FIMA CORPORATION BERHAD
(21185-P)

2016

ANNUAL REPORT

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http://www.fimacorp.com

FIMACORP At A Glance

FYE 31 MARCH 2016

OUR REVENUE
RM375.2 MILLION

ROE
9.6%

PBT
RM77.3 MILLION

DIVIDEND PAYMENT*
25%

* SUBJECT TO SHAREHOLDERS' APPROVAL

ROCE
13.0%

FINANCIAL YEAR
1 April 2015 to 31 March 2016

NOTICE OF ANNUAL GENERAL MEETING
29 July 2016

ANNUAL GENERAL MEETING
Wednesday, 24 August 2016

FINANCIAL YEAR CALENDAR

RESULT	
First quarter	• Announced 25 August 2015
Second quarter	• Announced 25 November 2015
Third quarter	• Announced 23 February 2016
Fourth quarter	• Announced 24 May 2016

FINAL DIVIDEND	
Announced	• 28 July 2016
Entitlement date	• 5 September 2016
Payment date	• 22 September 2016
(Subject to the approval of the shareholders at the 41st AGM)	

NOTICE OF 41st ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-First (41st) Annual General Meeting ("AGM") of **FIMA CORPORATION BERHAD** will be held on Wednesday, 24 August 2016 at 9.30 a.m at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur for the following purposes: -

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2016 and the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note A**

2. To declare a single-tier final dividend of 15.0% or 7.5 sen per ordinary share of RM0.50 sen each in respect of the financial year ended 31 March 2016 as recommended by the Directors. **Ordinary Resolution 1**

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 Dato' Roslan bin Hamir **Ordinary Resolution 2**

   (ii) YBhg Datuk Alias bin Ali **Ordinary Resolution 3**

   (The profile of the above directors is set out on Page 10 and Page 11 of the Annual Report 2016.)

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

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

AS SPECIAL BUSINESS

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

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

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

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

   ii. the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total retained profits, and share premium account, if any, of the Company. The audited retained profits of the Company as at 31 March 2016 amounted to RM67,502,000;

NOTICE OF 41st ANNUAL GENERAL MEETING (contd.)

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

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

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

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

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

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

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

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

"THAT pursuant to Paragraph 10.09 of the Bursa Securities Main Market Listing Requirements, a mandate be and is hereby granted to allow recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries, entered into or to be entered into by the Company and/or its subsidiaries provided that such transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public, particulars of which are set out in Section 2.5 Part A of the Circular to Shareholders dated 29 July 2016 AND THAT such approval conferred by the mandate shall continue to be in force until:

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

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

NOTICE OF 41st ANNUAL GENERAL MEETING (contd.)

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

whichever is earlier.

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

8. **ORDINARY RESOLUTION**
Continuing in office as an Independent Non-Executive Director

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

(i) Encik Rezal Zain bin Abdul Rashid **Ordinary Resolution 8**

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

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

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

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining members who shall be entitled to attend the Annual General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a Record of Depositors as at 17 August 2016. Only members whose names appear on the Record of Depositors as at 17 August 2016 shall be entitled to attend the said meeting or appoint proxies to attend and vote on their behalf.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN that subject to the approval of the shareholders at the AGM to be held on 24 August 2016, a single-tier final dividend of 15.0% or 7.5 sen per ordinary share of RM0.50 sen each for the financial year ended 31 March 2016 will be paid on 22 September 2016 to depositors whose names appear in the Record of Depositors on 5 September 2016.

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 5 September 2016 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

JASMIN BINTI HOOD (LS 0009071)
LEE MO LENG (MIA 9505)
Secretaries

Kuala Lumpur
29 July 2016

NOTICE OF 41st ANNUAL GENERAL MEETING (contd.)

EXPLANATORY NOTE A

This Agenda item is meant for discussion only as under the provisions of Section 169(1) of the Companies Act, 1965 and the Company's Articles of Association, the Audited Financial Statements do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.

EXPLANATORY NOTE ON SPECIAL BUSINESS

Ordinary Resolution 6
Proposed Renewal of the Authority for Shares Buy-Back

The proposed Ordinary Resolution 6, if passed, will empower the Directors to purchase the Company's shares up to ten per cent (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 2016, the Company's retained earnings stood at RM67,502,000.

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

The proposed Ordinary Resolution 7, if passed, will empower the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

The details of the proposal are set out in the Circular to Shareholders dated 29 July 2016 which is circulated together with the Annual Report.

Ordinary Resolutions 8 to 10
Continuing in office as an Independent Non-Executive Director

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

a) Have fulfilled the criteria as an Independent Director as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and therefore are able to bring independent and objective judgment to the Board;
b) Have provided effective check and balance in the proceedings of the Board and the Board Committees;
c) Have provided objectivity in decision making through unbiased and independent views as well as advice and judgment, to the Board;
d) Have contributed sufficient time and effort and attended all the Committees and Board Meetings for an informed and balanced decision making;
e) Have exercised due care during their tenure as Independent Non-Executive Directors of the Company and carried out their professional and fiduciary duties in the interest of the Company and shareholders; and
f) Having been with the Company for more than 9 years and are familiar with the Group's business operations, have contributed actively and effectively during deliberations or discussions at Committees and Board meetings.

NOTE

1. *A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member of the Company and a member may appoint more than two (2) proxies by specifying the proportion of his shareholding to be represented by each proxy.*
2. *Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
3. *The instrument appointing the proxy must be deposited at the Registered Office of the Company, not less than 24 hours before the time of holding the Meeting.*
4. *The voting at the 41st AGM will be conducted on a poll. The company will appoint independent scrutineers to verify the results of the poll.*

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The Directors who are retiring pursuant to Article 113 of the Company's Articles of Association and seeking re-election are:

   (i) YBhg Dato' Roslan bin Hamir
   (ii) YBhg Datuk Alias bin Ali

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

   (i) Encik Rezal Zain bin Abdul Rashid
   (ii) YBhg Dato' Adnan bin Shamsuddin
   (iii) YBhg Datuk Alias bin Ali

3. The profiles of the above Directors who are standing for re-election are set out in the Profile of Directors section of this Annual Report.

4. The details of the Directors' interests in the securities of the Company are set out in the Directors' Report under the Financial Statements of this Annual Report

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Adnan bin Shamsuddin	*Chairman / Independent Non-Executive Director*
Dato' Roslan bin Hamir	*Managing Director / Non-Independent Executive Director*
Rezal Zain bin Abdul Rashid	*Senior Independent Non-Executive Director*
Datuk Alias bin Ali	*Independent Non-Executive Director*
Dr. Roshayati binti Basir	*Non-Independent Non-Executive Director*

AUDIT COMMITTEE

Rezal Zain bin Abdul Rashid	*Chairman/Senior Independent Non-Executive Director*
Dato' Adnan bin Shamsuddin	*Independent Non-Executive Director*
Datuk Alias bin Ali	*Independent Non-Executive Director*

REMUNERATION & NOMINATION COMMITTEE

Datuk Alias bin Ali	*Chairman/Independent Non-Executive Director*
Rezal Zain bin Abdul Rashid	*Senior Independent Non-Executive Director*
Dato' Adnan bin Shamsuddin	*Independent Non-Executive Director*

COMPANY SECRETARIES

Jasmin binti Hood (LS 0009071)
Lee Mo Leng (MIA 9505)

AUDITORS

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

SHARE REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 6, Symphony House
Block D13, Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Tel : (603) 7849 0777
Fax : (603) 7841 8008

REGISTERED OFFICE

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

WEBSITE

http://www.fimacorp.com

PRINCIPAL BANKERS

Malayan Banking Berhad

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
(69 years of age, male, Malaysian)
Chairman
Independent Non-Executive Director
B.A (Hons) Second Class Upper in Economics (University of Malaya)
M.A Economics (University of Southern California)

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

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

He returned to Malaysia in 1977 and was posted as Director of Air Transport in the Department of Civil Aviation and in 1983, promoted to the post of Deputy Director General of Civil Aviation. When the airport was corporatized 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 six (6) board meetings held in the financial year.

DATO' ROSLAN BIN HAMIR
(49 years of age, male, Malaysian)
Managing Director /
Non-Independent Executive 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, a company listed on Bursa Malaysia Securities Berhad.

He had attended all six (6) board meetings held in the financial year.

PROFILE OF DIRECTORS (contd.)

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

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

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

In 1996, he joined TDM Berhad as the Manager of Corporate & Business Development and was appointed as the Chief Operating Officer in 1999. In July 2000, he left TDM Berhad, pursuant to a management-buy-out of one of its subsidiaries. He is presently a Board member, Audit Committee chairman and a member of the Remuneration and Nomination Committees of YFG Berhad and Matrix Concepts Holding Berhad.

He is also the Chairman of FCB Plantation Holdings Sdn Bhd, a wholly-owned subsidiary of Fima Corporation Berhad.

He had attended all six (6) board meetings held in the financial year.

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

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

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

He had attended all six (6) board meetings held in the financial year.

PROFILE OF DIRECTORS (contd.)

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

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

She had attended all six (6) 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) Other than traffic offences, none of the Directors has been convicted of any offences within the past ten (10) years.

iv) None of the Directors has been imposed any public sanction or penalty by regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT

He joined subsidiary, Percetakan Keselamatan Nasional Sdn Bhd ("PKN") as Director of Operations in 2005 and appointed as Executive Director, Operations on 25 August 2014, In 2009, he was appointed Chief Operating Officer of FimaCorp.

He was previously with Ernst & Young as an auditor from 1991 till 1995. He subsequently joined a Unit Trust Management Company as Head of Finance and Administration from 1995 till 2002. In 2003, he joined FimaCorp as Vice President and was seconded to an associate company, Giesecke & Devrient Malaysia Sdn Bhd "(GDMal") as Executive Director. In 2005, he was appointed as Non-Executive Director of GDMal. He is also a Board member of FCB Plantation Holdings Sdn Bhd, PT Nunukan Jaya Lestari, Cendana Laksana Sdn Bhd, FCB Property Management Sdn Bhd, Security Printers (M) Sdn Bhd and Fima Instanco Sdn Bhd.

NAZARUDDIN BIN MOHD HADRI
(49 years of age, male, Malaysian),
Chief Operating Officer
Bachelor of Commerce majoring in Accounting (St.Mary's University, Canada)

In 2001, he was transferred to subsidiary, Percetakan Keselamatan Nasional Sdn Bhd ("PKN") from Fima Securities Sdn Bhd, a stock-broking arm of Kumpulan Fima Group of Companies to head the Planning and Purchasing Division. Since 2005, he was Director of Sales and he joined the Board on 25 August 2014 as Executive Director, Sales.

He started his career in 1984 with Bank Kerjasama Rakyat Berhad and later moved to New Straits Times as Assistant Accountant in 1985. He left in June 1987 to pursue his degree and joined Coopers & Lybrand Management Consultant Berhad upon completion in July 1990. He later took up several positions in two stockbroking firms, CIMB Securities Berhad and K & N Kenanga Berhad before joining Fima Securities Sdn Bhd in 1997 as Vice President of Institutional Business. His last position was Vice President of Finance and Operations before moving to PKN.

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

DZAKWAN BIN MANSORI
(54 years of age, male, Malaysian),
Executive Director, Sales (PKN)
Advanced Diploma in Accountancy (University Teknologi MARA, Shah Alam)

KEY SENIOR MANAGEMENT (contd.)

MOHD RIZAL BIN MAT NOR
(48 years of age, male, Malaysian), *General Manager, Plantation Division*
B.A. (Hons) in Accounting, Polytechnic of North London

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

He has extensive experience in accounting, finance and general management across a number of industries, amongst them, telecommunications and utilities. Besides PT NJL, he also sits on the Board of Gabungan Warisan Sdn Bhd, Next Oasis Sdn Bhd, Taka Worldwide Trading Sdn Bhd and Etika Gangsa Sdn Bhd.

SUSAN LEE MO LENG
(56 years of age, female, Malaysian)
Senior Financial Controller/Company Secretary
ACCA

An Accountant by profession, she is an ACCA graduate and a chartered member of Malaysian Institute of Accountants. She joined subsidiary, Security Printers (M) Sdn Bhd in 1978 and was transferred to the holding company in 1993. As the Group Accountant since 1 July 1995, she was redesignated as Financial Controller on 1 September 2001 and appointed Company Secretary on 20 September 2001. She is presently the Senior Financial Controller and she also sits on the Board of FCB Property Management Sdn Bhd.

JASMIN BINTI HOOD
(43 years of age, female, Malaysian)
Company Secretary
LLB (Hons) University of Southampton, CLP

She joined the penultimate holding company, Kumpulan Fima Berhad ("KFima") on 2 January 2008. She is currently Company Secretary to KFima's Group of subsidiaries. She was appointed Joint Company Secretary of FimaCorp on 25 November 2015. She has had over 17 years' experience in legal, corporate secretarial and compliance matters having served in various positions in organisations including Golden Hope Plantations Berhad, Bursa Malaysia and Hong Leong Finance Berhad. She sits on the Board of R.N.E. Plantation Sdn Bhd and four subsidiaries of KFima.

Note:

i) None of the key senior management has any family relationship with any director and/or major shareholders of the Company.
ii) None of the key senior management has any conflict of interest with the Company.
iii) Other than traffic offences, none of the key senior management has been convicted of any offences within the past ten (10) years.
iv) None of the key senior management has been imposed any public sanction or penalty by regulatory bodies during the financial year.

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Fima Corporation Berhad for the financial year ended 31 March 2016.

Revenue

RM 375.2 Million | **RM378.0 Million FY2015**

PBT

RM 77.3 Million | **RM87.8 Million FY2015**

FINANCIAL RESULTS AND PERFORMANCE

The Group's revenue for the financial year ended 31 March 2016 ("FY2016") was RM375.2 million, down 0.7% over last year's revenue of RM378.0 million. The Group's profit before tax ("PBT") for FY2016 decreased to RM77.3 million compared to RM87.8 million recorded last year. The decrease in revenue and PBT were attributed to lower earnings contribution from Plantation division.

Earnings per share and net assets per share for the year stood at 21.24 sen and RM2.30 respectively.

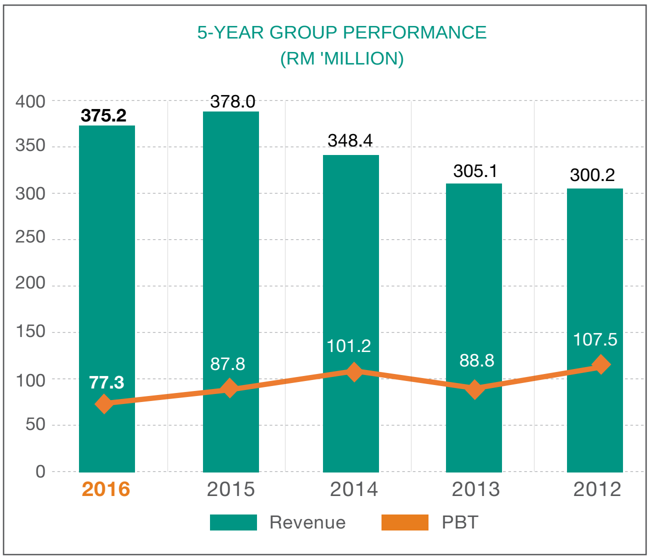
The results reflect the challenging business environment that the Group operates in. Lower average price realized and lower sales volume of crude palm oil ("CPO") during the year had weighed down the earnings contribution from the Plantation Division.

A more detailed review of the results and the operating performance for the year of each of the Group's business divisions is set out in pages 18 to 21 of this Annual Report.

CHAIRMAN STATEMENT (contd.)

DIVIDEND

The Board of Directors is pleased to recommend for shareholders' approval a final dividend of 15% or 7.5 sen per RM0.50 share for the year ended 31 March 2016. An interim dividend of 10% or 5.0 sen per RM0.50 share was paid on 31 December 2015. Total dividend for the financial year under review is 25% or 12.5 sen per RM0.50 share. (2015: 25% or 12.50 sen per RM0.50 share).



CORPORATE DEVELOPMENT

On 4 December 2015, the Group's subsidiary, FCB Plantation Holdings Sdn Bhd completed the acquisition of 70% equity interest in R.N.E Plantation Sdn Bhd ("RNEP") for a total purchase consideration of RM4.2 million. RNEP has been granted a sub-lease over a parcel of land measuring approximately 2,000 hectares (4,940 acres) situated in Mukim Sungai Siput, Daerah Kuala Kangsar, Perak Darul Ridzuan for a term of 60 years.

The acquisition of RNEP is in line with the Group's objective to expand its plantation business, particularly in Semenanjung Malaysia, and to capitalise on the long-term prospects of the palm oil industry.

OUTLOOK

The current financial year is expected to remain challenging in the face of macroeconomic uncertainties especially with regards to the impact of the slowdown of the Chinese economy. With BNM projecting a slower gross domestic product of 4% - 4.5% in 2016 (FY2015:5%), the Group anticipates that Malaysia will continue to be susceptible to these headwinds.

At the industry level, factors such as extreme weather conditions, labour shortages, soft consumer sentiments and increased competition will continue to pose challenges to the Group's businesses.

Given the present business climate, the Group's focus for this current financial year will include making selective investments which are accretive to our existing portfolio while at the same time drive further operational efficiencies to deliver shareholders' value . The Group also intends to fully realize the potential of acquisitions made in recent years.

We are confident that our strong fundamentals and strategies, combined with the support of our Board and dedication of our employees, will enable the Group to successfully navigate through these challenging times.

APPRECIATION

On behalf of the Board of Directors, I would like to express our deepest gratitude to the Management team and staff of FimaCorp for their hard work and support towards the continued success of the Group. I would also like to express my sincere thanks to all our stakeholders, suppliers, customers, shareholders and fellow Board members for their support.

DATO' ADNAN BIN SHAMSUDDIN
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

KEY FINANCIAL INDICATORS

		2016	2015
Revenue	***RM million***	375.21	378.01
Earnings before interest and taxation (EBIT)	***RM million***	77.37	87.87
Profit before tax (PBT)	***RM million***	77.30	87.83
Profit after tax (PAT)	***RM million***	54.87	60.31
Return on average shareholders' equity (ROE)	***%***	9.6	11.2
Return on average capital employed (ROCE)	***%***	13.0	16.0
Total returns to shareholders			
- Gross dividend (per RM0.50 share)	***%***	25.00	25.00

SEGMENTAL PROFIT BEFORE TAX

	2016 RM'000	Mix %	2015 RM'000	Mix %
Manufacturing	54,007	69.9	50,543	57.6
Plantation	21,357	27.6	34,420	39.2
Property Management	1,121	1.5	818	0.9
Other	(736)	(1.0)	(1,291)	(1.5)
Share of results of associate	1,551	2.0	3,337	3.8
Group results	77,300	100.0	87,827	100.0

The Group's PBT decreased by 12.0% to RM77.3 million from RM87.8 million recorded in the previous financial year. The decrease is primarily due to lower revenue and higher cost of sales coupled with RM1.7 million pretax loss incurred by plantation estates in Malaysia which are undergoing land development and palm planting.

The Group generated an **operating cash flow** of RM63.9 million for FY2016 against RM32.7 million in the previous financial year and incurred RM10.8 million capital expenditure. The Group continues to maintain a healthy cash and bank balance, which stood at RM177.6 million as at 31 March 2016.

Shareholders' equity as at 31 March 2016 stood at RM554.2 million, an increase of RM23.7 million or 4.5% over the previous financial year.

MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

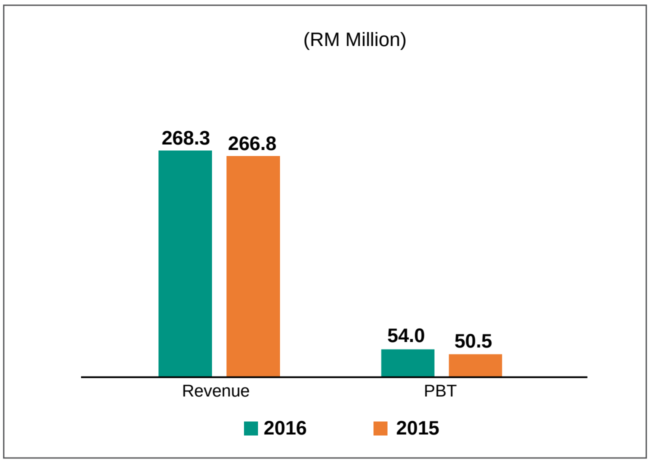
MANUFACTURING

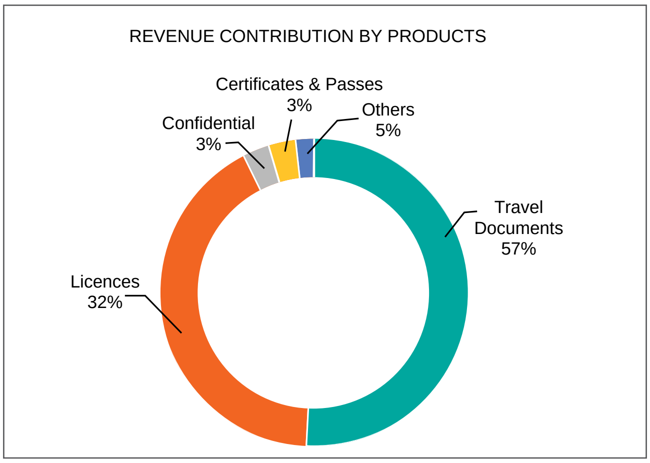
BUSINESS OPERATION REVIEW

FY2016 the Division posted a revenue and PBT of RM268.3 million and RM54.0 million respectively, representing an increase of 0.6% in revenue and 6.9% in PBT from previous year. The improvement in PBT is mainly due to lower depreciation cost.

Cash flows from operations amounted to RM68.6 million in FYE2016, an increase of RM65.4 million from the previous year. On the operational front, this segment was able to maintain satisfactory profit margin despite Ringgit depreciation via prudent cost management and efficient administration of operational cost.

During the year under review, the Division spent RM7.2 million on capital expenditure.





