**80,503,912**	**97.67**
4. Foreign				
a. Individual	88	4.31	474,600	0.57
b. Companies	4	0.20	65,141	0.08
c. Nominees	67	3.28	1,383,157	1.68
Foreign Total	**159**	**7.79**	**1,922,898**	**2.33**
GRAND TOTAL	**2,041**	**100.00**	**82,426,810**	**100.00**

ANALYSIS OF SHAREHOLDINGS
AS AT 25 JULY 2012 (contd.)

DIRECTORS' SHAREHOLDINGS

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

INFORMATION OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

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

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Names	No. of Shares	%
1.	Fima Metal Box Holdings Sdn Bhd	49,081,786	59.55
2.	Fima Corporation Berhad Share Buy-Back Account	1,956,100	2.37
3.	Wong Yu @ Wong Wing Yu	900,000	1.09
4.	Tan Ah Kow @ Tan Toong Soon	810,000	0.98
5.	Liau Choon Hwa & Sons Sdn Bhd	605,700	0.73
6.	Hamidah binti Abdul Rahman	605,600	0.73
7.	Chin Kian Fong	600,000	0.73
8.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged securities account for Sow Gek Pong (MLK)	520,900	0.63
9.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank for Liau Thai Min (MY0918)	514,900	0.62
10.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LPF)	491,600	0.60
11.	BHR Enterprise Sdn Bhd	440,500	0.53
12.	Wong Yu @ Wong Wing Yu	400,000	0.49
13.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Liau Thai Min	386,200	0.47
14.	Yeo Khee Huat	355,000	0.43
15	Leong Kok Tai	351,300	0.43
16.	Wong Soo Ping	350,100	0.42

ANALYSIS OF SHAREHOLDINGS
AS AT 25 JULY 2012 (contd.)

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

No.	Names	No. of Shares	%
17.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C - NR)	329,635	0.40
18.	Introscape Sdn Bhd	324,100	0.39
19.	Ong Teck Peow	321,600	0.39
20.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Ong Kok Yon	311,600	0.38
21.	Gan Kho @ Gan Hong Leong	303,000	0.37
22.	RHB Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Yee Ming	270,000	0.33
23.	Fuat bin Mashori	250,000	0.30
24.	Lim Siew Geok	235,000	0.29
25.	Mayban Nominees (Tempatan) Sdn Bhd Pledged securities account for Ong Teng Fong	229,900	0.28
26.	Ong Siok Bee	226,000	0.27
27.	Tan Siew Yoke	223,000	0.27
28.	Tan Siew	222,700	0.27
29.	HLG Nominee (Tempatan) Sdn Bhd Pledged securities account for Leong Wai Hong (CCTS)	206,000	0.25
30.	Roslan bin Hamir	205,600	0.25

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FIMA CORPORATION BERHAD (21185-P)

PROXY FORM

FIMA CORPORATION BERHAD
(Company No: 21185-P)
(37th ANNUAL GENERAL MEETING)

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

of ____
(Full Address)

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

____
(Full Name in Capital Letters)

of____
(Full Address)

or failing him____
(Full Name in Capital Letters)

of____
(Full Address)

as my/our proxy to vote for me/us* and on my/our* behalf at the Thirty-Seventh Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Tuesday, 25 September 2012 at 10.30 a.m. and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:-

No.	Resolutions	For	Against
Ordinary Resolution 1	To receive and adopt the Audited Financial Statements for the year ended 31 March 2012 and the Reports of the Directors and Auditors thereon.		
Ordinary Resolution 2	To declare a final dividend of 15% less 25% tax and a special dividend of 5% less 25% tax in respect of the financial year ended 31 March 2012 as recommended by the Directors.		
Ordinary Resolution 3	To re-elect YBhg Datuk Adnan bin Shamsuddin pursuant to Article 113 of the Company's Articles of Association.		
Ordinary Resolution 4	To re-elect Dr. Roshayati binti Basir pursuant to Article 113 of the Company's Articles of Association.		
Ordinary Resolution 5	To approve the payment of Directors' fees.		
Ordinary Resolution 6	To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration.		
AS SPECIAL BUSINESS			
Ordinary Resolution 7	Proposed Renewal of the Authority for Share Buy-Back.		

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

Dated this day of 2012

No. of shares held

....
Signature / Seal

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

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Postage
Stamp

FIMA CORPORATION BERHAD
(Company No: 21185-P)

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

Fold Here

FIMA CORPORATION BERHAD
(21185-P)

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