FUTURE OUTLOOK

New digital technologies are changing the industry's landscape through inter alia the introduction of mobile applications and digital IDs as replacement for the use of paper-based security documents. The security and identity documents markets are increasingly seeking complete integrated solutions to facilitate faster time-to-market personalization and issuance processes This posed another set of challenges relating to the highly competitive landscape of these markets. Emerging competitors, as well as traditional ones, are exerting pressure in particular product segments whilst compressing margins.

These developments create both threats and opportunities for the Division. We will continue to address these business model shifts and challenges by developing new revenue streams and product innovation to ensure that we are proactive in addressing the needs of our clients' evolving requirements as well as expanding into new markets with our strategic partners. Our differentiation lies in our strong track record of collaboration with customers and partners, our expertise in project management as well as superior support service.

2016/2017 will be a challenging year for the Manufacturing Division in view of the expiration of the contract to supply certain travel documents in Quarter 3 FY2017. The Division will endeavour to establish new strategic alliances to develop new products and solutions to complement its products.

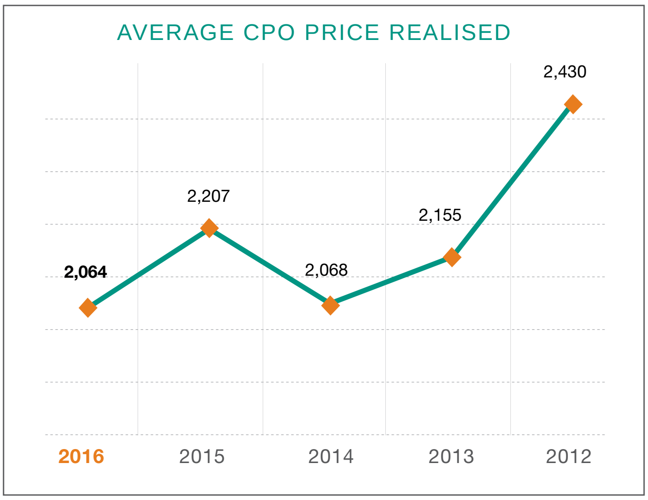
MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

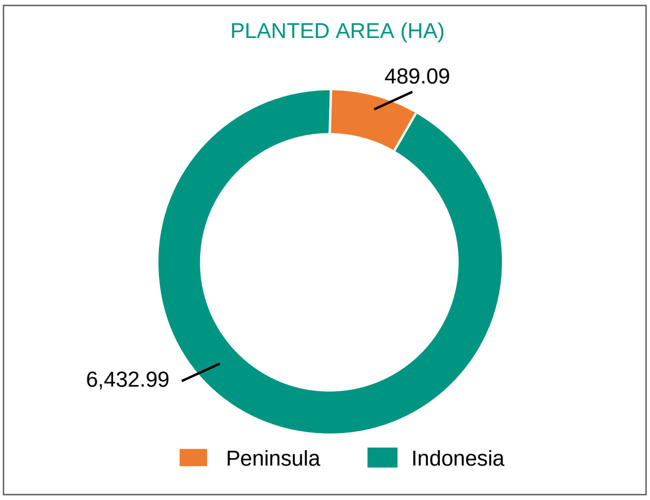
PLANTATION

BUSINESS OPERATION REVIEW

The Plantation Division recorded RM102.6 million revenue, a decrease of RM4.5 million compared to last year. PBT registered was RM 21.4 million, a decrease of 38.0% year-on-year. The decline in revenue and PBT was primarily attributable to decrease in CPO average CIF selling price realised of RM2,064 per metric tonne ("mt") compared to RM2,207 per mt in the previous year. The CPO price was also negatively impacted by an export levy of USD50 per mt imposed by the Indonesian government effective 16 July 2015.

For the period under review, the Group's Indonesian subsidiary, PT Nunukan Jaya Lestari harvested 149,060 mt (FY2015: 149,701 mt) fresh fruit bunches ("FFB"), 0.4% decrease year-on-year. The average yield per mature hectare had marginally decreased to 23.17 mt/ha (FY2015: 23.14 mt/ha), mainly due to the prolonged dry weather experienced during the year. Purchase of FFB from third parties decreased to 53,198 mt from 60,677 mt last year.





Production of CPO and crude palm kernel oil during the year totalled 45,387 mt (FY2015: 47,649 mt) and 3,363 mt (FY2015: 1,191 mt) respectively. The average oil extraction rate of 22.42% was marginally lower than last year's rate of 22.71%.

During FY2016, the Division spent RM10.6 million on CAPEX, largely towards plantation development works, construction and refurbishment of workers quarters as well as estate equipment.

MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

PLANTATION (contd.)

ESTATE DEVELOPMENT

Ladang Cendana, Kemaman, Terengganu

The Group's estate, Ladang Cendana in Kemaman, Terengganu, is approaching the tail-end of its planting programme. As at 31 March 2016, approximately 489 hectares have been planted. The acute dry weather had delayed the estate's planting activities and the rate of planting will pick-up in this current year. As part of the Group's efforts to reduce its labour requirements, the infrastructure at Ladang Cendana is developed to facilitate mechanized in-field FFB evacuation.

Ladang Dabong, Kuala Krai, Kelantan

Site clearing works on 250 hectares in Ladang Dabong and the establishment of oil palm nursery sites were completed in FYE2016. Barring a reoccurrence of extreme weather conditions, field planting is expected to commence during this current year.

Ladang Aring, Gua Musang, Kelantan

Site clearing and terracing works on this estate measuring 404.68 hectares is on-going and is expected to be completed during this current year and thereafter, field planting will commence.

Ladang Sg. Siput, Perak

In the process of preparing for Environment Impact Assessment (EIA).

Good progress was also made in terms of infrastructure developments such as roads and buildings, including housing for staff and workers, offices and storage facilities at the each of the Group's estates.

Land Preparation Status Of The Group's Greenfield Estates

	Ladang Cendana		Ladang Dabong	Ladang Aring 1	Ladang Aring 2	Ladang Sg. Siput
	Kemaman		Kuala Krai	Gua Musang	Gua Musang	Sg. Siput
	Phase 1 380.38 ha	Phase 2 388.69 ha	250.00 ha	202.34 ha	202.34 ha	2,000 ha
Authorities Approval	Completed	Completed	Completed	Completed	Completed	In progress
Land Clearing	Completed	Completed	Completed	In progress	In progress	Not Started
Road	Completed	Completed	In progress	In progress	Not Started	Not Started
Terracing	Completed	Completed	In progress	In progress	Not Started	Not Started
Main Drain	Completed	Completed	Not Started	Not Started	Not Started	Not Started
Field Drain	Completed	In progress	Not Started	Not Started	Not Started	Not Started
Chambering	Completed	In progress	Not Started	Not Started	Not Started	Not Started
Holing	Completed	In progress	Not Started	Not Started	Not Started	Not Started
Mucuna Bracteata Planting	Completed	Completed	Not Started	Not Started	Not Started	Not Started
Palm Planting	Completed	In progress	Not Started	Not Started	Not Started	Not Started

Legend:
- Completed
- In progress
- Not Started

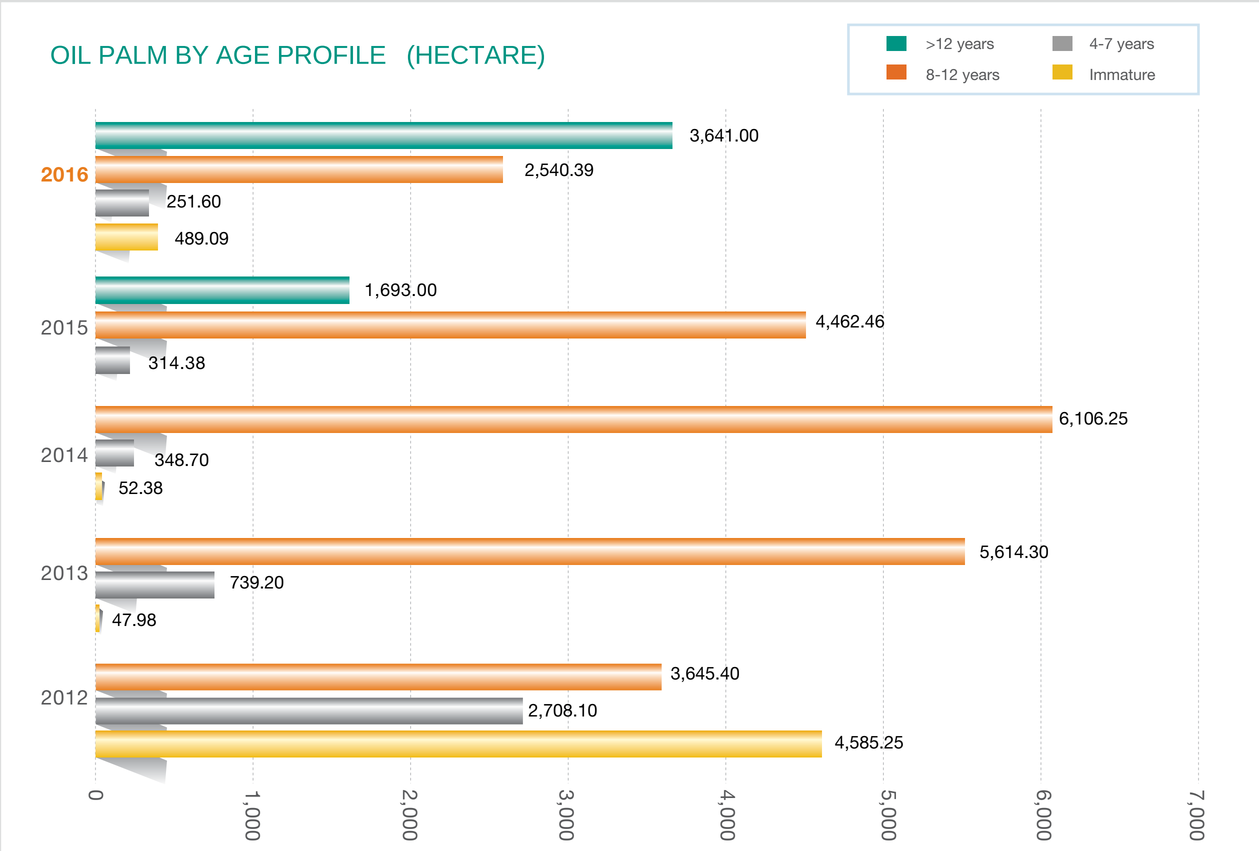
FUTURE OUTLOOK

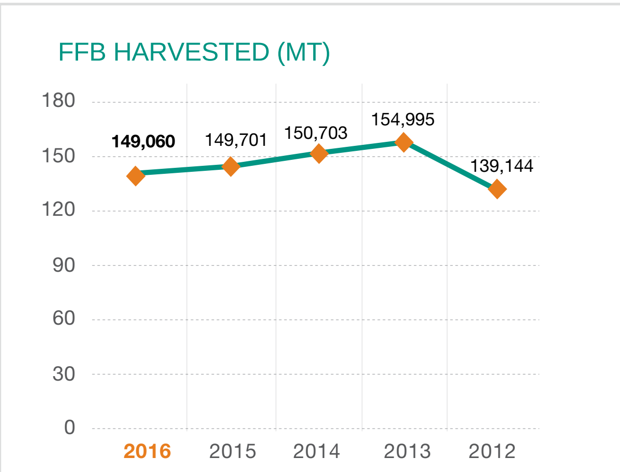
Palm oil prices fell sharply in 2015 and a marked improvement was seen in the first quarter of 2016, driven by concerns on the effects of El Nino and overall reduction in the inventory stock levels. The Board is of the view that the palm oil industry will continue to benefit from increasing demand for vegetable oil and the Division's outlook, therefore, remains positive.

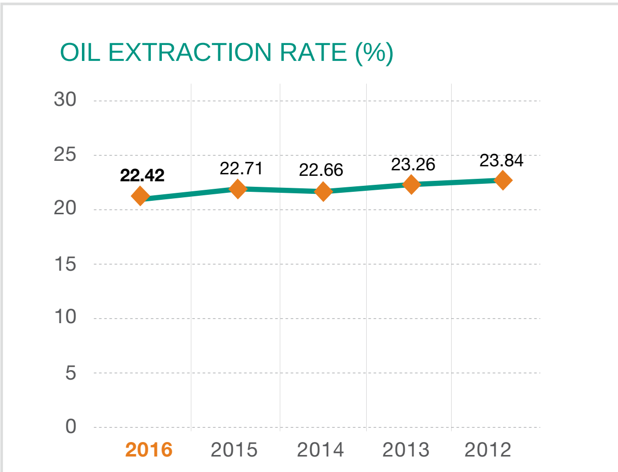
The Board is also optimistic about the prospects of the Group's FFB production uptrend in the coming years given the sizeable area of new plantings and additional areas moving into the productive age. This will bode well for the Group as CPO prices improve.

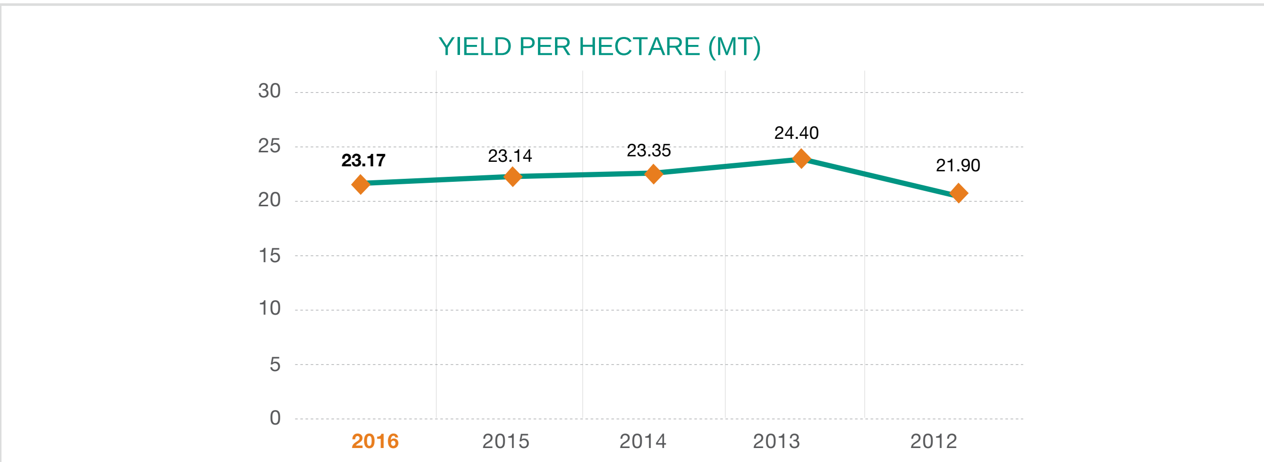
MANAGEMENT DISCUSSION AND ANALYSIS (contd.)

PLANTATION (contd.)









FIVE YEAR FINANCIAL HIGHLIGHTS OF THE GROUP

YEAR ENDED 31 MARCH

(RM'000)	2016	2015	2014	2013	2012
REVENUE	375,207	378,014	348,382	305,145	300,174
PROFIT					
Profit before Taxation	77,300	87,827	101,246	88,839	107,505
Profit after Taxation	54,872	60,305	71,994	61,899	78,917
Profit attributable to Non-controlling Interests	3,590	4,544	4,294	3,670	7,010
ASSETS AND LIABILITIES					
Total Assets	684,559	712,804	598,773	562,975	547,153
Total Liabilities	102,171	152,285	83,316	73,552	91,520
Financed By:					
Shareholders' Equity	554,247	530,529	489,470	460,199	435,189
Non-controlling Interests	28,141	29,990	25,987	29,224	20,444
* Net asset per share (RM)	2.30	2.20	6.08	5.72	5.41
* **EARNINGS AND DIVIDEND**					
Earnings per share	21.24 sen	36.15 sen	84.1 sen	72.4 sen	89.4 sen
Dividends per share - Gross	12.5 sen	12.5 sen	35.0 sen	38.5 sen	35.0 sen
Dividends per share - Net	12.5 sen	12.5 sen	35.0 sen	30.13 sen	26.25 sen
SHARE PRICES					
Transacted price per share (RM)					
(i) Before share split					
Highest	N/A	9.72	8.40	6.65	6.95
Lowest	N/A	7.80	5.62	5.60	4.88
* (ii) After share split					
Highest	2.84	2.99	N/A	N/A	N/A
Lowest	2.09	2.14	N/A	N/A	N/A

* **Note:**

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

PLANTATION STATISTICS

YEAR ENDED 31 MARCH

	2016	2015	2014	2013	2012
Planted Area (hectare)					
Mature					
> 12 years	3,641.00	1,693.00	-	-	-
8 - 12 years	2,540.39	4,462.46	6,106.25	5,614.30	3,645.40
4 - 7 years	251.60	314.38	348.70	739.20	2,708.10
	6,432.99	6,469.84	6,454.95	6,353.50	6,353.50
Immature	489.09	-	52.38	47.98	47.98
Total Planted Area	6,922.08	6,469.84	6,507.33	6,401.48	6,401.48
Fresh fruit bunches (“FFB”) Production (mt)					
Own estates	149,060	149,701	150,703	154,995	139,144
Purchased	53,198	60,677	49,144	32,796	22,673
Total processed	202,406	209,847	200,095	187,575	163,203
Oil Extraction Rate (OER) %	22.42	22.71	22.66	23.36	23.84
Yield per mature hectare (mt FFB)	23.17	23.14	23.35	24.40	21.90

STATEMENT OF CORPORATE GOVERNANCE

The Board is committed to establishing and maintaining high standards of corporate governance throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance the shareholders' value and financial performance of the Group. Such commitment is based on the belief that a strong culture of good corporate governance practices is fundamental towards enhancing long term shareholders' value, increasing investors' confidence and protecting stakeholders' interests.

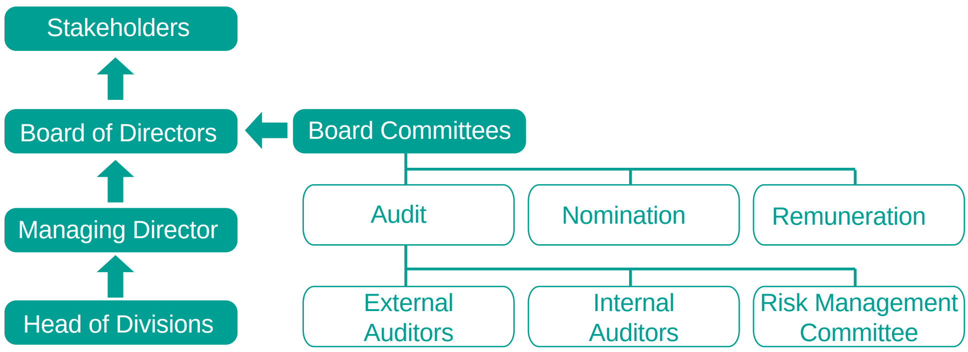
This statement illustrates the extent of which the Board has embodied the spirit and principles of the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") with regards to the recommendations stated under each principle for the year under review.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 Functions of the Board and Management

The Board is responsible for the oversight and stewardship of the Group. There is a clear division of functions between the Board and the Management. The Board oversees the Group's strategic direction and corporate governance. The Managing Director, assisted by the senior management, is responsible for leading and managing the Group's businesses within the authorities delegated by the Board and the implementation of Board's strategy and policy. The Managing Director, by virtue of his position as a Board member, also functions as the intermediary between the Board and senior management.

In order to effectively discharge its duties, the Board has established a governance framework which provides an overview of the corporate governance processes and responsibilities within the Group.



1.2 Roles and Responsibilities of the Board

The Board is generally entrusted with the overall governance of the Company, the responsibility to exercise reasonable and proper care of the Company's resources for the best interests of its shareholders as well as to safeguard the Company's assets. It meets regularly to set the Group's overall strategic direction, to review the financial and operational performance and to provide oversight to ensure that the Group is effectively controlled and resourced.

The Board has adopted a schedule of matters specifically reserved for its approval, which include amongst others:

- annual financial statements and quarterly results;
- the Company's strategic and operating plans;
- annual budget;
- new appointments to the Board;
- dividend recommendation;

STATEMENT OF CORPORATE GOVERNANCE (contd.)

- large capital expenditure, restructuring, acquisitions and disposals of significant assets and investment proposals;
- related party transactions; and
- the overall system of internal control and risk management.

In summary, the Board's activities during the financial year comprised the following:

- Reviewed and adopted the Group's strategic plans which were presented to the Board at an off-site meeting held in October 2015.

- Reviewed and approved the Group's annual budget for the financial year 2016/17 and business plans for financial years 2017/18 to 2020/21.

- Reviewed and approved the audited financial statements for the financial year ended 31 March 2015.

- Reviewed and approved the final quarterly results for the financial year ended 31 March 2015 and quarterly results for nine months period ended 31 December 2015.

- Received the quarterly group performance report from the Chief Operating Officer and Managing Director on significant changes/development in the business and the external environment, which affect the operations.

- Reviewed and assessed the annual assessment of the effectiveness of the Board, Board Committees, external and internal auditors.

- Reviewed the current compositions of the Board and Independent Directors and the time commitment given by the Directors in fulfilling their responsibilities as Directors and members of the Board Committees.

- Reviewed the tenure of the Independent Director's time in office.

- Reviewed and approved the statements for insertion in the Company's Annual Report for the financial year ended 31 March 2015.

- Reviewed the Circular to Shareholders in relation to the proposed shareholders' mandate for recurrent related transactions of a revenue or trading nature and Statement to Shareholders in relation to proposed renewal of the authority for share buy-back.

- Reviewed the Audit Planning Memorandum for the year ending 31 March 2016.

- Recommended the final dividend for financial year ended 31 March 2015.

- Approved the interim dividend for financial year ended 31 March 2016.

- Reviewed and approved the acquisition of 30% equity interest in R.N.E Plantation Sdn Bhd.

- Noted the minutes of Board Committees and Heads of Divisions meetings on a quarterly basis.

- Noted the reports on dealings by Directors and Principal Officers in the Company's securities.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

While the Board retains full responsibility for guiding and monitoring the Company in discharging its responsibilities, it delegates the performance of certain of its functions to the Board Committees, which provide the Board with recommendations and advice. These Board Committees operate within clearly defined terms of reference and have the authority to examine particular issues and report their proceedings and deliberations to the Board. The Board is committed to ensure that the Management, being vested with delegated authorities and powers by the Board, serves and acts in the best interests of the shareholders.

The roles and responsibilities of the Board are formalized in a Board Charter which is available in the Investor Relations section of the Company's website at www.fimacorp.com.

1.3 Code of Conduct

The Board is guided by company laws and the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia in discharging its responsibilities.

The Code of Ethics provides guidance for proper standards of conduct and sound and prudent business practices as well as standard of ethical behaviour for Directors, based on principles of integrity, responsibility, sincerity and corporate social responsibility.

A Whistle Blowing Policy is also in place, which seeks to foster an environment of integrity and ethical behavior. It provides the appropriate communication and feedback channels for the exposure of any violations or improper conduct or wrongdoing within the Company.

The Board Charter and Whistle Blowing Policy are available in the Company's website at www.fimacorp.com.

1.4 Sustainability of Business

The Board believes business sustainability and corporate responsibility are integral to generate and sustain short and long term value for its stakeholders. The Board is cognizant of the importance of business sustainability and, in conducting the Group's business, the impact on the environment, social and governance is taken into consideration.

The sustainability practices and corporate responsibility programmes of the Group are disclosed in the Sustainability Report in this Annual Report.

1.5 Access to Information and Advice

Prior to the date of each Board meeting, all Directors are provided with a full set of board papers for each agenda item which include the comprehensive reviews and analysis of major operational, financial, technical, legal and regulatory issues, reports of meetings of all committees of the Board including matters requiring the full Board's deliberation and approval, performance reports of the Group's business developments and updates and on other matters of discussion and/or approval. The board papers are issued in sufficient time to enable the Directors to appreciate the issues to be deliberated and where necessary, be briefed before the meeting.

The Board also receives monthly summary report on the performance of the Group with key financial highlights to ensure that the Directors are updated on the performance of the various business units.

The Directors have independent access to the advice and services of the Company Secretaries, who are responsible for ensuring that the Board meeting procedures are followed and the applicable rules and regulations are complied with. The Board is, from time to time, updated on the relevant amendments to the Bursa Malaysia' Main Market Listing Requirements ("MMLR") as well as changes in the law, governance and other regulatory requirements.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

The Directors, whether as a group or individually, are entitled to take independent professional advice at the expense of the Company in furtherance of their duties and in the event that circumstances warrant the same.

The Directors have full and unrestricted access to Management and, in addition to the presentations made by Management to Board and/or Board Committee meetings, to any information relating to the Group's business and affairs in the discharge of their duties. The Directors may request to be furnished with additional information or clarification, particularly in respect of any technical issues tabled to the Board. This helps to foster an open and regular exchange of knowledge and experience.

1.6 Company Secretaries

To ensure the effective functioning of the Board, all Directors have full access to the advice and services of the Company Secretaries. The appointment and removal of the Company Secretaries is a matter reserved for the Board as a whole.

The Company Secretaries have oversight on overall corporate secretarial functions of the Group, both in Malaysia and the region where the Group operates. The Company Secretaries also serve and advise the Board on matters relating to compliance with relevant laws, rules and regulations, governance best practices and Directors' duties and responsibilities.

These include obligations on Directors relating to disclosure of interest and disclosures of any conflicts of interest in transactions with the Group, prohibition on dealing in securities and restrictions on disclosures of price-sensitive information in line with the recommendation of the MCCG 2012.

The Company Secretaries also facilitate timely communication of decisions made and policies set by the Board at Board meetings to the Management for action, lodgments with the stock exchange and other regulators, management of dividend payment, and oversight of the relationship with the Company's share registrar.

The Company Secretaries of the Company are qualified to act as company secretary under Section 139A of the Companies Act 1965. One is licensed by the Companies Commission of Malaysia while the other is an Associate member of the Malaysian Institute of Accountants.

1.7 Board Charter

In discharging its duties and roles effectively, the Board is guided by its Board Charter, which sets out the principles and guidelines that are to be applied by the Board and the Board Committees. The Board Charter was developed based on the principles and recommendations as set out in the MCCG 2012. The Board Charter shall be reviewed and updated from time to time to reflect relevant changes to policies, procedures and processes as well as amendments to the rules and regulations. It also outlines the Board's rights to establish committees to assist in the discharge of its duties and its meetings' requirements.

The Board Charter is accessible to the public for reference on the Company's website at www.fimacorp.com.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

2. STRENGTHEN COMPOSITION

The Board has delegated certain responsibilities to the Board Committees namely the Audit Committee, Nomination Committee and Remuneration Committee which operate within defined terms of reference approved by the Board. The Board Committees are authorized to examine specific issues and where necessary, issues deliberated by the Board Committees are presented to the Board with the appropriate recommendations. The responsibility of making decisions on all matters ultimately lies with the Board as a whole.

The authority and the functions of these Board Committees are clearly defined in their respective terms of reference, which are available on the Company's website at www.fimacorp.com.

2.1 Audit Committee

The Board is assisted by the Audit Committee whose members and activities for the year under review are presented in the Report of the Audit Committee in this Annual Report. The terms of reference of the Audit Committee are available on the Company's website at www.fimacorp.com.

The Risk Management Committee (RMC) has been established as a sub-committee of the Audit Committee to support the Audit Committee in providing oversight direction and counsel to the Group's risk management process. The RMC is headed by the Senior Independent Non-Executive Director and supported by a Risk Management Unit, comprising of senior management and headed by the Managing Director. The RMC is not authorized to implement its recommendations on behalf of the Audit Committee but shall make the relevant recommendations to the Audit Committee for its consideration and implementation.

2.2 Nomination Committee

The Nomination Committee which was established on 28 August 2001 and consists entirely of non-executive directors, all of whom are independent directors. The members of the Nomination Committee as at the date of this Annual Report are:

Datuk Alias bin Ali (Chairman)
(Independent Non-Executive Director)

Rezal Zain bin Abdul Rashid
(Senior Independent Non-Executive Director)

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

The Nomination has been entrusted with the following duties and/or responsibilities:

- Review contribution of individual Directors and effectiveness of the Board as a whole with its mix of skills and experience and other qualities, including core competencies which each Director shall bring to the Board;
- Make recommendations to the Board on candidates for directorship on the Board of the Company and its Group subsidiaries;
- Recommend suitable orientation, educational and training programmes to continuously train and equip both existing and new Directors; and
- Examine the size of the Board to determine its effectiveness.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

The following activities were carried out by the Nomination Committee during the financial year ended 31 March 2016:

- Reviewed the current size and composition of the Board and Board Committees;
- Assessed and evaluated the effectiveness of the Board as a whole and each Board Committee;
- Assess the independence of the Independent Non-Executive Directors of the Company;
- Reviewed the tenure of the Independent Directors who have been with the Company for more than nine (9) years, whereupon the Committee has put forward its recommendation to the Board to seek shareholder's approval to retain the independent status of the Company's Independent Directors; and
- Reviewed the attendance records, time commitment and training of each Director during the year under review.

2.3 Remuneration Committee

The Remuneration Committee was formed on 28 August 2001 and the members of the Committee as at the date of this Annual Report are:

Datuk Alias bin Ali (Chairman)
(Independent Non-Executive Director)

Rezal Zain bin Abdul Rashid
(Senior Independent Non-Executive Director)

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

The Remuneration Committee's primary responsibility is to structure and review and to make recommendations to the Board the remuneration packages and benefits extended to the Managing Director.

2.4 Management Committees

Management committees comprising of senior management/heads of operating units have been established to oversee the areas of business operations assigned to them under their respective mandates.

- **Heads of Divisions ("HOD")**

  The HOD, under the chairmanship of the Managing Director, deliberates on the performance and conduct of the Group's operating units including the status of internal audit findings, implementation of Group's policies and examining all strategic matters affecting the Group.

  A regular monthly meeting is held by the HOD to deliberate on operational, financial and key management issues. The minutes of the HOD meetings are tabled to the Board for notification.

- **Corporate Disclosure Committee**

  The Company's Corporate Disclosure Committee is responsible for ensuring the Group's compliance with its continuous disclosure obligations and for overseeing the Company's disclosure practices under the Company's Corporate Disclosure Policy.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

2.5 Appointment, Re-election and Assessment of Directors

Selection of candidates to be considered for appointment as Directors is facilitated through recommendations from members of the Board and/or shareholders. The Nomination Committee will assess the suitability of the proposed candidates in terms of qualifications, experience, expertise, conflict of interest and time commitment before recommending the appointment to the Board.

The Articles of Association of the Company provide that all Directors are subject to retirement and re-election by shareholders at their first opportunity after their appointment, and are subject to re-election at least once every three (3) years.

Directors who are over 70 years of age are required to submit themselves for retirement annually at the Annual General Meeting ("AGM") and are eligible to be re-appointed by a resolution passed at the AGM in accordance with Section 129(6) of the Companies Act, 1965.

The profiles of the Directors who are due to re-election in accordance with Section 113 of the Company's Articles of Association are set out in the Profile of Directors section of this Annual Report.

2.6 Board Performance Evaluation

The Company conducts an annual evaluation of the effectiveness of its Board and Board Committees. The purpose of the evaluation is to measure the effectiveness of the performance of the Board and Board Committees as well as to address the areas for improvements as part of discharging his/her role as Director of the Company.

During the year, an evaluation to assess the performance of the Board as a whole and its committees was conducted by way of a detailed questionnaire completed by each of the Directors and committee members. A comments section is also available for feedback and suggestions. The results of these evaluations are then discussed and reviewed by the Nomination Committee and together with any recommendations, are presented to the Board. The evaluation process was conducted in-house by the Company Secretaries.

The evaluation was designed to be forward looking, assessing inter alia, the quality of the Board's structure, performance management, conformance and stakeholder's relationship. The results of the evaluation have determined that overall, the Board continues to be functioning effectively with proper commitment to their respective roles, including of time. The Board Committees were also judged to be functioning efficiently and effectively. In addition, the evaluation had identified the strengths of the Board and its Committees and highlighted areas for the Board to work on in order to prepare for future challenges.

2.7 Boardroom Diversity

The Board acknowledges the importance of boardroom diversity in its membership which includes gender, ethnicity and age. The Nomination Committee had been considering the appointment of an additional female independent non-executive director, taking into account the combination of skill, experience and strength in the qualities necessary to strengthen the composition of the Board.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

2.8 Directors' Remuneration

All Non-Executive Directors are paid Directors' fees as approved by the shareholders at the AGM based on the recommendation of the Board. The determination of the level of fees for the Non-Executive Directors is a matter decided by the Board as a whole to ensure that it is sufficient to attract and retain the services of the Non-Executive Directors which are vital to the Company. Meeting attendance allowances are paid to Non-Executive Directors in accordance with the number of meetings attended during the financial year. Individual Directors will abstain from participating in the discussion and decision of their own remuneration.

For the Managing Director, the Remuneration Committee reviews the remuneration package annually and recommend to the Board on specific adjustments and/or reward package that reflect his respective contributions throughout the year as well as corporate performance and achievement of key performance indicators, taking into consideration the market and industry practice.

Details of remuneration received from the Company and subsidiary companies by Directors of the Company during the financial year ended 31 March 2016 are as follows:

a) Aggregate remuneration of Directors categorized into appropriate components:

	Managing Director	Non-Executive Directors			
	Dato' Roslan Hamir	Dato' Adnan Shamsuddin	Rezal Zain Abdul Rashid	Datuk Alias Ali	Dr. Roshayati Basir
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
Fees	-	119	65	56	50
Salaries	613	-	-	-	-
Bonus	362	-	-	-	-
Benefits-in-Kind	103	-	-	-	-
Others	187	34	26	26	10
Total	**1,265**	**153**	**91**	**82**	**60**
Company					
Fees	-	81	65	56	50
Salaries	245	-	-	-	-
Bonus	144	-	-	-	-
Benefits-in-Kind	68	-	-	-	-
Others	75	26	26	26	10
Total	**532**	**107**	**91**	**82**	**60**

STATEMENT OF CORPORATE GOVERNANCE (contd.)

b) The number of Directors in the Company whose total remuneration falls within the following bands of RM50,000 is tabulated as follows:

	Number of Directors (Company)		
	Executive	Non-Executive	Total
RM50,001 – RM100,000	-	3	3
RM150,001 – RM200,000	-	1	1
RM1,250,001 – RM1,300,000	1	-	1

3. REINFORCE INDEPENDENCE

3.1 Composition and 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 Board is satisfied that the composition of the Board, given the Company's size and type of operations, is balanced with appropriate mix of experience, skills, knowledge, attributes and core competencies to enable the Board to effectively discharge its responsibilities and perform its functions.

There is a distinct and clear division of responsibility between the Chairman and the Managing Director to ensure a strict balance of power and authority. The Chairman is responsible for the governance and leadership of the Board, ensuring its effectiveness and orderly conduct. The Managing Director, assisted by senior management, is overall responsible for the day-to-day management of the Group's operations and businesses as well as the implementation of Board policies and decisions.

Encik Rezal Zain bin Abdul Rashid is the Company's Senior Independent Director, to whom any concerns pertaining to the Company may be conveyed. He is also responsible to receive reports from employees or third parties for the purpose of whistleblowing in accordance with the Group's Whistleblowing Policy.

The Non-Executive Directors support the skills and experiences of the Managing Director, contributing to the formulation of policy and decision-making through their knowledge and experience of other business and sectors. They provide unbiased and independent views and the presence of these Independent Directors fulfil a pivotal role of corporate accountability.

3.2 Independence of Directors

The Board acknowledges MCCG 2012's recommendation that the tenure of an independent director should not exceed a cumulative term of 9 years. However, the Board does not consider that independence can be assessed with reference to a set period of time. Rather, regard must be given on their capacity to act in accordance with their fiduciary duties and whether there are any relationships or interests which could materially interfere with the exercise of their independent judgement and ability to act in the best interests of the Company.

Each of the three (3) Independent Non-Executive Directors i.e. Encik Rezal Zain bin Abdul Rashid, Dato' Adnan bin Shamsuddin and Datuk Alias bin Ali ("Independent Non-Executive Directors") who have served on the Board for a cumulative term of more than 9 years has completed a self-assessment checklist on independence and provided written declaration to the Nomination Committee and the Board confirming that they continue to fulfil the criteria of independence as set out in the MMLR.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

In the circumstances, the Nomination Committee and the Board have assessed, reviewed and concurred that the Independent Non-Executive Directors remain independent in character and judgment and that they are each free from any business or other relationships which could materially impair the exercise of their independent judgement. The Board believes that there are notable benefits to be acquired from long serving Directors who possess insightful knowledge of the Company's businesses and proceedings.

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

Generally and in any event, Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where a material conflict exists, the Director concerned declares his or her interest in those dealings to the Board and takes no part in decisions or discussions relating to them.

4. FOSTER COMMITMENT

4.1 Time Commitment

The Board complied with the requirements of the MMLR where none of the members of the Board holds more than five (5) directorships in listed companies. The Directors are required to disclose and update his or her directorships in other companies or significant commitments outside the Company as and when necessary to ensure that such appointments would not unduly affect their time commitments and responsibilities to the Board. All the Non-Executive Directors have provided a confirmation to the Nomination Committee and the Board that they will continue to devote sufficient time and attention to the affairs of the Company in fulfilling their duties as Non-Executive Directors of the Company.

Board meetings are scheduled in advance before the beginning of the new calendar year in order to facilitate the Board attendance at the Board meetings. Additional meetings are convened whenever necessary to consider urgent proposals or matters that require the Board's expeditious review and decision. Decisions can also be taken by way of Directors' Circular Resolutions between the scheduled meetings, where appropriate.

Whenever necessary, senior management are also invited to join in Board and Board Committee meetings to provide explanation or engage in dialogue with Board members on agenda items being discussed in order for the Board and/or Board Committees to make an informed decision. All issues raised, deliberations and decisions including dissenting views made at Board meetings along with clear actions to be taken by responsible parties are recorded in the minutes. Decisions made, policies approved and follow-up actions at Board meetings will be communicated to Management after the Board meetings.

During the financial under review, six (6) meetings were held and all Directors complied with the requirement of at least 50% attendance as prescribed in the MMLR. The details of attendance of each Director at the Board and Board Committees meetings held during the financial year under review are reflected as follows:

STATEMENT OF CORPORATE GOVERNANCE (contd.)

Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee
Dato' Adnan bin Shamsuddin	6 out of 6	5 out of 5	1 out 1	1 out 1
Dato' Roslan bin Hamir	6 out of 6	N/A	N/A	N/A
Rezal Zain bin Abdul Rashid	6 out of 6	5 out of 5	1 out 1	1 out 1
Datuk Alias bin Ali	6 out of 6	5 out of 5	1 out 1	1 out 1
Dr. Roshayati binti Basir	6 out of 6	N/A	N/A	N/A

The Board is satisfied with the level of time commitment given by each of the Directors towards fulfilling their roles on the Board and Board Committees.

4.2 Directors' Training

All Directors are encourage to attend continuous training programmes to enhance their business acumen and professionalism in discharging their duties to the Group as well as to help them keep abreast of the current developments and business environment affecting their roles and responsibilities. The Company Secretary who receives regular updates on training programmes from regulatory authorities and professional bodies will circulate it to the Directors for their consideration.

All members of the Board have attended and successfully completed the Mandatory Accreditation Programme as required under the MMLR. Particulars of trainings attended by Directors during the year are set out below:

Director	Training attended	Date
Dato' Adnan bin Shamsuddin	1. Kursus Pengurusan Syarikat Kawalan Keselamatan by Kementerian Dalam Negeri. 2. Post & Parcel Services Asia Pacific – Driving Global Collaboration for the Asia Pacific Post & Parcel Sector by Marketforce Business Media Ltd, UK. 3. Corporate Governance Breakfast Series: "Board Reward & Recognition" by Bursa Malaysia. 4. Ring the Bell for Gender Equality by Bursa Malaysia.	18 – 19/05/2015 18 – 19/11/2015 26/11/2015 11/03/2016
Dato' Roslan bin Hamir	1. Kursus Pengurusan Syarikat Kawalan Keselamatan by Kementerian Dalam Negeri. 2. 2nd National Economic Summit: "An update on the 11th Malaysian Plan – Addressing Current and Future Challenges by Asian Strategy & Leadership Institute 3. Corporate Governance Breakfast Series: Thought Leadership session for Directors "Improving Board Risk Oversight Effectiveness" by Bursa Malaysia. 4. Annual Palm & Lauric Oils Conference & Exhibition: Price Outlook 2016/2017 "Managing Market Uncertainties: Our Global Solution by Bursa Malaysia Derivatives Berhad.	18 – 19/05/2015 08/06/2015 26/02/2016 07 – 09/03/2016

STATEMENT OF CORPORATE GOVERNANCE (contd.)

Director	Training attended	Date
Rezal Zain bin Abdul Rashid	1. Board Chairman Series: "Leadership Excellence from the Chair" by Bursa Malaysia. 2. Malaysia' Changing Business Landscape by Boardroom – MIRA. 3. Corporate Governance Breakfast Series: Thought Leadership session for Directors "Improving Board Risk Oversight Effectiveness" by Bursa Malaysia. 4. Ring the Bell for Gender Equality by Bursa Malaysia. 5. BNM Governor's Address on the Malaysian Economy & Panel Discussion. 6. Audit Committee Conference 2016 by Malaysian Institute of Accountants.	03/09/2015 27/10/2015 26/02/2016 11/03/2016 24/03/2016 29/03/2016
Datuk Alias bin Ali	1. Board Chairman Series: "Leadership Excellence from the Chair" by Bursa Malaysia. 2. Enterprise Risk Management by ColumbusAdvisory.	03/09/2015 14/09/2015
Dr. Roshayati binti Basir	1. Post & Parcel Services Asia Pacific – Driving Global Collaboration for the Asia Pacific Post & Parcel Sector by Marketforce Business Media Ltd, UK. 2. Corporate Governance Breakfast Series: Thought Leadership session for Directors "Improving Board Risk Oversight Effectiveness" by Bursa Malaysia.	18 - 19/11/2015 26/02/2016

All training programmes attended by Directors are recorded and maintained by the Company Secretary.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with applicable Financial Reporting Standards

For financial reporting through quarterly reports to Bursa Malaysia Securities Berhad and the Annual Report to shareholders, the Directors have a responsibility to ensure the accuracy of the statements of comprehensive income, the statements of financial position, the statement of cash flow and all other financial disclosures based on the provisions of the Companies Act, 1965 and applicable approved accountings standards in Malaysia. The Audit Committee assists the Board to oversee the Group's financial reporting processes and the quality of its financial reporting. The Statement of Responsibility by Directors in respect of preparation of the annual financial statements is presented herein.

5.2 Assessment of Suitability and Independence of External Auditors

The Group's independent external auditors fill an essential role for the shareholders by enhancing the reliability of the Group's financial statements and giving assurance of that reliability to users of these financial statements. The external auditors have an obligation to bring any significant defects in the Group's system of control and compliance to the attention of Management, the Audit Committee and the Board. This includes the communication of fraud.

During the financial year under review the Audit held two (2) meetings with the external auditors without the presence of any executive members of the Board or senior management.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

Through the Audit Committee, the Company has maintained a transparent and professional relationship with the external auditors. During the year, the Audit Committee undertook an assessment of the quality of the external auditors which encompassed the quality of services, sufficiency of resources, communication and interaction, audit planning, independence, objectivity and professionalism.

The Audit Committee was satisfied with the suitability of Hanafiah Raslan & Mohamad ("HRM") based on the quality of services and sufficiency of resources that they have provided to the Group. The Audit Committee was also satisfied that the provision of non-audit services during the year by HRM did not in any way impair their objectivity and independence as external auditors of the Group. Non-audit fees incurred during the financial year was RM8,000 (2015: RM8,000).

HRM had provided written assurance to the Audit Committee that they are independent in accordance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants.

Having regard to the assessment of external auditors, the Board was satisfied with the suitability and independence of HRM and had in February 2016 approved the Audit Committee's recommendation for the shareholders' approval to be sought at the forthcoming AGM on the re-appointment of HRM as external auditors of the Company.

5.3 Related Party Transactions

All related party transactions are reviewed by the Audit Committee on a quarterly basis. Details of the proposed renewal of shareholders' mandate for recurrent related party transactions is set out in the Circular to Shareholders dated 29 July 2016.

6. RECOGNIZE AND MANAGE RISKS

6.1 Risk Management Framework

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. The Audit Committee provides advice and assistance to the Board in meeting these responsibilities and the role of the former in relation thereto is described in the Statement on Risk Management and Internal Control of this Annual Report.

The system of internal controls is designed to manage and provide reasonable and not absolute assurance against the risk of material errors, frauds or losses occurring. The Board however, recognizes that the system must continually evolve to support the type of business and size of operations of the Group. As such, the Board will, when necessary, put in place the appropriate action plans to further enhance the Group's system of internal control.

6.2 Internal Audit Function

Internal audit functions of the Group is carried out by the Group Internal Audit Department ("GIA") of the penultimate holding company, Kumpulan Fima Berhad, which reports directly to the Audit Committee on its activities based on an internal audit plan that is approved by the Audit Committee.

STATEMENT OF CORPORATE GOVERNANCE (contd.)

The functions of GIA are complementary to, but different from that of external auditors. It undertakes regular monitoring of the Group's key controls and procedures, an integral part of the Group's system of internal control. An internal audit review highlights major weaknesses in control procedures and makes recommendations for improvements. GIA also undertakes investigation on behalf of the Audit Committee and follows up on complaints on matters affecting the Group's operations.

Details of the Company's internal control system and framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

7. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Company has in place a Corporate Disclosure Policy to provide the Group with appropriate guidance to discharge its disclosure obligations and ensure that all communications to the public by the Company are timely, complete and accurate in accordance with all applicable legal and regulatory requirements. Corporate disclosure practices are administered and overseen by a Corporate Disclosure Committee.

The Company's website at www.fimacorp.com is the key communication channel for the Company to reach its shareholders and stakeholders and it provides quick access to information about the Group. The website includes all announcements made by the Company, financial results, annual reports and the corporate and governance structure of the Company. Notice of AGM, minutes of AGM and slide presentations made at AGM are also available on the Company's website.

8. RELATIONSHIP WITH SHAREHOLDERS

The Board views the Company's general meetings as a valuable opportunity for shareholders to exchange views and engage in active dialogue with the Board. Shareholders are encouraged to attend the AGM whereby they may raise questions and concerns with regards to the Company's business and performance. The Board endeavors to ensure that all Board members, senior management and external auditors are in attendance to respond to the shareholders queries. To ensure transparency, the Board will also share with the shareholders the Board's responses to questions raised by the Minority Shareholders Watchdog Group.

COMPLIANCE STATEMENT

The Board is of the view that the Company has, in all material aspects applied the principles and complied with the recommendations of MCCG 2012, save for the recommendation that the tenure of an independent director shall not exceed a cumulative term of 9 years where the non-observance has been explained in this Statement.

This Statement is made in accordance with the resolution of the Board dated 3 June 2016.

SUSTAINABILITY REPORT 2016

At Fima Corporation Berhad, we recognise the importance of corporate responsibility as an integral part of our business as we continue to ensure a sustainable future for our business while being committed to achieve a balance among the interests of all stakeholders. Our sustainability framework focuses on creating value for our shareholders and stakeholders in three (3) key areas; Marketplace, Environment and Social.

We believe acting ethically and responsibly are fundamental to our continued success on how we carry out every aspect of our business by minimizing the negative impact on the environment, community and marketplace in which we operate.

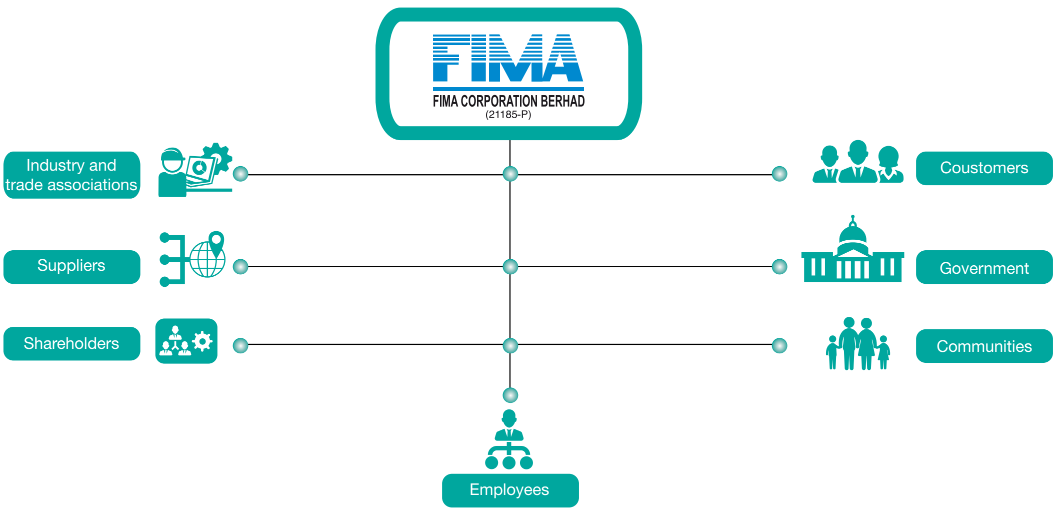
MARKETPLACE

ENGAGING STAKEHOLDERS

We define our stakeholders as those who have direct, indirect or potential impact on the Group including those groups who are directly or indirectly affected as a result of our operations. We believe that the engagement with our stakeholders is an essential prerequisite for long-term sustainability of our business. We respond to our stakeholders' expectations through improvements in our business strategy, governance and corporate reporting framework. Stakeholders are provided with timely updates of the Group's financial performance through announcements to Bursa Malaysia Securities Berhad, which are posted on our corporate website at **www.fimacorp.com**, along with other relevant updates.

We also work closely with local governments, regulatory authorities and industry associations to address mutual concerns and topics, help drive development and support livelihoods in the communities where we operate.

OUR STAKEHOLDERS



MARKETPLACE (contd.)

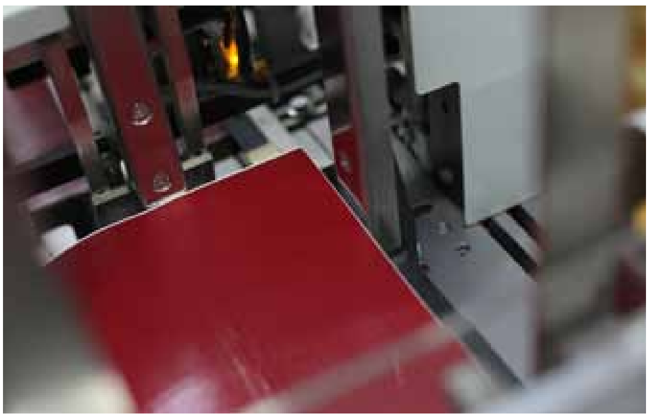
Annual General Meeting 2015

QUALITY & STANDARDS

We value our customers and continuously strive to improve the quality of our products and services. In ensuring the highest standards, we have quality control procedures in place throughout our processes. We constantly monitor and review processes, putting in place systems to better manage risk, increase productivity, sharpen our competitive edge and make strategic choices that have a positive impact on society and environment. We also stay current with new regulations, industry best practices and marketplace conditions and consistently strive to improve and refine our requirements and standards throughout the entire supply chain.

Each of the Group's businesses has also in place documented policies and procedures that govern the way in which they operate such as quality management processes, health and safety standards as well as security protocols.

The Plantation Division's subsidiary in Indonesia, PT Nunukan Jaya Lestari ("PTNJL") is accredited with ISO 14001:2004 Environment Management System for the processes employed in the production of its crude palm oil, crude palm kernel oil and palm kernel. The Indonesian Sustainable Palm Oil ("ISPO") audit on PTNJL is currently on-going. The ISPO standard includes legal, environmental, economic and social requirements, which is based mainly on prevailing national regulations.



PKN's products

ENVIRONMENT

Environmental responsibility is part of our commitment towards building a sustainable and growing organization. We trust that our business operations are carried out in a manner that minimizes the negative impact to the environment. In each business segment, we are constantly looking at ways to reduce our environmental footprint. Our priorities within this include:

SUSTAINABLE AGRICULTURAL PRACTICES

Conservation areas: There are certain areas within our estates, which are set aside as conservation areas wildlife corridors which include, among others, sanctuaries for migratory birds and habitat for jungle flora and fauna.

Soil Management: We follow best industry practices e.g. application of empty fruit bunches to new plantings, construction of terraces in undulating or hilly areas to effectively conserve soil, water and nutrients and establishment of cover crops such as Mucuna bracteata. Such processes are recognized as effective ways to improve soil properties, reduce erosion and lowers carbon dioxide emissions.

Biological controls against pests: Beneficial plants are planted to attract predators (insects) of leaf pests. These predators feed on leaf pest larvae thereby minimising the usage of pesticides. The introduction of barn owls in estates to suppress rodent population and the placement of pheromone traps to capture Rhinoceros beetles are among methods that have been adopted and have proven effective in reducing damage to crops.

Beneficial plants for pest control management

ENVIRONMENT (contd.)

WASTE MANAGEMENT

The Group's palm oil mill in Indonesia practices "zero waste" policy in the processing plant whereby the by-products of the palm oil mill such as empty fruit bunches and treated palm oil mill effluent are converted into organic fertilizer or compost which is then applied directly to oil palm fields as a source of nutrients and to supplement fertilizer application. We monitor and treat all effluent and wastewater before discharging into the natural waterways. The organic materials in the wastewater are broken down by natural activities of anaerobic and aerobic bacteria. This process eliminates the need to add chemicals before the water is discharged and this had resulted in successful fish breeding at the final effluent pond.

At the Manufacturing Division, hazardous wastes and residual products recovered from the manufacturing operations are disposed of in accordance with stringent industry standards and statutory requirements.

41,396 tonnes of EFB compost produced in FY2016

118,985 tonnes of POME applied in FY2016

Fish breeding by PTNJL at the final effluent pond

Migratory birds at PTNJL

ENVIRONMENT (contd.)

Water catchment zone at PTNJL

WATER MANAGEMENT

Oil palm trees and palm oil mill operations are water-dependent and as such the water resources available have to be well managed to minimize wastage.

At PTNJL, houses are equipped with water storage tanks for the collection and storage of rainwater. In addition, PTNJL has set aside an area within its plantation as a water catchment zone whereby chemical applications are strictly prohibited to facilitate natural re-vegetation of the area and preservation thereof.

Senior management quarters at PTNJL

OCCUPATIONAL SAFETY & HEALTH

Health and safety of our employees remains our priority. We strive to provide safe and healthy working conditions especially in non-office-based environments such as field operations, processing and manufacturing. Continuous training and awareness programmes which include fire training and hazard guidance are conducted for those dealing with potential hazards involving chemicals, pesticides and machineries.

Scheduled maintenance

ENVIRONMENT (contd.)

We are mindful of the compliance with relevant national laws, regulations and all other requirements relating to best practices in occupational safety and health; and we constantly carry out activities aimed at preventing work injuries. Preventive and scheduled maintenance are regularly performed on the Group's facilities, plants and storage tanks; whereupon appropriate repairs and replacements are promptly carried out when necessary. Employees who are engaged in the operations of any machinery are properly trained, while training programmes on the use of personal protective equipment are regularly conducted for workers handling or exposed to hazardous materials. Such trainings have been and will continue to be a vital part of the Group's operations.

Safety training at PTNJL

Emergency preparedness is also an important aspect within our operations, thus our facilities are equipped with firefighting systems and have in place adequate programs to respond to emergencies.

Machine handling training

Boiler handler at PTNJL

Routine safety briefing at PTNJL

SOCIAL

OUR PEOPLE

We have more than 1,700 employees from different backgrounds and ethnicities, lending immense value of their diverse skills, knowledge and abilities to drive the Group forward. We make every effort to empower the people with the right knowledge, skills and capabilities. This enables them to grow in their respective career paths, while emphasizing on their safety and wellbeing at work, wherever they may be. We are also committed to foster a conducive working environment, free of discrimination and harassment for all our employees.

GROUP WORKFORCE
1,786

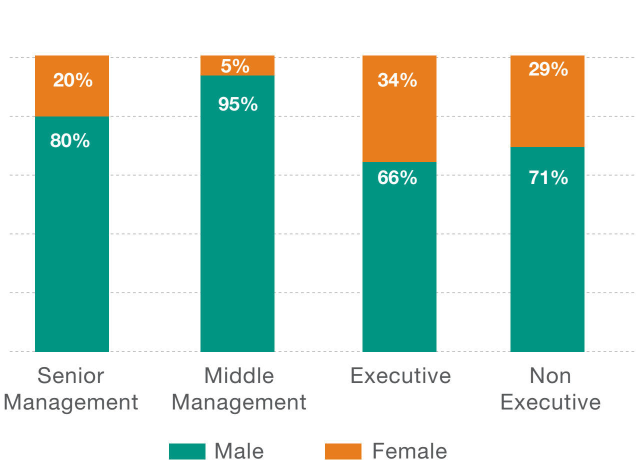
people employed by Fima Corporation Berhad as at FY2016

NUMBER OF EMPLOYEES BY REGION

MALAYSIA
418

INDONESIA
1,368

EMPLOYEE BREAKDOWN BY GENDER AND POSITION



SOCIAL (contd.)

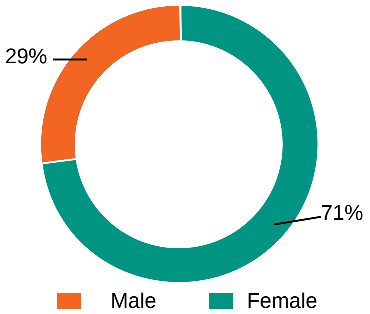
DIVERSITY AND GENDER BALANCE

As at 31 March 2016, the Group's workforce stood strong at 1,786 employees. Overall, the Group has a gender balanced workforce comprising 29% female and 71% male.

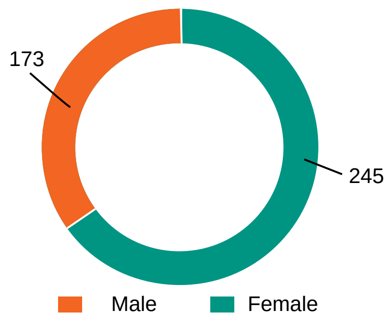
Our diverse and inclusive workplace is representative of the countries and communities in which we operate.

EMPLOYEE BREAKDOWN BY GENDER

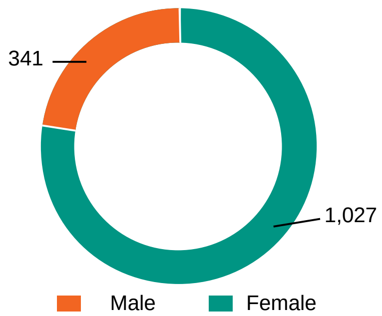
GROUP



Malaysia



Indonesia



EMPLOYEE DEVELOPMENT AND ENGAGEMENT

We view career development as part of our commitment to build a more efficient, highly motivated and talented team to ensure that the Group remains agile and responsive in competitive environment. Training allocation is available annually for our employees to participate in internal or external workshops and seminars. We believe that a mixture of both internal and external training develops targeted skills and knowledge for a specific role. In addition, we facilitate job rotations within and between functional units, to enable our employees to broaden their skills and knowledge base, and provide exposure to different roles and responsibilities. Employees also have the opportunity to undertake overseas assignments for exposure in different markets.

Training session at PTNJL and FimaCorp

	Head Office	Manufacturing	Plantation	Total
Senior Management	2	2	1	5
Middle Management	3	13	11	27
Executive	6	30	26	62
Non Executive	15	307	1,370	1,692
Total Workforce	**26**	**352**	**1,408**	**1,786**

Employee Breakdown by Position and Division

SOCIAL (contd.)

All new employees will go through an induction program to familiarize themselves with all aspects of the Company and the Group, including business operations and strategies as well as our expectations for ethical conduct.

The performance appraisal of our employees is conducted annually based on the objective set for the review period. They are rewarded through increment, bonus or promotion upon the evaluation of the performance and contribution of each employee. The annual performance appraisal is also an effective communication platform between employer and employee for feedback, sharing of ideas, review areas for improvement and to recognize individual training and development needs.

BENEFITS AND WELFARE

The Group's compensation structure includes fixed and variable components depending on the employee's job grade. We comply with the minimum wage guidelines of the home country we operate in and we do not condone excessive working hours.

Each location within the Group has its own locally defined employee benefit scheme. For eligible employees, the benefits include:

- contributions to retirement fund;
- medical benefits for outpatient, specialist and hospitalization treatment for employees, spouse and eligible children;
- group term life and personal accident insurance;
- provision of free transportation for workers' children to nearby local schools by PTNJL. A clinic and crèche are also available at the estate to cater to the needs of the plantation staff and workers; and
- provision of housing with clean water and sanitation for plantation workers.

Kindergarten at PTNJL

Worker's quarter at PTNJL

During the year, the Manufacturing Division continued to provide financial aid to children of employees to help them pursue their tertiary education in institutes of higher learning in Malaysia.

While we emphasis the importance for our employees to be well-versed in the Group's current development and achievement status, we also recognize the importance of bringing excitement and fun elements for our employees' participation. Sports activities and events such as family days, weekend retreats and festive gatherings are organized with the aim to foster greater bonding and camaraderie amongst employees which in turn helps improve engagement at work.

PKN's Family Day

SOCIAL (contd.)

PKN's Family Day

PTNJL's karoake competition and prize giving ceremony

COMMUNITY

As the Group works with local communities in all its operations, we strive to make a positive impact on the communities in which we operate. During the year, the main focus areas for our community activities are education, youth and social welfare.

The Manufacturing Division supported Persatuan Al-Hunafa, a non-profit organization via sponsorship of its Titian Samara Programme aimed at helping secondary students with academic and social problems. The programme currently focuses on five (5) schools in Klang area namely, SMK Raja Lumu, SMK Pandamaran Jaya, SMK Tengku Ampuan Jemaah, SMK Telok Gadong and SMK Kampung Jawa. The division also continued to help local communities in the form of donations, sponsorships and support in kind. To name a few:

- Donation to Pertubuhan Kebajikan Jiwa Kasih Kuala Lumpur for their "Forum Membanteras Gejala Seksual di kalangan Remaja".
- Sponsorship of wheelchair for Pertubuhan Tentera Tidak Berpencen.
- Donation to Nadi Anissa, a Muslim women's organization towards their programme for single mothers and poor women.
- Donation to Parents & Teachers Association of SK Kuala Kubu Bharu Dua for their programme on upgrading infrastructure and equipment of Surau An-Nur.

The Group also offers placements to university students to undergo on-the-job programmes in various functions within the Group to gain the skills and experience they need to access entry-level job opportunities. During the year, seven (7) students from the Printing Faculty of Institut Latihan Perindustrian, a government vocational education training centre, underwent a 6-month work-based training programme at our Manufacturing Division.

PTNJL also received 45 students from various universities in Indonesia to undergo a 3-month internship programme during the year. At the end of the programme, selected students were absorbed as permanent employees of the Manufacturing Division's production unit and PTNJL's oil mill.

To foster the economy in the communities near our projects, the Group hires and trains local employees at our jobsites, providing technical training and skills to improve workers' wage-earning potential. We also support local suppliers and contractors in our line of business whenever possible to further stimulate regional business development.

Part of our dedicated staff in PKN & PTNJL

AUDIT COMMITTEE REPORT

COMPOSITION

The Audit Committee ("Committee") comprises three (3) members, all of whom are Non-Executive Directors. The Committee Chairman, Encik Rezal Zain bin Abdul Rashid, is a member of the Malaysian Institute of Accountants (MIA).

The Board reviews the terms of office of the Committee members and assesses the performance of the Committee and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that the Committee and its members discharged their functions, duties and responsibilities in accordance with the Committee's terms of reference, and supports, the Board in ensuring the Group upholds appropriate corporate governance standards. The terms of reference of the Committee are available on the Company's website at www.fimacorp.com.

Members of the 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 a total of five (5) meetings. Details of attendance of the Committee members are as follows:

Member	Meetings Attended	Date of Meeting 25/05/15	30/06/15	25/08/15	25/11/15	23/02/16
Rezal Zain bin Abdul Rashid	5/5	Present	Present	Present	Present	Present
Dato' Adnan bin Shamsuddin	5/5	Present	Present	Present	Present	Present
Datuk Alias bin Ali	5/5	Present	Present	Present	Present	Present

The Committee had met with the external auditors without the presence of the Managing Director and management on 25 May 2015 and 23 February 2016, to discuss the adequacy of controls and any judgmental areas.

AUDIT COMMITTEE REPORT (contd.)

SUMMARY OF 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 to ensure compliance with the Main Market Listing Requirements ("MMLR"), applicable approved accounting standards and other statutory and regulatory requirements prior to recommendation to the Board of Directors ("Board") for consideration and approval.

2. Reviewed the external auditors' audit plan outlining their scope of work and proposed fees prior to commencement of audit, considered their re-appointment and recommended to the Board for approval.

3. Assessed the suitability, independence, quality of services and sufficiency of resources of the external auditors.

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

5. Assessed the adequacy of the scope, functions, resources and quality of services of the internal auditors.

6. 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.

7. Reviewed related party transactions that had arisen with the Company and/or the Group and the disclosures of such transactions in the quarterly financial results and annual audited financial statements.

8. Updated the Board on issues and concerns discussed during the Committee's meetings including those raised by external auditors and made the relevant recommendations to the Board.

9. Reviewed the risk management activities of the Company and the Group.

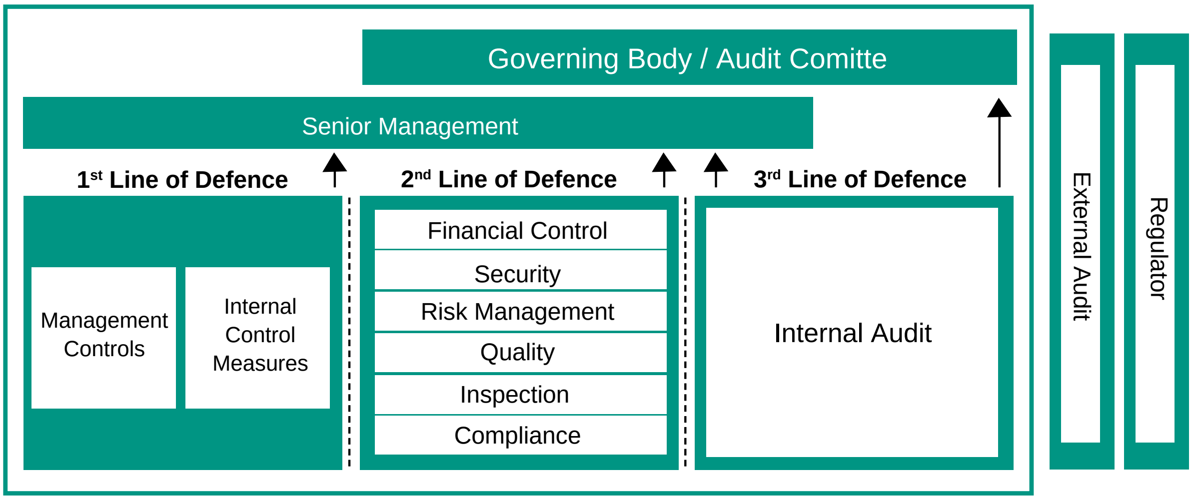
10. Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control before submitting to the Board for approval and inclusion in the Company's Annual Report.

11. Reviewed the Circular to Shareholders in relation to proposed shareholders' mandate for recurrent related transactions of a revenue or trading nature and Statement to Shareholders in relation to proposed renewal of the authority for share buy-back before recommendation to the Board for approval.

AUDIT COMMITTEE REPORT (contd.)

INTERNAL AUDIT FUNCTION

The Committee is supported by the Group Internal Audit Department (GIA) of the penultimate holding company, Kumpulan Fima Berhad, which undertakes internal audit functions of the Group and Company based on an internal audit plan that is duly approved by the Committee. The GIA reports directly to the Committee to ensure impartiality and independence. GIA serves as the third line of defense, giving assurance to the Committee that the internal controls and risk management activities are functioning as intended.



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

During the financial year, GIA had undertaken the following activities:

- Presented the annual audit plan and programme to the Committee for approval.
- Performed risk-based audits based on the annual audit plan, including follow-up on matters raised in the previous internal audit reports.
- Issued internal audit reports on risk management, control and governance issues identified from the risk-based audits incorporating findings, recommendations to improve the weaknesses noted in the course of the audits and management's comments on the findings.
- Reported on a quarterly basis to the Committee on significant risk management, control and governance issues from the internal audit carried, the results of investigations and special reviews undertaken.
- Conducted regular follow-up and monitoring on the implementation of recommendations made by GIA to ensure that appropriate corrective actions are taken on a timely basis or within agreed timelines.

During the year, eleven (11) internal audit reports were issued on various operating units of the Group covering reviews on control environment, risk management, revenue assurance, procurement, finance, human resource, occupational safety and health and regulatory compliance and operations. The cost incurred for the internal audit function during the financial year was RM150,000 (2015: RM140,000).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

This statement is in line with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") on the Group's compliance with the Principles and Best Practices relating to internal control as stipulated in the Malaysian Code on Corporate Governance 2012.

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Group's assets and for reviewing the adequacy and integrity of the system.

The Group's system of risk management and internal control covers, inter alia, controls relating to financial control, risk management, operational, management information systems and compliance with applicable laws, regulations, rules, directives and guidelines. The process for identifying, evaluating and managing the significant risks faced by the Group is on-going, regularly reviewed by the Board through its Audit Committee and has been in place for the whole year under review. In view of the limitations that are inherent in any system of internal control, the Group's internal control system is designed to manage rather than eliminate risks that may impact the achievement of the Group's business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

RISK MANAGEMENT

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

The Audit Committee and the Board are supported by a Risk Management Committee ("RMC"), headed by the Senior Independent Non-Executive Director. The RMC in discharging its duties is supported by a Risk Management Unit, comprising of senior management and headed by the Managing Director. The RMC identifies and communicates to the Audit Committee and the Board the present and potential critical risks the Group faces, their changes and the management action plans to manage these risks.

The RMC is entrusted with the responsibility of implementing and maintaining the enterprise risk management (ERM) framework to achieve the following objectives:

- communicate the vision, role, direction and priorities to all employees and key stakeholders;
- identify, assess, treat, report and monitor significant risks in an effective manner;
- enable systematic risk review and reporting on key risks, existing control measures and any proposed action plans; and
- create a risk-aware culture and building the necessary knowledge for risk management at every level of Management.

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

- formalization of risk management policy and procedures and adopted a structured and systematic risk assessment, monitoring and reporting framework;
- appointment of a dedicated risk officer to coordinate the ERM activities within the Group, to supervise the ERM policy implementation and documentation at Group level and to act as the central contact and guide for ERM issues within the Group;

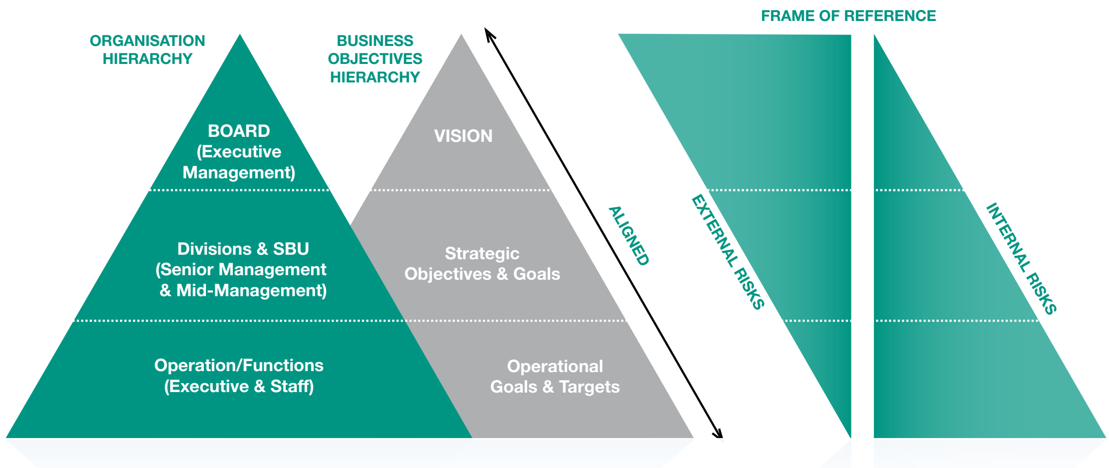
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (contd.)

- heightened risk awareness culture in the business processes through risk owners' accountability and sign-off for action plans and continuous monitoring;

- compilation of the business units' risk profiles in relation to the Group risk parameters, the top risks from each business segment and reported to the Audit Committee for review, deliberation and approval;

- fostered a culture of continuous improvement in risk management through risk review meetings; and provided a system to manage the central accumulation of risk profiles data with risk significance rating for the profiles as a tool for prioritizing risk action plans.

The Group has in place the necessary risk infrastructure encompassing the risk assessment process, organizational oversight and reporting functions to instill the appropriate discipline and control. Risk assessment, monitoring and review of the various risks faced by the Group are a continuous process within the key operating units with the RMC playing a pivotal oversight function. The RMC convenes on an annual basis to review the key risk profiles and submit a summary reporting to the Audit Committee. Amidst delivering growth for its stakeholders, the Group will continue its focus on sound risk assessment practices and internal control to ensure that the Group is well equipped to manage the various challenges arising from the dynamic business and competitive environment.



INTERNAL CONTROL

The internal audit function is undertaken by the Group Internal Audit Department ("GIA") of the penultimate holding company, Kumpulan Fima Berhad. The principal role of GIA is to independently review whether a framework of controls and an effective risk management framework are in place to manage risks and management responses to these risks are acceptable.

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

GIA reports directly to the Audit Committee periodically and is independent of the activities it audits. Follow-up reviews and deliberation of internal audit reports are carried out to ensure that appropriate actions are taken to address internal control weaknesses are highlighted.

During the year, GIA has evaluated the adequacy, integrity and effectiveness of the Group's internal controls in safeguarding shareholders' investment and the Group's assets. The internal controls cover financial, operational and compliance and enterprise risk management. The cost incurred by GIA in respect of internal audit function during the financial year was RM150,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (contd.)

Internal control is embedded in the Group's operations as follows:

- Clear organization structure with defined reporting lines. There is a defined organizational structure within the Group with each division having clearly defined roles and responsibilities, levels of authority and lines of accountability.
- Each line of business is responsible for the conduct and performance of its operating units, including the identification and evaluation of significant risks applicable to their respective business areas, the design and operation of suitable internal control and in ensuring that an effective system of internal control is in place.
- Defined level of authorities and lines of responsibilities for the Board and operating units to ensure accountabilities in risk management and control activities.
- Documented standard operating procedures are regularly reviewed to ensure that the procedures and policies are current, relevant and aligned with evolving business and operational needs.
- Quarterly management reports on key business performance, operating statistics and regular matters are provided to the members of the Board for review and to monitor the achievements of the Group's performance.
- Each line of business submits an annual budget for approval by the Board. The results of the lines of business are monitored monthly and variances are analyzed against the budget and acted on accordingly.
- The Board is supported by qualified and competent Company Secretaries. The Company Secretaries play an advisory role to the Board, particularly on issues relating to compliance with the MMLR, the Companies Act 1965 and other relevant laws and regulations.
- Ongoing reviews on the system of the internal controls are carried out by the Group Internal Audit Department established by the penultimate holding company, Kumpulan Fima Berhad. Results of such reviews are reported to the Audit Committee. The work of the internal auditors is focused on areas of priority as identified by the Group's risk management process.
- The Audit Committee convenes regular meetings to deliberate on findings and recommendations for improvement by both the internal and external auditors on the state of the system internal controls. The minutes of the Audit Committee meetings are tabled to the Board.
- The RMC converse annually to review and recommend the risk management policies, strategies, major risks review and risk mitigation actions for the Group and reports to the Audit Committee.
- Active participation and involvement by the Managing Director in the day-to-day running of the major businesses and regular discussions with the Senior Management.
- A meeting of the Heads of Divisions chaired by the Managing Director is held monthly to deliberate on operational, financial and key management issues. The Managing Director will update the Board of any significant matters that require the Board's immediate attention.
- Adequate insurance and physical security of major assets.
- Staff's competency is enhanced through rigorous recruitment process and development programmes. A performance appraisal system of staff is in place, with established targets and accountability and is reviewed on an annual basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (contd.)

- Code of ethics are established and adopted by the Board and all employees to ensure high standards of conduct and ethical values in all business practices.

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

- Major contracts are awarded by a Tender Committee comprising of Senior Management. A minimum of three quotations is called for and tenders are awarded based on criteria such as quality, track record and speed of delivery.

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

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of internal controls.

This statement is made in accordance with a resolution of the Board of Directors dated 3 June 2016.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which have been made out in accordance with the provisions of the Companies Act, 1965, the Main Market Listing Requirements and applicable approved accounting standards in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at the end of the financial year, and of the results and cash flows of the Company and of the Group for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors have responsibility for ensuring that proper accounting records are kept and the accounts and other financial reports of the Group are prepared with reasonable accuracy 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 Company and the Group, and to prevent and detect fraud and other irregularities.

This Statement is made in accordance with the resolution of the Board dated 3 June 2016.

ADDITIONAL COMPLIANCE INFORMATION

- **Utilisation of Proceeds Raised from Corporate Proposals**

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

- **Share Buy-Back**

  During the financial year, the Company repurchased 84,000 of its issued ordinary shares from the open market at an average price of RM2.19. The total consideration paid for the repurchase including transaction costs was RM184,985. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Month of Purchase	No. of Shares Purchased	Lowest Purchase Price (RM)	Highest Purchase Price (RM)	Average Purchase Price (RM)	Total Purchase Consideration (RM)
August 2015	22,900	2.18	2.22	2.19	50,608
January 2016	14,500	2.20	2.22	2.21	32,236
February 2016	2,500	2.19	2.19	2.19	5,525
March 2016	44,100	2.16	2.19	2.17	96,616
TOTAL	**84,000**	**2.16**	**2.22**	**2.19**	**184,985**

- **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.

- **Sanctions and/or Penalties**

  There were no sanctions or penalties imposed on the Company, its subsidiaries, directors or management by the regulatory bodies during the financial year.

- **Non-Audit Fees**

  Non-audit fees paid to the external auditors during the financial year was RM8,000 (2015: RM8,000).

- **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 2015.

- **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.

FIMA CORPORATION BERHAD
(21185-P)

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2016.

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	54,872	46,527
Profit for the year attributable to:		
- Equity holders of the Company	51,282	46,527
- Non-controlling interests	3,590	-
	54,872	46,527

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

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

DIRECTORS' REPORT (contd.)

DIVIDENDS

The amounts of dividends paid by the Company since 31 March 2015 were as follows:

	RM'000
In respect of the financial year ended 31 March 2015 as reported in the directors' report for that year:	
Single-tier final dividend of 15%, paid on 7 October 2015	18,104
In respect of the financial year ended 31 March 2016:	
Single-tier interim dividend of 10%, paid on 31 December 2015	12,070
	30,174

The directors recommend the payment of a single-tier final dividend of 15% on 241,328,130 ordinary shares of RM0.50 per share or 7.5 sen per share of RM0.50 sen, amounting to a total of RM18,099,610, 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 2017.

DIRECTORS

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

Dato' Adnan bin Shamsuddin (Chairman)
Dato' 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' Roslan bin Hamir and Datuk Alias bin Ali retire from the Board at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

DIRECTORS' REPORT (contd.)

DIRECTORS' BENEFITS

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

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

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM0.50 Each			
	As at 1 April 2015	Bought	Sold	As at 31 March 2016
The Company				
Direct Interest				
Dato' Roslan bin Hamir	601,800	-	-	601,800
Rezal Zain bin Abdul Rashid	5,000	-	-	5,000
Dr. Roshayati binti Basir	-	114,000	-	114,000
Indirect Interest (1) (2) (3)				
Dr. Roshayati binti Basir	150,383,658	-	-	150,383,658

DIRECTORS' REPORT (contd.)

DIRECTORS' INTERESTS (CONTD.)

	Number of Ordinary Shares of RM1.00 Each					
	As at 1 April 2015	Options exercised	Shares vested under Restricted Share Grant	Bought	Sold	As at 31 March 2016
Kumpulan Fima Berhad Penultimate Holding Company						
Direct						
Dato' Roslan bin Hamir	421,000	-	60,000	-	-	481,000
Dr. Roshayati binti Basir	200,000	-	-	84,000	-	284,000
Dato' Adnan bin Shamsuddin	10,000	-	-	-	-	10,000
Indirect (1) (2)						
Dr. Roshayati binti Basir	166,431,200	-	-	842,000	-	167,273,200

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

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

(3) Fima Metal Box Holdings Sdn Bhd, the major shareholder of the Company, is a wholly-owned subsidiary of Kumpulan Fima Berhad in which BHR has 53.27% equity interest.

	Number of Options Over Ordinary Shares of RM1.00 Each				
	Exercise Price RM	As at 1 April 2015	Granted	Exercised	As at 31 March 2016
Kumpulan Fima Berhad Penultimate Holding Company					
Dato' Roslan bin Hamir	1.48	1,070,000	-	-	1,070,000

DIRECTORS' REPORT (contd.)

DIRECTORS' INTERESTS (CONTD.)

	Number of Ordinary Shares of RM1.00 Each Granted under the Restricted Share Grant Scheme			
	As at 1 April 2015	Granted	Vested	As at 31 March 2016
Kumpulan Fima Berhad				
Penultimate Holding Company				
Dato' Roslan bin Hamir	-	60,000	(60,000)	-

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

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

TREASURY SHARES

During the financial year, the Company repurchased 84,000 of its issued ordinary shares.

As at 31 March 2016, the Company held as treasury shares a total of 3,996,200 of its 245,324,330 issued ordinary shares of RM0.50 per share. Such treasury shares are held at a carrying amount of approximately RM3,789,000. 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 all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

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

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

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

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

DIRECTORS' REPORT (contd.)

OTHER STATUTORY INFORMATION (CONTD.)

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

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

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

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 June 2016.

Dato' Adnan bin Shamsuddin

Dato' Roslan bin Hamir

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

We, Dato' Adnan bin Shamsuddin and Dato' Roslan bin Hamir, being two of the directors of Fima Corporation Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 69 to 146 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of their financial performance and cash flows for the year then ended.

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 3 June 2016.

Dato' Adnan bin Shamsuddin

Dato' Roslan bin Hamir

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

I, Lee Mo Leng, being the officer primarily responsible for the financial management of Fima Corporation Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 69 to 147 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Lee Mo Leng
at Kuala Lumpur in the Federal
Territory on 3 June 2016.

Lee Mo Leng

Before me,
Kapt (B) Affandi bin Ahmad
Pesuruhjaya Sumpah
No. W 678

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

Report on the financial statements

We have audited the financial statements of Fima Corporation Berhad, which comprise the statements of financial position as at 31 March 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 69 to 146.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of their financial performance and cash flows for the year then ended in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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

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' reports of the subsidiary of which we have not acted as auditors, which is indicated in Note 16 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

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

Other reporting responsibilities

The supplementary information set out in Note 39 on page 147 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysia Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

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

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Muhammad Affan bin Daud
No. 3063/02/18(J)
Chartered Accountant

Kuala Lumpur, Malaysia
3 June 2016

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016

	Note	Group 2016 RM'000	Group 2015 RM'000	Company 2016 RM'000	Company 2015 RM'000
Revenue	3	375,207	378,014	51,622	42,273
Cost of sales		(257,517)	(251,174)	-	-
Gross profit		117,690	126,840	51,622	42,273
Other income	4	9,163	11,103	1,509	1,328
Other items of expense					
Administrative expenses		(22,027)	(22,628)	(1,771)	(2,211)
Selling and marketing expenses		(8,889)	(6,275)	-	-
Other expenses		(20,116)	(24,508)	(3,945)	(3,963)
Finance cost	5	(72)	(42)	-	-
Share of results from associates		1,551	3,337	-	-
Profit before tax	6	77,300	87,827	47,415	37,427
Income tax expense	9	(22,428)	(27,522)	(888)	(558)
Profit net of tax		54,872	60,305	46,527	36,869
Other comprehensive income, net of tax					
Item that will not be subsequently reclassified to profit or loss					
Revaluation of property, plant and equipment		-	18,884	-	26
Remeasurement of defined benefit liability		265	-	-	-
Items that are subsequently reclassified to profit or loss					
Foreign currency translation gain(loss)		3,097	(2,504)	-	-
Total comprehensive income for the year		58,234	76,685	46,527	36,895
Profit attributable to:					
Equity holders of the Company		51,282	55,761	46,527	36,869
Non-controlling interest		3,590	4,544	-	-
Profit for the year		54,872	60,305	46,527	36,869
Total comprehensive income attributable to:					
Equity holders of the Company		53,972	69,050	46,527	36,895
Non-controlling interest		4,262	7,635	-	-
Total comprehensive income for the year		58,234	76,685	46,527	36,895
Earnings per share attributable to equity holders of the Company (sen per share)					
Basic/diluted earnings per share	11	21.24	36.15		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	Group 2016 RM'000	Group 2015 RM'000 Restated	Company 2016 RM'000	Company 2015 RM'000
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	12	125,855	110,871	2,077	2,234
Investment properties	13	63,684	65,191	51,767	52,930
Biological assets	14	49,611	44,877	-	-
Goodwill on consolidation	15	510	510	-	-
Investments in subsidiaries	16	-	-	62,099	63,999
Investments in associates	17	40,238	38,687	10,000	10,000
Deferred tax assets	27	8,952	5,921	563	552
		288,850	266,057	126,506	129,715
CURRENT ASSETS					
Trade and other receivables	18	167,079	182,856	676	713
Inventories	19	51,003	91,234	-	-
Due from related companies	20	34	17	25,987	6,244
Cash and bank balances	21	177,593	172,640	39,356	39,510
		395,709	446,747	66,019	46,467
TOTAL ASSETS		684,559	712,804	192,525	176,182
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	22	122,662	122,662	122,662	122,662
Share premium	23	-	-	-	-
Treasury shares	24	(3,789)	(3,604)	(3,789)	(3,604)
Other reserves	25	(6,674)	(9,257)	2,089	2,070
Retained earnings	26	442,048	420,728	67,502	51,149
		554,247	530,529	188,464	172,277
Non-controlling interests		28,141	29,990	-	-
Total equity		582,388	560,519	188,464	172,277

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2016 (contd.)

		Group		Company	
	Note	2016 RM'000	2015 RM'000 Restated	2016 RM'000	2015 RM'000
NON-CURRENT LIABILITIES					
Deferred tax liabilities	27	10,730	10,983	-	-
Retirement benefit obligations	28	1,391	1,634	-	-
Finance lease obligations	29	16,799	5,094	-	-
		28,920	17,711	-	-
CURRENT LIABILITIES					
Trade and other payables	30	68,932	127,887	3,805	3,581
Tax payable		3,013	5,471	256	324
Due to related companies	20	660	725	-	-
Finance lease obligations	29	646	491	-	-
		73,251	134,574	4,061	3,905
Total liabilities		102,171	152,285	4,061	3,905
TOTAL EQUITY AND LIABILITIES		684,559	712,804	192,525	176,182

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 2016

			----------Attributable to owners of the parent									
				|------ Non-distributable		|------| Distributable	|------Non-distributable			
Group	Note	Equity, total RM'000	Equity attributable to the Company total RM'000	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total (Note 25) RM'000	Asset revaluation reserve RM'000	Foreign currency translation deficit RM'000	Equity contribution from parent RM'000	Non-controlling interests RM'000
At 1 April 2014		515,457	489,470	82,427	534	(3,604)	432,833	(22,720)	1,530	(28,199)	3,949	25,987
Total comprehensive income for the year		76,685	69,050	-	-	-	55,761	13,289	15,293	(2,004)	-	7,635
Transaction with owners												
Dividends	10	(31,797)	(28,165)	-	-	-	(28,165)	-	-	-	-	(3,632)
Grant of equity settled share options		174	174	-	-	-	-	174	-	-	174	-
Bonus shares issued		-	-	40,235	(534)	-	(39,701)	-	-	-	-	-
Total transactions with owners		(31,623)	(27,991)	40,235	(534)	-	(67,866)	174	-	-	174	(3,632)
At 31 March 2015		560,519	530,529	122,662	-	(3,604)	420,728	(9,257)	16,823	(30,203)	4,123	29,990
At 1 April 2015		560,519	530,529	122,662	-	(3,604)	420,728	(9,257)	16,823	(30,203)	4,123	29,990
Total comprehensive income for the year		58,234	53,972	-	-	-	51,494	2,478	-	2,478	-	4,262
Transaction with owners												
Purchase of treasury shares	24	(185)	(185)	-	-	(185)	-	-	-	-	-	-
Dividends	10	(38,085)	(30,174)	-	-	-	(30,174)	-	-	-	-	(7,911)
Grant of equity settled share options		105	105	-	-	-	-	105	-	-	105	-
Acquisition of subsidiary		1,800	-	-	-	-	-	-	-	-	-	1,800
Total transactions with owners		(36,365)	(30,254)	-	-	(185)	(30,174)	105	-	-	105	(6,111)
At 31 March 2016		582,388	554,247	122,662	-	(3,789)	442,048	(6,674)	16,823	(27,725)	4,228	28,141

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 2016 cont'd

			Non-distributable			Distributable	Non-distributable		
Company	Note	Equity, total RM'000	Share capital RM'000	Share premium RM'000	Treasury shares RM'000	Retained earnings RM'000	Other reserves, total (Note 25) RM'000	Asset revaluation reserve RM'000	Equity contribution from parent RM'000
At 1 April 2014		163,522	82,427	534	(3,604)	82,146	2,019	1,530	489
Total comprehensive income for the year		36,895	-	-	-	36,869	26	26	-
Transaction with owners									
Dividends	10	(28,165)	-	-	-	(28,165)	-	-	-
Grant of equity settled share options		25	-	-	-	-	25	-	25
Bonus shares issued		-	40,235	(534)	-	(39,701)	-	-	-
Total transactions with owners		(28,140)	40,235	(534)	-	(67,866)	25	-	25
At 31 March 2015		172,277	122,662	-	(3,604)	51,149	2,070	1,556	514
At 1 April 2015		172,277	122,662	-	(3,604)	51,149	2,070	1,556	514
Total comprehensive income for the year		46,527	-	-	-	46,527	-	-	-
Transaction with owners									
Purchase of treasury shares	24	(185)	-	-	(185)	-	-	-	-
Dividends	10	(30,174)	-	-	-	(30,174)	-	-	-
Grant of equity settled share options		19	-	-	-	-	19	-	19
Total transactions with owners		(30,340)	-	-	(185)	(30,174)	19	-	19
At 31 March 2016		188,464	122,662	-	(3,789)	67,502	2,089	1,556	533

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 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	77,300	87,827	47,415	37,427
Adjustments for:				
Depreciation for property, plant and equipment	19,980	19,180	183	155
Depreciation of investment properties	1,507	1,508	1,163	1,163
Amortisation of biological assets	3,235	3,526	-	-
Write off of biological assets	28	-	-	-
Impairment loss on trade receivables	1,434	1,106	-	5
Write back of impairment loss on trade receivables	(748)	(59)	(5)	-
Impairment loss on other receivables	2	-	-	-
Write back of impairment loss on other receivables	(50)	(46)	-	-
Provision for retirement benefit obligations	69	182	-	-
Write down of inventories	88	232	-	-
Gain on disposal of property, plant and equipment	(71)	(14)	-	(2)
Shares and options granted under ESS	105	174	19	25
Gain from plantation investment compensation	(346)	(811)	-	-
Share of results of associates	(1,551)	(3,337)	-	-
Dividend income	-	-	(47,125)	(37,975)
Interest income	(5,680)	(7,176)	(1,485)	(1,302)
Operating profit/(loss) before working capital changes	95,302	102,292	165	(504)
Decrease/(increase) in trade and other receivables	16,865	(78,126)	46	76
Decrease/(increase) in inventories	40,143	(23,943)	-	-
(Decrease)/increase in trade and other payables	(64,248)	53,675	224	239
(Decrease)/increase in related company balances	(644)	748	(19,743)	(6,031)
Cash generated from/(used in) operations	87,418	54,646	(19,308)	(6,220)
Taxes paid	(29,206)	(29,156)	(971)	(599)
Retirement benefits paid	(14)	-	-	-
Interest income received	5,680	7,176	1,485	1,302
Net cash generated from/(used in) operating activities	63,878	32,666	(18,794)	(5,517)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 (contd.)

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(10,796)	(10,793)	(26)	(191)
Additions to biological assets	(6,985)	(4,406)	-	-
Proceeds from disposal of property, plant and equipment	71	15	-	3
Proceeds from plantation investment compensation	711	1,296	-	-
Acquisition of subsidiary, net cash acquired	(4,162)	(7,503)	-	(3,335)
Repayment of obligations under finance lease	(442)	(427)	-	-
Dividends received	-	-	47,125	37,975
Net cash (used in)/generated from investing activities	(21,603)	(21,818)	47,099	34,452
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividends paid	(30,174)	(28,165)	(30,174)	(28,165)
Acquisition of treasury shares	(185)	-	(185)	-
Dividends paid by a subsidiary to non-controlling interests	(7,911)	(3,632)	-	-
Redemption of loan stocks investment	-	-	24,900	3,700
Subscription of loan stocks investment	-	-	(23,000)	(6,000)
Net cash used in financing activities	(38,270)	(31,797)	(28,459)	(30,465)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,005	(20,949)	(154)	(1,530)
Effect of exchange rate changes in cash and cash equivalents	948	(1,615)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	172,640	195,204	39,510	41,040
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 21)	177,593	172,640	39,356	39,510

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016

1. CORPORATE INFORMATION

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards (“FRSs”) and the requirements of the Companies Act, 1965 in Malaysia.

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

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

2.2 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 2015, the Group and the Company adopted the following new and amended FRSs and IC Interpretation mandatory for annual financial periods beginning on after 1 January 2015.

Description	Effective for annual period beginning on or after
Amendments to FRS 119: Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011 - 2013 Cycle	1 July 2014

The adoption of the above new and standards and interpretations do not have significant impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

(b) Standards Issued But Not Yet Effective

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

Description	Effective for annual period beginning on or after
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred
Amendments to FRS 11: Accounting for Acquisitions of Interest in Joint Operations	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
Amendments to FRS 107: Disclosure initiative	1 January 2017
Amendments to FRS 112: Recognition of deferred tax assets for unrealised losses	1 January 2017
FRS 15: Revenue from Contracts with Customers	1 January 2018
FRS 9: Financial Instruments	1 January 2018

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

(i) FRS 15 Revenue from Contracts with Customers

FRS 15 establishes a new five-step models that will apply to revenue arising from contracts with customers. FRS 15 will supersede the current revenue recognition guidance including FRS 118 Revenue, FRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of FRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

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

(i) FRS 15 Revenue from Contracts with Customers (Contd.)

Under FRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Directors anticipate that the application of FRS 15 will have an impact on the amounts reported and disclosures made in the Group's and the Company's financial statements. The Group is currently assessing the impact of FRS 15 and plans to adopt the new standard on the required effective date.

(ii) FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

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

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

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

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2019. In presenting its first MFRS financial statements, the Group will be required to adjust the comparative financial statements prepared under FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against the opening retained earnings.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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

(c) Malaysian Financial Reporting Standards (“MFRS”) Framework (Contd.)

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2016 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2019.

2.3 Summary of Significant Accounting Policies

(a) Basis of Consolidation

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

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

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

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

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

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

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

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

(iii) Rights arising from other contractual arrangements; and

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(a) Basis of Consolidation (Contd.)

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

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

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

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

Business Combinations

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(a) Basis of Consolidation (Contd.)

Business Combinations (Contd.)

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

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

(b) Subsidiaries

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

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

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

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

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

(c) Transaction with Non-Controlling Interest

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

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(d) Investment in Associate Companies

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

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

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

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

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

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

(e) Property, Plant and Equipment

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(f) Biological Assets - Oil Palm Planting Expenditure

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

(g) Investment Properties

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

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

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

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

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

(h) Goodwill

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(i) Impairment of Non-financial Assets

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

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

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

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

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

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

(j) Financial Assets

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

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

The Group and the Company categorised the classification of their financial assets at initial recognition as loans and receivables.

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(j) Financial Assets (Contd.)

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

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

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

(k) Impairment of Financial Assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(l) Inventories

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

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

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

(m) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(n) Financial Liabilities

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

Financial liabilities within the scope of FRS 139 Financial Instruments: Recognition and Measurement, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(n) Financial Liabilities (Contd.)

(ii) Other financial liabilities (Contd.)

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

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

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

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

(o) Provision for Liabilities

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

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

(p) Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and 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.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(q) 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.

(iv) Dividend income

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

(v) Receipts in advance

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

(vi) Interest income

Interest income is recognised using the effective interest method.

(vii) Management fees

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

(r) Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services/business activities. An operating segment's operating results are reviewed regularly by the chief operating decision maker, who will make decisions to allocate resources to the segments and assess the segment performance. Additional disclosures on each of these segments are shown in Note 33.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(s) Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

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

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

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

(iii) Foreign Operations

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(t) Employee Benefits

(i) Short term benefits

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

(ii) Defined contribution plan

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

(iii) Defined benefit plan

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

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

The latest actuarial valuation was carried out using the employee data as at 31 March 2016 by PT Milliman Indonesia, an independent actuary dated 18 April 2016.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(t) Employee Benefits (Contd.)

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

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

- Employee Share Option Scheme ("ESOS")

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

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

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

- Restricted Share Grant Scheme ("RSGS")

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

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(u) Leases

(i) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

(ii) As lessor

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

(v) Income Tax

(i) Current tax

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(v) Income Tax (Contd.)

(ii) Deferred tax

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.3 Summary of Significant Accounting Policies (Contd.)

(v) Income Tax (Contd.)

(iii) Fair Value Measurement

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

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

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

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

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

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

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

- Level 1 — Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2 — Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3 — Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The significant key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

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

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

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

(ii) Income taxes

The Group and the Company are subject to income taxes in Malaysia and Indonesia. Significant judgment is required in determining the allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax matters based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made. The Group's and the Company's tax expense for the current financial year is RM22,428,000 (2015: RM27,522,000) and RM888,000 (2015: RM558,000) respectively, as disclosed in Note 9.

(iii) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The Group's and the Company's deferred tax assets as at 31 March 2016 is RM8,952,000 (2015: RM5,921,000) and RM563,000 (2015: RM552,000) respectively, as disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

2.4 Significant Accounting Estimates and Judgements

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

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

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

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

(v) Employee Share Scheme ("ESS")

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

(vi) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the CGU to which goodwill is allocated. Estimating a value-in-use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 March 2016 was RM510,000 (2015: RM510,000). Further details are disclosed in Note 15.

(vii) Provision for goods defect

Provisions for goods defect are based on current volumes of products sold still under warranty and on historic quality rates as well as estimates and assumptions regarding future quality rates for new products and estimates of costs to remedy the various qualitative issues that might occur.

Total Group's provisions for goods defect as of 31 March 2016 is RM17,114,000 (2015: RM16,492,000), as disclosed in Note 30(c).

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

3. REVENUE

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Dividend income from subsidiaries	-	-	47,125	37,975
Production and trading of security and confidential documents	266,682	265,187	-	-
Net sale of oil palm products	102,614	107,116	-	-
Rental income from investment properties	5,460	5,263	4,066	3,868
Property management services	451	448	431	430
	375,207	378,014	51,622	42,273

4. OTHER INCOME

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest income	5,680	7,176	1,485	1,302
Gain on disposal of property, plant and equipment	71	14	-	2
Gain from plantation investment compensation	346	811	-	-
Management fees	24	24	24	24
Others	3,042	3,078	-	-
	9,163	11,103	1,509	1,328

5. FINANCE COST

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Interest expense on obligations under finance leases	72	42	-	-

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

6. PROFIT BEFORE TAX

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Staff costs (Note 7)	29,572	28,354	1,369	1,358
Non-executive directors' remuneration (Note 8)	386	376	340	330
Statutory audit fees:				
- Auditors of the Company	290	257	87	87
Other non-audit fees:				
- Auditors of the Company	8	8	8	8
Factory rental	771	765	-	-
Repairs and maintenance	2,113	2,450	168	139
Depreciation of property, plant and equipment (Note 12)	19,980	19,180	183	155
Depreciation of investment properties (Note 13)	1,507	1,508	1,163	1,163
Amortisation of biological assets (Note 14)	3,235	3,526	-	-
Write off of biological assets (Note 14)	28	-	-	-
Impairment loss on trade receivables (Note 18)	1,434	1,106	-	5
Impairment loss on other receivables (Note 18)	2	-	-	-
Write back of impairment loss on trade receivables (Note 18)	(748)	(59)	(5)	-
Write back of impairment loss on other receivables (Note 18)	(50)	(46)	-	-
Write down of inventories	88	232	-	-
Gain on disposal of property, plant and equipment	(71)	(14)	-	(2)
Provision for retirement benefit obligations (Note 28)	69	182	-	-
Realised foreign exchange gain	(3,060)	(1,224)	-	-

7. STAFF COSTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Wages and salaries	24,759	23,652	1,062	1,074
EPF contribution	3,170	2,880	181	145
Social security costs	183	189	4	4
Provision for retiremen benefits (Note 28)	69	182	-	-
Shares and options granted under ESS	105	174	19	25
Other staff related expenses	1,286	1,277	103	110
	29,572	28,354	1,369	1,358

Included in staff costs of the Group and of the Company is the Managing Director's remuneration amounting to RM1,265,000 (2015: RM1,121,000) and RM532,000 (2015: RM446,000) respectively as further disclosed in Note 8. Direct wages of employees amounting to RM7,836,000 (2015: RM8,393,000) have been included in the Group's cost of sales.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

8. DIRECTORS' REMUNERATION

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Executive directors' remuneration				
Salaries and other emoluments	799	712	320	285
Bonus	363	353	144	140
Benefits-in-kind	103	56	68	21
	1,265	1,121	532	446
Non-executive directors' remuneration				
Fees	290	290	252	252
Other emoluments	96	86	88	78
	386	376	340	330
Total	1,651	1,497	872	776
Total excluding benefits-in-kind	1,548	1,441	804	755

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

	Number of Directors	
	2016	2015
Executive:		
RM1,100,001 - RM1,150,000	-	1
RM1,250,001 - RM1,300,000	1	-
Non-Executive:		
RM50,001 - RM100,000	3	3
RM100,001 - RM150,000	-	1
RM150,001 - RM200,000	1	-

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

9. INCOME TAX EXPENSE

Major components of income tax expense

The major components of income tax expense for the years ended 31 March 2016 and 2015 are:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current income tax:				
- Malaysian income tax	24,889	26,413	896	808
- Under/(over) provision in prior years	846	3,854	3	(184)
	25,735	30,267	899	624
Deferred tax (Note 27):				
- Relating to reversal and origination of temporary differences	(1,690)	(2,013)	(70)	(70)
Relating to changes in tax rates	183	-	21	-
- (Over)/under provision in prior years	(1,800)	(732)	38	4
	(3,307)	(2,745)	(11)	(66)
Total income tax expense	22,428	27,522	888	558

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year. The corporate rate tax applicable to the Indonesian subsidiary of the Group is 25% (2015: 25%).

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

9. INCOME TAX EXPENSE (CONTD.)

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Group				
Profit before tax	77,300	87,827	47,415	37,427
Taxation at Malaysian statutory tax rate of 24% (2015: 25%)	18,489	21,957	11,380	9,357
Effect of tax rates in foreign jurisdiction	812	-	-	-
Effect of changes in tax rates on opening balance of deferred tax	183	-	21	-
Effect of expenses not deductible for tax purposes	3,961	3,392	756	875
Effect of partial tax exemption	(34)	(115)	-	-
Effect of share of results of associates	(372)	(834)	-	-
Income not subject to tax	-	-	(11,310)	(9,494)
(Over)/under provision of deferred tax in prior year	(1,800)	(732)	38	4
Under/(over) provision of income tax expense in prior year	846	3,854	3	(184)
Deferred tax assets not recognised	343	-	-	-
Income tax expense recognised in in profit or loss	22,428	27,522	888	558

Tax losses are analysed as follows:

	Group	
	2016 RM'000	2015 RM'000
Tax savings recognised during the year arising from:		
Utilisation of tax losses brought forward from previous years	377	-

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

10. DIVIDENDS

	Dividends in Respect of Year		Dividends Recognised in Year	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Interim				
Recognised during the financial year:				
2nd single-tier interim dividend for year ended 31 March 2014 of 15% paid on 12 August 2014	-	-	-	12,071
Single-tier interim dividend for year ended 31 March 2015 of 10% paid on 24 December 2014	-	12,071	-	12,071
Single-tier interim dividend for year ended 31 March 2016 of 10% paid on 31 December 2015	12,070	-	12,070	-
Final				
Single tier final dividend for year ended 31 March 2015 of 15% paid on 9 October 2015	-	18,104	18,104	-
Special				
Single-tier special dividend for year ended 31 March 2014 of 5% paid on 12 August 2014	-	-	-	4,023
	12,070	30,175	30,174	28,165

The directors recommend the payment of a single-tier final dividend of 15% on 241,328,130 ordinary shares of RM0.50 per share or 7.5 sen per share of RM0.50 sen, amounting to a total of RM18,099,610, 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 2016.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

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

(a) Basic

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

	Group	
	2016	**2015**
Consolidated profit attributable to equity holders of the Company (RM'000)	51,282	55,761
Weighted average number of ordinary shares in issue ('000)		
Issued ordinary shares at 1 January	241,404	154,235
	241,404	154,235
Basic earnings per share for the year (sen)	21.24	36.15

(b) Diluted

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

12. PROPERTY, PLANT AND EQUIPMENT

Group

	At Valuation		At Cost					
	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Factory and Office Renovations RM'000	Equipment, Furniture and Fittings and Motor Vehicles RM'000	Work In Progress RM'000	Total RM'000
At 31 March 2016								
At Valuation/Cost								
At 1 April 2015 (as restated)	1,550	77,549	11,389	78,170	20,064	36,959	1,477	227,158
Additions	-	-	198	2,272	15	6,680	1,631	10,796
Acquisition of subsidiary	-	23,447	-	-	-	-	-	23,447
Disposals	-	-	-	-	-	(400)	-	(400)
Reclassification	-	-	266	-	-	105	(371)	-
Write-offs	-	-	-	-	-	(273)	-	(273)
Exchange differences	-	5	386	635	381	420	57	1,884
At 31 March 2016	1,550	101,001	12,239	81,077	20,460	43,491	2,794	262,612

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group (Contd.)

	At Valuation		At Cost					
	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Factory and Office Renovations RM'000	Equipment, Furniture and Fittings and Motor Vehicles RM'000	Work In Progress RM'000	Total RM'000
At 31 March 2016								
Accumulated Depreciation								
At 1 April 2015	-	3,374	2,333	65,874	17,043	27,663	-	116,287
Charge for the year	-	2,724	1,414	5,657	1,885	8,300	-	19,980
Disposals	-	-	-		-	(400)	-	(400)
Write-offs	-	-	-	-	-	(273)	-	(273)
Exchange differences	-	-	87	360	338	378	-	1,163
At 31 March 2016	-	6,098	3,834	71,891	19,266	35,668	-	136,757
Net Carrying Amount	1,550	94,903	8,405	9,186	1,194	7,823	2,794	125,855

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group (Contd.)

	At Valuation			At Cost				
	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Factory and Office Renovations RM'000	Equipment, Furniture and Fittings and Motor Vehicles RM'000	Work In Progress RM'000	Total RM'000
At 31 March 2015								
At Valuation/Cost								
At 1 April 2014	1,500	30,219	6,109	74,556	20,184	33,601	4,133	170,302
Additions	-	-	1,242	3,546	19	4,142	1,844	10,793
Acquisition of subsidiaries	-	14,190	-	-	-	-	-	14,190
Disposals	-	-	-	(37)	-	(652)	-	(689)
Transfer from biological assets	-	7,998	-	-	-	-	-	7,998
Reclassification	-	-	4,141	282	-	20	(4,443)	-
Revaluation surplus/(deficit)	50	25,144	(21)	-	-	-	-	25,173
Exchange differences	-	(2)	(82)	(177)	(139)	(152)	(57)	(609)
At 31 March 2015 (as restated)	1,550	77,549	11,389	78,170	20,064	36,959	1,477	227,158

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Group (Contd.)

	At Valuation		At Cost					
	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Plant and Machinery RM'000	Factory and Office Renovations RM'000	Equipment, Furniture and Fittings and Motor Vehicles RM'000	Work In Progress RM'000	Total RM'000
At 31 March 2015								
Accumulated Depreciation								
At 1 April 2014	-	262	1,300	60,499	15,273	18,781	-	96,115
Charge for the year	-	1,093	1,050	5,507	1,874	9,656	-	19,180
Disposals	-	-	-	(37)	-	(651)	-	(688)
Transfer from biological assets	-	2,062	-	-	-	-	-	2,062
Exchange differences	-	(43)	(17)	(95)	(104)	(123)	-	(382)
At 31 March 2015 (as restated)	-	3,374	2,333	65,874	17,043	27,663	-	116,287
Net Carrying Amount	1,550	74,175	9,056	12,296	3,021	9,296	1,477	110,871

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

Company

At 31 March 2016	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 2015	1,769	4	341	669	2,783
Additions	-	2	-	24	26
Write-offs	-	-	-	(20)	(20)
At 31 March 2016	1,769	6	341	673	2,789
Accumulated Depreciation					
At 1 April 2015	69	3	163	314	549
Charge for the year	15	-	58	110	183
Write-offs	-	-	-	(20)	(20)
At 31 March 2016	84	3	221	404	712
Net Carrying Amount	1,685	3	120	269	2,077
At 31 March 2015					
At Cost					
At 1 April 2014	1,700	4	341	522	2,567
Additions	40	-	-	151	191
Revaluation surplus	29	-	-	-	29
Disposal	-	-	-	(4)	(4)
At 31 March 2015	1,769	4	341	669	2,783
Accumulated Depreciation					
At 1 April 2014	53	3	105	236	397
Charge for the year	16	-	58	81	155
Disposal	-	-	-	(3)	(3)
At 31 March 2015	69	3	163	314	549
Net Carrying Amount	1,700	1	178	355	2,234

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

*** Land and Buildings of the Company**

At 31 March 2016	Freehold land RM'000	Buildings RM'000	Total RM'000
At Cost			
At 1 April 2015/31 March 2016	1,550	219	1,769
Accumulated Depreciation			
At 1 April 2015/31 March 2016	-	69	69
Charge for the year	-	15	15
At 31 March 2016	-	84	84
Net Carrying Amount	1,550	135	1,685
At 31 March 2015			
At Cost			
At 1 April 2014	1,500	200	1,700
Additions	-	40	40
Revaluation surplus/(deficit)	50	(21)	29
At 1 April 2014/31 March 2015	1,550	219	1,769
Accumulated Depreciation			
At 1 April 2014	-	53	53
Charge for the year	-	16	16
At 31 March 2015	-	69	69
Net Carrying Amount	1,550	150	1,700

(a) The factory extension of the Group with a net book value of RM179,000 (2015: RM235,000) 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 RM100,232,000 (2015: RM67,558,000) and RM382,000 (2015: RM313,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

12. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(c) If the total amounts of the freehold land, leasehold land and buildings had been determined in accordance with the historical cost convention, they would have been included at:

	Group 2016 RM'000	Group 2015 RM'000
Costs		
Freehold land	1,500	1,500
Leasehold land	57,341	38,215
Buildings	12,239	11,410
	71,080	51,125
Accumulated Depreciation		
Leasehold land	(2,120)	(1,312)
Buildings	(3,834)	(2,333)
Net Carrying Amount	65,126	47,480

13. INVESTMENT PROPERTIES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At Cost				
At 1 April 2015/2014 and 31 March	87,559	87,559	72,116	72,116
Accumulated Depreciation				
At 1 April 2015/2014	22,368	20,860	19,186	18,023
Charge for the year	1,507	1,508	1,163	1,163
At 31 March	23,875	22,368	20,349	19,186
Net Carrying Amount	63,684	65,191	51,767	52,930
Fair value	63,850	66,400	51,850	53,900

(a) The land title of a freehold land and building of the Company with a net book value of approximately RM50,922,000 (2015: RM52,067,000) is pledged as securities for certain unutilised credit facilities of the Group.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

13. INVESTMENT PROPERTIES (CONTD.)

(b) The transfer of the land title of a building of the Company which is located at Pekan Nenas, Johor with a net book value of approximately RM845,000 (2015: RM863,000) is yet to be finalised.

(c) The fair value of the investment properties during the year was determined based on comparison approach. The fair value of the properties as at 31 March 2016 and 31 March 2015 are based on valuation carried out by professional independent valuers, Messrs Hatta & Associates Sdn. Bhd.

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Rental income	5,460	5,263	4,066	3,868
Direct operating expenses	2,336	2,484	1,843	1,930

14. BIOLOGICAL ASSETS

	Group	
Oil Palm Planting	2016 RM'000	2015 RM'000
Cost		
At 1 April 2015/2014	67,470	72,538
Additions	6,985	4,406
Disposal	(510)	(660)
Transfer to property, plant and equipment	-	(7,998)
Write-off	(41)	(54)
Exchange difference	2,072	(762)
At 31 March	75,976	67,470
Accumulated Amortisation		
At 1 April 2015/2014	22,593	21,576
Amortisation for the year	3,235	3,526
Disposal	(156)	(171)
Transfer to property, plant and equipment	-	(2,062)
Write-off	(13)	(54)
Exchange difference	706	(222)
At 31 March	26,365	22,593
Net Carrying Amount	49,611	44,877

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

15. GOODWILL ON CONSOLIDATION

	Group	
	2016 RM'000	2015 RM'000 Restated
At 31 March 2015/2016	510	510

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

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

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

	2016 %	2015 %
Discount rate [1]	10	10
Terminal growth rate [2]	5	5

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

(b) Sensitivity analysis

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

16. INVESTMENTS IN SUBSIDIARIES

Company	Unquoted shares RM'000	Redeemable convertible loan stocks RM'000	Total RM'000
At 1 April 2015	26,999	37,000	63,999
Subscription during the year	-	23,000	23,000
Redemption during the year	-	(24,900)	(24,900)
At 31 March 2016	26,999	35,100	62,099
At 1 April 2014	23,663	34,700	58,363
Subscription during the year	-	6,000	6,000
Acquisition during the year	3,336	-	3,336
Redemption during the year	-	(3,700)	(3,700)
At 31 March 2015	26,999	37,000	63,999

(a) Details of subsidiaries are as follows:

Name of Company	Country of Incorporation	Proportion of ownership interest 2016 %	2015 %	Principal Activities
Security Printers (M) Sdn. Bhd. (i)	Malaysia	100	100	Trading of security and confidential documents
Percetakan Keselamatan Nasional Sdn. Bhd. (i)	Malaysia	100	100	Trading of security and confidential documents
FCB Property Management Sdn. Bhd. (i)	Malaysia	100	100	Property management.
FCB Plantation Holdings Sdn. Bhd. (i)	Malaysia	100	100	Investment holding.
Gabungan Warisan Sdn. Bhd. (i)	Malaysia	100	100	Oil palm plantation.
Subsidiary of FCB Plantation Holdings Sdn Bhd				
Cendana Laksana Sdn. Bhd. (i)	Malaysia	100	100	Oil palm plantation.
Next Oasis Sdn. Bhd. (i)	Malaysia	89	89	Investment holding.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

16. INVESTMENTS IN SUBSIDIARIES (CONTD.)

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

Name of Company	Country of Incorporation	Proportion of ownership interest 2016 %	2015 %	Principal Activities
Subsidiary of FCB Plantation Holdings Sdn Bhd (Contd.)				
PT Nunukan Jaya Lestari (ii)	Indonesia	80	80	Oil palm production and processing.
R.N.E. Plantantion Sdn. Bhd. (i)	Malaysia	70	-	Oil palm plantation.
Subsidiary of Next Oasis Sdn Bhd				
Taka Worldwide Sdn. Bhd. (i)	Malaysia	89	89	Oil palm plantation.
Etika Gangsa Sdn. Bhd. (i)	Malaysia	89	89	Oil palm plantation.

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

(b) Acquisition of subsidiary

On 4 December 2015, FCB Plantation Holdings Sdn. Bhd. acquired 140,000 ordinary shares of RM1.00 each, representing 70% of the total issued and paid-up share capital of R.N.E. Plantation Sdn. Bhd. which is a special purpose entity to hold a plantation land for a total cash consideration of RM4.2 million.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

16. INVESTMENTS IN SUBSIDIARIES (CONTD.)

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

(i) Summarised statement of financial position

	2016 RM'000	2015 RM'000
Non-current assets - Biological assets	39,673	41,924
Non-current assets - Others	48,885	53,109
Current assets - Cash and cash equivalents	18,427	45,089
Current assets - Others	33,516	33,051
Total assets	140,501	173,173
Current liabilities	9,146	21,844
Non-current liabilities	897	1,184
Total liabilities	10,043	23,028
Net assets	130,458	150,145
Equity attributable to shareholders of the company	130,458	150,145

(ii) Summarised statement of comprehensive income

	2016 RM'000	2015 RM'000
Revenue	102,614	107,098
Profit for the year	16,080	22,875
Other comprehensive income	265	15,453
Total comprehensive income	16,345	38,328
Dividend paid to non-controlling interests	(7,911)	(3,632)

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

16. INVESTMENTS IN SUBSIDIARIES (CONTD.)

(c) Financial information of PT Nunukan Jaya Lestari which have a non-controlling interests is set out below. The summarised financial information presented below is the amount before inter-company elimination. (Cont'd.)

(iii) Summarised statement of cash flow

	2016 RM'000	2015 RM'000
Net cash generated from operating activities	13,098	38,834
Net cash used in investing activities	(1,420)	(1,462)
Net cash used in financing activities	(40,087)	(28,259)
Net (decrease)/increase in cash and cash equivalents	(28,409)	9,113
Cash and cash equivalents at beginning of the year	45,089	36,482
Effect of exchange rate changes	1,747	(506)
Cash and cash equivalents at end of the year	18,427	45,089

(d) During the year, the Company subscribed to RM6.0 million (60 units) of redeemable convertible loan stocks issued by a subsidiary, Cendana Laksana Sdn Bhd., with a nominal value of RM100,000 per loan stock at 5.0% per annum coupon rate.

(e) During the year, the Company subscribed to RM2.0 million (20 units) of redeemable convertible loan stocks issued by a subsidiary, Gabungan Warisan Sdn Bhd., with a nominal value of RM100,000 per loan stock at 5.0% per annum coupon rate.

(f) During the year, the Company subscribed to RM15.0 million (150 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 4.5% per annum coupon rate.

17. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unquoted shares, at cost	10,000	10,000	10,000	10,000
Share of post acquisition results	30,238	28,687	-	-
	40,238	38,687	10,000	10,000
Represented by:				
Share of net assets	40,238	38,687	10,000	10,000

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

17. INVESTMENTS IN ASSOCIATES (CONTD.)

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

Name of Associates	Group's effective interest 2016 %	2015 %	Principal Activities
KadKash Sdn. Bhd.	-	40	Dormant
Giesecke and Devrient Malaysia Sdn. Bhd. (i)	20	20	Production and sale of bank notes

(i) Audited by a firm other than Hanafiah Raslan and Mohamad

On 20 January 2016, the High Court of Malaya at Kuala Lumpur ordered that Kadkash Sdn Bhd to be dissolved pursuant to Section 239 of the Companies Act 1965.

The financial statements of Giesecke & Devrient Malaysia Sdn Bhd ("G&D") is not coterminous with those of the Group as G&D has a financial year end of 31 December to conform with its holding company's financial year end. For the purpose of applying the equity method of accounting, the financial statements of G&D for the year ended 31 December 2015 have been used and appropriate adjustments have been made for the effects of transactions between 31 December 2015 and 31 March 2016.

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

(i) Summarised statement of financial position

	2016 RM'000	2015 RM'000
Assets and liabilities		
Current assets	74,090	67,343
Non-current assets	195,456	195,892
Total assets	269,546	263,235
Current liabilities	44,377	37,739
Non-current liabilities	23,976	32,060
Total liabilities	68,353	69,799
Net assets	201,193	193,436

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

17. INVESTMENTS IN ASSOCIATES (CONTD.)

(ii) Summarised statement of comprehensive income

	2016 RM'000	2015 RM'000
Revenue	164,958	161,350
Profit before tax	9,172	17,427
Profit for the year	7,757	16,684
Total comprehensive income	7,757	16,684

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

	2016 RM'000	2015 RM'000
Net assets at 1 April 2015/2014	193,436	176,752
Total comprehensive income	7,757	16,684
Net assets at 31 March	201,193	193,436
Interest in associates	20%	20%
Carrying value of Group's interest in associates	40,238	38,687

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade Receivables				
Third parties	149,911	163,800	345	406
Less: Allowance for impairment	(1,851)	(1,182)	-	(5)
Trade Receivables, Net	148,060	162,618	345	401
Other Receivables				
Deposits	935	683	187	188
Sundry receivables	8,729	11,800	-	1
Tax recoverable	1,210	115	4	-
Prepayments	2,332	7,530	101	123
GST Input Tax	5,716	-	39	-
Staff loan	300	350	-	-
Less: Allowance for impairment	(203)	(240)	-	-
Other Receivables, Net	19,019	20,238	331	312
Total Trade and Other Receivables	167,079	182,856	676	713

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2015: 30 to 90 days) term. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except for a balance of RM135,723,000 (2015: RM146,673,000) due from the Government of Malaysia.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

18. TRADE AND OTHER RECEIVABLES (CONTD.)

(a) Trade receivables (Contd.)

Ageing analysis of trade receivables

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Neither past due nor impaired	26,482	34,091	102	174
Past due but not impaired:				
1 to 60 days	24,755	38,559	77	45
61 to 120 days	32,958	24,698	5	31
More than 121 days	63,865	65,270	161	151
	121,578	128,527	243	227
Impaired	1,851	1,182	-	5
	149,911	163,800	345	406

Receivables that are neither past due nor impaired

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

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

Receivables that are past due but not impaired

The Group and the Company has trade receivables amounting to RM121,578,000 (2015: RM128,527,000) and RM243,000 (2015: RM227,000), 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.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

18. TRADE AND OTHER RECEIVABLES (CONTD.)

(a) Trade receivables (Contd.)

Receivables that are impaired

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Gross amounts of impaired trade receivables	1,851	1,182	-	5
Less: Allowance for individual impairment losses	(1,851)	(1,182)	-	(5)
	-	-	-	-

Movement in allowance accounts:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 April 2015/2014	1,182	127	5	-
Charge for the year (Note 6)	1,434	1,106	-	5
Write back of impairment loss (Note 6)	(748)	(59)	(5)	-
Bad debts written off	(33)	-	-	-
Exchange differences	16	8	-	-
As 31 March	1,851	1,182	-	5

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.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

18. TRADE AND OTHER RECEIVABLES (CONTD.)

(b) Other receivables

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Gross amounts of impaired other receivables	203	240	-	-
Less: Allowance for individual impairment losses	(203)	(240)	-	-
	-	-	-	-

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

Movement in allowance accounts:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 April 2015/2014	240	286	-	-
Charge for the year (Note 6)	2	-	-	-
Write back for impairment loss (Note 6)	(50)	(46)	-	-
Exchange differences	11	-	-	-
As 31 March	203	240	-	-

19. INVENTORIES

	Group	
	2016 RM'000	2015 RM'000
At Cost:		
Work-in-progress	19,847	52,920
Oil palm products	8,232	7,927
Printing materials	18,486	13,212
Fertilizer	282	1,706
Consumables	4,156	15,469
	51,003	91,234

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM174,871,000 (2015: RM172,136,000).

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

20. DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Due from subsidiaries	-	-	25,977	6,242
Due from other related companies	19	2	10	2
Due from associate company	15	15	-	-
	34	17	25,987	6,244
Due to penultimate holding company	(146)	(212)	-	-
Due to other related companies	(514)	(513)	-	-
	(660)	(725)	-	-

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

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash and bank balances	5,153	6,036	1,392	720
Fixed deposit with licensed banks	172,440	166,604	37,964	38,790
	177,593	172,640	39,356	39,510

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

	Group		Company	
	2016 %	2015 %	2016 %	2015 %
Licensed banks	3.62	3.45	3.65	3.60

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

	Group		Company	
	2016 Days	2015 Days	2016 Days	2015 Days
Licensed banks	38	26	53	30

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

22. SHARE CAPITAL

	Number of Ordinary Shares		Amount	
	2016	2015	2016	2015
	'000	'000	RM'000	RM'000
Authorised:				
Ordinary shares of RM0.50 each				
At 1 April 2015/2014	500,000	200,000	250,000	100,000
Created during the year	-	300,000	-	150,000
At 31 March	500,000	500,000	250,000	250,000

	Number of Ordinary Shares		Amount	
	2016	2015	2016	2015
	'000	'000	RM'000	RM'000
Issued and fully paid:				
Ordinary shares of RM0.50 each				
At 1 April 2015/2014	245,324	164,853	122,662	82,427
Bonus shares issued	-	80,471	-	40,235
At 31 March	245,324	245,324	122,662	122,662

23. SHARE PREMIUM

	2016	2015
	RM'000	RM'000
At 1 April 2015/2014	-	534
Issuance of bonus shares	-	(534)
At 31 March	-	-

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

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 financial year, the Company repurchased 84,000 (2015: Nil) of its issued ordinary shares from the open market at an average price of RM2.19 per ordinary share. The total consideration paid for the repurchase including transactions costs was RM184,985 (2015: Nil). The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act, 1965.

Of the total 245,324,330 (2015: 245,324,330) issued and fully paid ordinary shares of RM0.50 each as at 31 March 2016, 3,996,200 (2015: 3,912,200) are held as treasury shares by the Company. As at 31 March 2016, the number of outstanding ordinary shares in issue and fully paid-up is therefore 241,328,130 (2015: 241,412,130) ordinary shares of RM0.50 each.

25. OTHER RESERVES

Group	Asset Revaluation Reserve RM'000	Foreign Currency Translation Deficit RM'000	Equity Contribution from Parent RM'000	Total RM'000
At 1 April 2014	1,530	(28,199)	3,949	(22,720)
Foreign currency translation	-	(2,004)	-	(2,004)
Revaluation surplus, net of tax	15,293	-	-	15,293
Grant of equity-settled share options	-	-	174	174
At 31 March 2015	16,823	(30,203)	4,123	(9,257)
At 1 April 2015	16,823	(30,203)	4,123	(9,257)
Foreign currency translation	-	2,478	-	2,478
Grant of equity-settled share options	-	-	105	105
At 31 March 2016	16,823	(27,725)	4,228	(6,674)

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

25. OTHER RESERVES (CONTD.)

Company	Asset Revaluation Reserve RM'000	Equity Contribution from Parent RM'000	Total RM'000
At 1 April 2014	1,530	489	2,019
Grant of equity-settled share options	-	25	25
Revaluation surplus, net of tax	26	-	26
At 31 March 2015	1,556	514	2,070
At 1 April 2015	1,556	514	2,070
Grant of equity-settled share options	-	19	19
At 31 March 2016	1,556	533	2,089

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

(a) Asset Revaluation Reserve

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

(b) Foreign Currency Translation Reserve/(Deficit)

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

(c) Equity Contribution from Parent

On 19 November 2011, the penultimate holding company, Kumpulan Fima Berhad ("KFima") implemented an Employees Share Scheme ("ESS") comprising of the Share Option Scheme and the Restricted Share Grant Scheme. The ESS is governed by Bye-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 Bye-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 Bye-Laws. The RSGS requires performance targets to be met prior to the vesting of KFima's shares.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

25. OTHER RESERVES (CONTD.)

(c) Equity Contribution from Parent (Contd.)

- **Restricted Share Grant Scheme ("RSGS") (Contd.);**

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

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

The eligibility criteria of the ESS are as follows:

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

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

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

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

(i) ESOS

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

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

	Group			
	2016		2015	
	No.	WAEP (RM)	No.	WAEP (RM)
Outstanding at 1 April 2015/2014	9,128,200	1.64	10,485,200	1.54
- Granted	844,800	1.89	1,634,800	2.06
- Forfeited	(818,900)	1.77	(607,900)	1.81
- Exercised	(880,600)	1.48	(2,383,900)	1.53
Outstanding at 31 March	8,273,500	1.64	9,128,200	1.64
Exercisable at 31 March	8,736,000	1.68	7,210,200	1.62

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

25. OTHER RESERVES (CONTD.)

(c) Equity Contribution from Parent (Contd.)

(i) ESOS (Contd.)

- The weighted average fair value of options granted during the financial year was RM0.28 (2015: RM0.44).
- The weighted average share price at the date of exercise of the options exercised during the financial year was RM1.91 (2015: RM2.28).
- The weighted average exercise price for options outstanding at the end of the year was RM1.64 (2015: RM1.64).

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 2016 and 2015:

	Binomial option pricing model	
	2016	**2015**
Dividend Yield (%)	5.00	3.52
Expected volatility (%)	38.72	42.62
Risk-free interest rate (% p.a.)	2.52	3.55
Expected life of option (years)	2.87	2.98
Weighted average share price (RM)	1.88	2.14

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.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

25. OTHER RESERVES (CONTD.)

(c) Equity Contribution from Parent (Contd.)

(ii) RSGS

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

Movement of shares under RSGS during the financial year

	Group	
	2016	**2015**
	Number	**Number**
Outstanding at 1 April 2015/2014	-	-
Granted	188,000	206,000
Vested	(188,000)	(206,000)
Outstanding at 31 March	-	-

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

26. RETAINED EARNINGS

As at 31 March 2016, the Company may distribute the entire balance of the retained earnings under the single tier system.

27. DEFERRED TAXATION

	Group		Company	
	2016	**2015**	**2016**	**2015**
	RM'000	**RM'000**	**RM'000**	**RM'000**
At 1 April 2015/2014	5,062	1,506	(552)	(489)
Recognised in profit or loss (Note 9)	(3,307)	(2,745)	(11)	(66)
Revaluation of asset	-	6,289	-	3
Exchange differences	23	12	-	-
At 31 March	1,778	5,062	(563)	(552)

Presented after appropriate offsetting as follows:

Deferred tax assets	(8,952)	(5,921)	(563)	(552)
Deferred tax liabilities	10,730	10,983	-	-
	1,778	5,062	(563)	(552)

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

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:

	Revaluation Reserve RM'000	Accelerated Capital Allowances RM'000	Others RM'000	Total RM'000
At 1 April 2014	-	3,375	4,666	8,041
Recognised in profit or loss	-	(1,607)	(65)	(1,672)
Revaluation of asset	6,534	-	-	6,534
At 31 March 2015	6,534	1,768	4,601	12,903
Recognised in profit or loss	-	(2,086)	-	(2,086)
At 31 March 2016	6,534	(318)	4,601	10,817

Deferred Tax Assets of the Group:

	Retirement Benefit Obligations RM'000	Other Payables RM'000	Property, Plant and Equipment RM'000	Total RM'000
At 1 April 2014	(366)	(5,108)	(1,061)	(6,535)
Recognised in profit or loss	(31)	(656)	(619)	(1,306)
At 31 March 2015	(397)	(5,764)	(1,680)	(7,841)
Recognised in profit or loss	72	(663)	(607)	(1,198)
At 31 March 2016	(325)	(6,427)	(2,287)	(9,039)

Deferred tax assets have not been recognised in respect of the following items:

	2016 RM	2015 RM
Unutilised tax losses	4	1,572
Unabsorbed capital allowances	4,654	1,657
	4,658	3,229

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

27. DEFERRED TAXATION (CONTD.)

Deferred Tax Liabilities of the Company:

	Revaluation Reserve RM'000	Accelerated Capital Allowances RM'000	Total RM'000
At 1 April 2014	-	41	41
Revaluation of asset	3	-	3
Recognised in profit or loss	-	8	8
At 31 March 2015	3	49	52
Recognised in profit or loss	-	3	3
At 31 March 2016	3	52	55

Deferred Tax Asset of the Company:

	Provision for Liabilities RM'000
At 1 April 2014	(530)
Recognised in profit or loss	(74)
At 31 March 2015	(604)
Recognised in profit or loss	(14)
At 31 March 2016	(618)

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

28. RETIREMENT BENEFIT OBLIGATIONS

The foreign subsidiary in Indonesia operates an unfunded defined benefit plan for its eligible employees. The obligations under the retirement benefit are calculated using the projected unit credit method, is determined by a qualified independent actuary, considering the estimated future cash outflows using market yields at the reporting date of high quality corporate bonds. The latest actuarial valuation was carried out using the employee data as at 31 March 2016.

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

	Group	
	2016 RM'000	2015 RM'000
Present value of unfunded defined benefits obligations	1,391	1,634
Analysed as:		
Non-current	1,391	1,634

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

	Group	
	2016 RM'000	2015 RM'000
Current service cost	19	108
Past service cost	(19)	-
Interest cost	69	74
Total, included in staff costs (Note 7)	69	182

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

	Group	
	2016 RM'000	2015 RM'000
At 1 April 2015/2014	1,634	1,465
Recognised in profit or loss (Note 6)	69	182
Benefits paid	(14)	-
Remeasurement of defined benefit liability	(354)	-
Exchange differences	56	(13)
At 31 March	1,391	1,634

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

28. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

(d) Principal assumptions used by the foreign subsidiary in Indonesia in determining employee benefits liability as of 31 March 2016 and 2015 are as follows:

	Group	
	2016	**2015**
	RM'000	**RM'000**
Discount rate	8.7%	8.0%
Annual salary increase	7.5%	8.0%
Retirement age	55	55

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

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

	Group	
	2016	**2015**
	RM'000	**RM'000**
A 1 per cent decrease/increase in discount rate will increase/ decrease the defined benefit obligation by	121	131
A 1 per cent increase/decrease in expected salary growth will increase/decrease the defined benefit obligation by	104	131

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

29. FINANCE LEASE OBLIGATIONS

	Group	
	2016	2015
	RM'000	RM'000
Mininum lease payments:		
- Not later than 1 year	726	502
- Later than 1 year but not later than 5 years	3,697	1,182
- Later than 5 years	84,671	30,083
Total minimum lease payments	89,094	31,767
Less: Amounts representing finance charges	(71,649)	(26,182)
Present value of minimum lease payments	17,445	5,585
Present value of finance lease payables:		
- Not later than 1 year	646	491
- Later than 1 year but not later than 5 years	2,257	953
- Later than 5 years	14,542	4,141
Present value of minimum lease payments	17,445	5,585
Less: Amount due within 12 months	(646)	(491)
Amount due after 12 months	16,799	5,094

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current				
Trade Payables				
Third parties	33,960	85,788	-	-
Other Payables				
Tenants' rental deposits	960	968	960	968
Accruals and other liabilities	5,331	12,954	380	313
Provision for bonus	3,105	2,761	345	180
Receipts in advance	951	746	-	-
Provision for compensation claim	2,120	2,120	2,120	2,120
Others	22,505	22,550	-	-
	34,972	42,099	3,805	3,581
Total Trade and Other Payables	68,932	127,887	3,805	3,581

(a) Trade Payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days (2015: 30 to 90 days) term.

(b) Others

Included in others is a provision of RM17,114,000 (2015: RM16,492,000) made in respect of return of certain goods for which the actual amount is subject to the agreement of several parties.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

31. COMMITMENTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Capital expenditure:				
Approved but not contracted for:				
Property, plant and equipment	16,927	11,718	385	290
Approved and contracted for:				
Property, plant and equipment	1,882	9,391	-	1
	18,809	21,109	385	291
Share of capital commitments of associated companies:				
Approved but not contracted for:				
Property, plant and equipment	6,696	39	-	-
Approved and contracted for:				
Property, plant and equipment	2	-	-	-

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.

	2016 RM'000	2015 RM'000
Group		
Kumpulan Fima Berhad, penultimate holding company		
- Rental income receivable	749	666
- Management fees/services payable	(364)	(85)
Fellow subsidiaries:		
Fima Instanco Sdn Bhd		
- Rental income receivable	120	120
Related by virtue of having common director/(s) of the Company:		
Nationwide Express Courier Services Berhad		
- Purchases made	(344)	(131)
- Rental income receivable	78	78

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

32. RELATED PARTY DISCLOSURES (CONTD.)

(a) Related Party Transactions (Contd.)

	2016 RM'000	2015 RM'000
Group (Contd.)		
Related by virtue of director/(s) of the Company and/or Group having substantial interest:		
TD Technologies Sdn. Bhd.		
- Services payable	(69)	(71)
First Zanzibar Sdn. Bhd.		
- Services payable	(44)	(22)
PT Pohon Emas Lestari		
- Purchases made	(5,003)	(8,359)
Associate:		
Giesecke & Devrient Malaysia Sdn. Bhd.		
- Management services receivable	24	24
Company		
Kumpulan Fima Berhad, penultimate holding company		
- Rental income receivable	749	666
- Management fees/services payable	(196)	(47)
Subsidiaries:		
FCB Property Management Sdn. Bhd.		
- Rental income receivable	17	17
- Management services receivable	180	166
- Purchases made	(773)	(915)
Percetakan Keselamatan Nasional Sdn. Bhd.		
- Rental income receivable	158	119
- Management services receivable	335	310
- Purchases made	(180)	(87)
Security Printers (M) Sdn. Bhd.		
- Management services receivable	50	47
Associate:		
Giesecke & Devrient Malaysia Sdn. Bhd.		
- Management services receivable	24	24

Information regarding outstanding balance arising from related party transactions as at the financial year end are disclosed in Note 20 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

32. RELATED PARTY DISCLOSURES (CONTD.)

(b) Compensation of Key Management Personnel

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

The key management personnel compensation is as follows:

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Short-term employee benefits	3,216	2,992	1,036	957
Post-employment benefits:				
Defined contribution plan	510	470	129	119
Other benefits	260	220	105	57
	3,986	3,682	1,270	1,133

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

	Group		Company	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Directors' remuneration (Note 8)	1,651	1,497	872	776

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

33. SEGMENTAL INFORMATION

(a) Business Segments:

The Group's major business segments are:

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

(ii) Oil palm production and processing.

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

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

(b) Geographical Segments

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

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

(ii) Indonesia - Oil palm production and processing.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

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		Property management		Oil Palm Production		Eliminations		Consolidated	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue												
External sales	268,251	266,718	47,125	37,999	4,342	4,180	102,614	107,116	(47,125)	(37,999)	375,207	378,014
Inter-segment sales	51	35	-	-	1,266	1,416	-	-	(1,317)	(1,451)	-	-
Total revenue	268,302	266,753	47,125	37,999	5,608	5,596	102,614	107,116	(48,442)	(39,450)	375,207	378,014
Results												
Profit from operations	54,431	50,991	-	(1,291)	(39)	369	21,429	34,463	-	-	75,821	84,532
Finance costs	-	-	-	-	-	-	(72)	(42)	-	-	(72)	(42)
Share of results of associates	-	-	1,551	3,337	-	-	-	-	-	-	1,551	3,337
Profit before tax											77,300	87,827
Income tax expense											(22,428)	(27,522)
Profit net of tax											54,872	60,305
Assets and Liabilities												
Segment assets	326,621	352,534	192,526	176,183	1,490	1,373	253,173	228,447	(129,489)	(84,420)	644,321	674,117
Interest in associates	-	-	40,238	38,687	-	-	-	-	-	-	40,238	38,687
Consolidated total assets											684,559	712,804
Segment liabilities	59,945	108,833	4,061	3,905	130	81	60,886	35,954	(22,851)	3,512	102,171	152,285
Consolidated total liabilities											102,171	152,285
Other Information												
Capital expenditure	7,176	3,397	-	-	30	192	27,037	15,704	-	-	34,243	19,293
Depreciation and amortisation	10,461	11,826	-	-	1,347	1,318	12,914	11,070	-	-	24,722	24,214
Non-cash expenses other than depreciation and amortisation	316	530	-	-	-	5	479	880	-	-	795	1,415

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	
	2016	2015	2016	2015	2016	2015
Malaysia	272,593	270,898	447,435	501,957	7,206	3,589
Indonesia	102,614	107,116	196,886	172,160	27,037	15,704
	375,207	378,014	644,321	674,117	34,243	19,293

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

34. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 31 March 2016 are as follows:

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

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

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

The following table presents the Group's and the Company's other financial assets that are measured at fair value as at 31 March 2016 and 31 March 2015.

	Date of Valuation	Group Level 3 RM'000	Company Level 3 RM'000
Assets Disclosed at Fair Value:			
Investment properties (Note 13)	31 March 2015	63,850	51,850
As at 31 March 2015			
Assets Measured at Fair Value:			
Property, plant and equipment (Note 12)			
- Freehold land	31 March 2015	1,550	1,550
- Leasehold land	31 March 2015	74,175	-
- Buildings	31 March 2015	9,056	150
Assets Disclosed at Fair Value:			
Investment properties (Note 13)	31 March 2015	66,400	53,900

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

34. 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	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
(i) Loans and Receivables				
Trade receivables (Note 18)	148,060	162,618	345	401
Other receivables excluding tax recoverable and prepayments (Note 18)	15,477	12,593	226	189
Amount due from related companies (Note 20)	34	17	25,987	6,244
Cash and cash equivalents (Note 21)	177,593	172,640	39,356	39,510
Total loans and receivables	341,164	347,868	65,914	46,344

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
(ii) Financial Liabilities Measured at Amortised Cost				
Trade payables (Note 30)	33,960	85,788	-	-
Other payables excluding provision (Note 30)	17,858	25,607	3,805	3,581
Amount due to related companies (Note 20)	660	725	-	-
Total financial liabilities measured at amortised cost	52,478	112,120	3,805	3,581

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity/ funding and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(a) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt as at year end. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

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

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

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

(b) Foreign Exchange Risk

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

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

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.

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

	2016 RM'000	2015 RM'000
IDR		
Assets		
- Trade and other receivables	21,841	19,857
- Cash and cash equivalents	18,427	45,089
	40,268	64,946
Liabilities		
- Trade and other payables	7,843	18,275

	Group	
	2016 Effect on profit net of tax RM'000	2015 Effect on profit net of tax RM'000
IDR - strengthens 5% (2015: 5%)	1,621	2,334
IDR - weakens 5% (2015: 5%)	(1,621)	(2,334)

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

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

(c) Liquidity/Funding Risk

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

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible instruments to meet its working capital requirements. To ensure availability of funds, the Group closely monitors its cash flow position on a regular basis.

Analysis of financial instruments by remaining contractual maturities

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

	Contractual Cashflow On demand or within one year	
	2016 RM	**2015 RM**
Group		
Financial liabilities:		
Trade and other payables (exclude provision)	51,818	111,395
Amount due to related companies (Note 20)	660	725
Total undiscounted financial liabilities	52,478	112,120
Company		
Financial liabilities:		
Trade and other payables (Note 30), representing total undiscounted financial liabilities	3,805	3,581

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

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

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. COMPARATIVE

Certain comparative amounts have been reclasified to conform with current year presentation.

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
As at 31 March 2015			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	105,181	5,690	110,871
Goodwill	6,200	(5,690)	510

38. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2016 were authorised for issue in accordance with a resolution of the directors on 3 June 2016.

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2016 (contd.)

39. SUPPLEMENTARY INFORMATION

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

	Group		**Company**	
	2016 RM'000	**2015 RM'000**	**2016 RM'000**	**2015 RM'000**
Total retained profits of the Company and its subsidiaries				
Realised	429,858	411,529	69,058	52,716
Unrealised	(31,599)	(23,907)	(1,556)	(1,567)
	398,259	387,622	67,502	51,149
Total share of retained earnings from associated companies				
Realised	34,389	31,820	-	-
Unrealised	(4,151)	(3,133)	-	-
	30,238	28,687	-	-
Add : Consolidation adjustments	13,551	4,419	-	-
Retained profits as per financial statements	442,048	420,728	67,502	51,149

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 2016

No.	Location	Description/ Existing Use	Tenure	Land Area (Acre)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/3/2016 (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	845,201	07 July 1993	48
2.	Lot 1176 Mukim Pasir Panjang Port Dickson Negeri Sembilan	Bungalow	Feeehold	0.82	3,114	1,685,422	07 July 1993/ 12 February 2015	67
3.	Lot 50575 Grant 12754 Mukim of Kuala Lumpur Wilayah Persekutan	Office Building	Freehold	1.45	270,372	50,922,083	17 August 1995	18
	Sub Total			4.98	340,094	53,452,706		
	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	11,917,147	26 January 2006	29
	Sub Total			8.30	250,560	11,917,147		
	CENDANA LAKSANA SDN BHD							
1.	PN 7602 (Lot 2925) and HSD 398 (PT 757P) Mukim of Tebal District of Kemaman Terengganu	Agriculture	Leasehold expiring 8/08/2048 (PN 7602) 8/08/2039 (HSD 398)	1,940.73	N/A	28,906,944	6 January 2014/ 20 March 2015	N/A
	Sub Total			1,940.73	N/A	28,906,944		
	GABUNGAN WARISAN SDN BHD							
1.	PT 4718 H.S(D) 9350 Mukim of Kuala Stong District of Kuala Krai Kelantan	Agriculture	Leasehold expiring 22/07/2112	617.27	N/A	6,467,741	17 October 2014/ 10 March 2015	N/A
	Sub Total			617.27	N/A	6,467,741		
	TAKA WORLDWIDE SDN BHD							
1.	PT 6943 H.S(D) 2345 Mukim of Relai District of Gua Musang Kelantan	Agriculture	Leasehold expiring 5/03/2107	500.00	N/A	3,781,280	18 March 2015	N/A
	Sub Total			500.00	N/A	3,781,280		

LIST OF PROPERTIES

Held by the group at 31 March 2016 (contd.)

No.	Location	Description/ Existing Use	Tenure	Land Area (Acre)	Built-Up Area (Sq/ft.)	Net Book Value as at 31/3/2016 (RM)	Date of Acquisition/ Last Revaluation	Approximate Age of Building (Years)
	ETIKA GANGSA SDN BHD							
1.	PT 6944 H.S(D) 2346 Mukim of Relai District of Gua Musang Kelantan	Agriculture	Leasehold expiring 5/03/2107	500.00	N/A	3,781,683	18 March 2015	N/A
	Sub Total			500.00	N/A	3,781,683		
	R.N.E. PLANTATION SDN BHD							
1.	PT 14352 H.S(D) 16214 Mukim Sungai Siput District of Kuala Kangsar Perak	Agriculture	Leasehold expiring 3/08/2075	4,942.00	N/A	23,124,901	4 December 2015	N/A
	Sub Total			4,942.00	N/A	23,124,901		
	PT NUNUKAN JAYA LESTARI							
1.	Hak Guna Usaha (HGU) No. 1 and Hak Guna Bangunan (HGB) No. 50 Kelurahan Nunukan Barat Kabupaten & Kecamatan Nunukan Propinsi Kalimantan Timur Indonesia	Agriculture/ oil palm plantation and palm oil mill	Leasehold expiring 12/05/2038 (HGU) 17/03/2035 (HGB)	49,356.75 286.15	N/A 112,375	27,357,568 967,999	9 April 2007/ 31 December 2014	N/A 11
	Sub Total			49,642.90	112,375	28,325,567		
	GRAND TOTAL			**58,156.18**	**703,029**	**159,757,969**		

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2016

SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	185	6.12	2,621	0.00
100 - 1,000	346	11.44	226,844	0.09
1,001 - 10,000	1,523	50.36	7,541,851	3.08
10,001 - 100,000	817	27.02	23,754,679	9.68
100,001 to less than 5% of issued shares	152	5.03	66,552,977	27.13
5% and above of issued shares	1	0.03	147,245,358	60.02
	3,024	100.00	245,324,330	100.00

CATEGORY OF SHAREHOLDINGS

Category of Shareholders	Shareholders	%	Shareholdings	%
1. Government Agencies/Institutions	1	0.03	7,500	0.00
2. Bumiputra				
a. Individual	74	2.45	3,612,371	1.47
b. Companies	9	0.30	152,797,908	62.28
c. Nominees	190	6.28	8,582,091	3.50
3. Non-Bumiputra				
a. Individual	2,352	77.78	61,321,654	25.00
b. Companies	60	1.99	7,766,688	3.17
c. Nominees	187	6.18	6,175,480	2.52
Malaysian Total	2,873	95.01	240,263,692	97.94
4. Foreign				
a. Individual	94	3.11	1,946,704	0.79
b. Companies	4	0.13	195,423	0.08
c. Nominees	53	1.75	2,918,511	1.19
Foreign Total	151	4.99	5,060,638	2.06
GRAND TOTAL	3,024	100.00	245,324,330	100.00

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2016 (contd.)

DIRECTORS' SHAREHOLDINGS

Director	Direct Holdings No.	%	Indirect Holdings No.	%
Dato' Roslan bin Hamir	601,800	0.25	-	-
Rezal Zain bin Abdul Rashid	5,000	-		
Dr. Roshayati binti Basir	134,600	0.05	150,383,658	61.30

INFORMATION OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

		No. of Shares	%
1.	Fima Metal Box Holdings Sdn Bhd	147,245,358	60.02

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Names	No. of Shares	%
1.	Fima Metal Box Holdings Sdn Bhd	147,245,358	60.02
2.	Fima Corporation Berhad Share Buy-Back Account	4,152,500	1.69
3.	Wong Yu @ Wong Wing Yu	2,757,800	1.12
4.	Tan Ah Kow @ Tan Toong Soon	2,430,000	0.99
5.	Liau Choon Hwa & Sons Sdn Bhd	2,373,700	0.97
6.	Hamidah Binti Abdul Rahman	1,816,800	0.74
7.	Maybank Nominees (Tempatan) Sdn Bhd Pledged securities account for Ong Kok Yon	1,607,900	0.66
8.	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Exempt AN for Bank Of Singapore Limited	1,562,700	0.64
9.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB Bank for Liau Thai Min (MY0918)	1,373,400	0.56
10.	Leong Kok Tai	1,334,200	0.54
11.	BHR Enterprise Sdn Bhd	1,321,500	0.54
12.	Wong Yu @ Wong Wing Yu	1,260,000	0.51
13.	Chin Kian Fong	1,251,000	0.51
14.	Maybank Nominees (Tempatan) Sdn Bhd Pledged securities account for Liau Thai Min	1,196,200	0.49
15	Wong Soo Ping	1,117,200	0.46

ANALYSIS OF SHAREHOLDINGS
AS AT 30 JUNE 2016 (contd.)

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

No.	Names	No. of Shares	%
16.	Yeo Khee Huat	1,065,000	0.43
17.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C - NR)	988,405	0.40
18.	Ong Teck Peow	964,800	0.39
19.	Introscape Sdn Bhd	962,300	0.39
20.	Lee Siew Peng	950,000	0.39
21.	Gan Kho @ Gan Hong Leong	857,900	0.35
22.	RHB Nominees (Tempatan) Sdn Bhd Pledged securities account for Tan Yee Ming	810,000	0.33
23.	Yong Siew Lee	800,000	0.33
24.	Tan Siew Yoke	714,000	0.29
25.	Ong Siok Bee	688,500	0.28
26.	Lim Siew Geok	680,000	0.28
27.	Tan Siew	669,000	0.27
28.	Soh Choo Kean	639,000	0.26
29.	Chen Guangxin	630,000	0.26
30.	Roslan Bin Hamir	601,800	0.25

PROXY FORM

FIMA CORPORATION BERHAD
(21185-P)

I / We, ______________________________ NRIC/Company No. ______________
(Full Name in Capital Letters)

of ______________________________
(Full Address)

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

______________________________ NRIC/Company No. ______________
(Full Name in Capital Letters)

of ______________________________
(Full Address)

or failing him/her ______________________________ NRIC/Company No. ______________
(Full Name in Capital Letters)

of ______________________________
(Full Address)

as my/our proxy to vote for me/us* and on my/our* behalf at the Forty-First (41st) Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 24 August 2016 at 9.30 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 declare a single-tier final dividend of 15.0% or 7.5 sen per ordinary share of RM0.50 sen each in respect of the financial year ended 31 March 2016 as recommended by the Directors.		
Ordinary Resolution 2	To re-elect YBhg Dato' Roslan bin Hamir pursuant to Article 113 of the Company's Articles of Association.		
Ordinary Resolution 3	To re-elect YBhg Datuk Alias bin Ali pursuant to Article 113 of the Company's Articles of Association.		
Ordinary Resolution 4	To approve the payment of Directors' fees.		
Ordinary Resolution 5	To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration.		
AS SPECIAL BUSINESS			
Ordinary Resolution 6	Proposed renewal of the authority for shares buy-back.		
Ordinary Resolution 7	Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature.		
Ordinary Resolution 8	To retain Encik Rezal Zain bin Abdul Rashid as Independent Non-Executive Director of the Company.		
Ordinary Resolution 9	To retain YBhg Dato' Adnan bin Shamsuddin as Independent Non-Executive Director of the Company.		
Ordinary Resolution 10	To retain YBhg Datuk Alias bin Ali as Independent Non-Executive Director of the Company.		

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

Dated this day of 2016

CDS Account No.	No. of shares held

....
Signature *(If Shareholder is a Corporation, this part should be executed under seal)*

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

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

3. The instrument appointing the proxy must be deposited at the Registered Office of the Company, not less than twenty four (24) hours before the time of holding the Meeting or any adjournment thereof.

4. Only members whose names appear on the Record of Depositors as at 17 August 2016 shall be entitled to attend the Annual General meeting or appoint proxy(ies) to attend and vote on their behalf.

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Postage
Stamp

FIMA CORPORATION BERHAD
(Company No: 21185-P)

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

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(21185-P)

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