



FIMA
KUMPULAN FIMA BERHAD
(11817-V)

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NOTICE IS HEREBY GIVEN that the Thirty-second (32nd) Annual General Meeting of **KUMPULAN FIMA BERHAD** will be held on Thursday, 5 August 2004 at the Banquet Hall, Kuala Lumpur Golf & Country Club, No. 10 Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur at 3.00 p.m. for the following purposes:

- | | |
|---|---------------------|
| 1. To receive and adopt the Audited Financial Statements for the year ended 31 March 2004 and the Reports of the Directors and Auditors thereon. | Resolution 1 |
| 2. To re-elect a Director, Encik Roslan bin Hamir who retires in accordance with Article 114 of the Company's Articles of Association. | Resolution 2 |
| 3. To re-elect a Director, Puan Rozana Zeti binti Basir, who retires in accordance with Article 118 of the Company's Articles of Association. | Resolution 3 |
| 4. To re-elect a Director, Tan Sri Dato' Zaki bin Tun Azmi, who retires in accordance with Article 118 of the Company's Articles of Association. | Resolution 4 |
| 5. To re-elect a Director, Encik Rosman bin Abdullah, who retires in accordance with Article 118 of the Company's Articles of Association. | Resolution 5 |
| 6. To accept the retirement of a Director, Dato' Dr. Mohd Noor bin Ismail, who retires in accordance with Section 129 of the Companies Act, 1965. | Resolution 6 |
| 7. To approve the payment of Directors' fees. | Resolution 7 |
| 8. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration. | Resolution 8 |
| 9. As a special business: | Resolution 9 |

ORDINARY RESOLUTION — PROPOSED SHAREHOLDERS' MANDATE

"THAT pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities, 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 2.1 of the Circular to Shareholders dated 14 July 2004 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 such mandate is passed, at which time it will lapse, unless by a resolution at such general meeting whereby the authority is renewed;
- (b) the expiration of the period within which the next AGM of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting;

whichever is the earlier,

Disclosure will be made in the annual report of the Company of the aggregate value of RRPT conducted pursuant to the Proposed Shareholders' Mandate with a

breakdown of the aggregate value of the RRPT made during the financial year; based on the type of the RRPT and the names of the related parties involved in each type of the RRPT made and their relationship with the Company,

AND FURTHER THAT the Directors of the Company and/or any of them be and are/is (as the case may be) hereby authorised to complete and do all such acts and things (including executing such documents under the common seal in accordance with the provisions of the Articles of Association of the Company, as may be required) as they may consider expedient or necessary to give effect to the proposed mandate.

10. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

BY ORDER OF THE BOARD

MOHD YUSOF BIN PANDAK YATIM (MIA 4110)
NASLIZA BINTI MOHD NASIR (LS 08653)

Company Secretaries

Kuala Lumpur
14 July 2004

NOTE:

A member of the Company entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy may but need not be a Member and a Member may appoint more than two (2) proxies to attend at the same meeting. Where a Member appoints two (2) or more proxies, he shall specify the proportion of his shareholding to be represented by each proxy. The instruments appointing the proxy must be deposited at the Registered Office of the Company, not less than 48 hours before the time of holding the Meeting.

1. Directors Standing for Re-Election

1.1 Retiring under Article 114 of the Articles of Association of the Company:

- Encik Roslan bin Hamir

1.2 Retiring under Article 118 of the Articles of Association of the Company:

- Puan Rozana Zeti binti Basir
- Tan Sri Dato' Zaki bin Tun Azmi
- Encik Rosman bin Abdullah

2. Details of Directors Standing for Re-Election

The details of the Directors standing for re-election are as per the Profile of Directors stated in this Annual Report.

3. Attendance at Board Meetings for the Financial Year Ended 31 March 2004 for Directors Standing for Re-Election

Name of Directors	No. of Board Meetings	
	Held	Attended
Encik Roslan bin Hamir	6	6
Puan Rozana Zeti binti Basir (appointed on 30 March 2004)	*0	0
Tan Sri Dato' Zaki bin Tun Azmi (appointed on 5 May 2004)	*0	0
Encik Rosman bin Abdullah (appointed on 5 May 2004)	*0	0

*Reflects the number of meetings held during the time the Director held office.

4. Details of Board Meetings

Six (6) Board Meetings were held during the financial year ended 31 March 2004 at the Board Room, Kumpulan Fima Berhad, Suite 4.1, Level 4, Block C, Plaza Damansara, No. 45 Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur on the following dates and times:

- 28 May 2003 at 2.00 p.m.
- 29 July 2003 at 4.30 p.m.
- 31 July 2003 at 3.00 p.m.
- 19 November 2003 at 3.00 p.m.
- 27 February 2004 at 4.00 p.m.
- 30 March 2004 at 4.00 p.m

5. Details of General Meetings Held During the Financial Year Ended 31 March 2004

5.1 Thirty-first (31st) Annual General Meeting

Date : 25 September 2003
 Time : 3.00 p.m.
 Venue : Dewan Berjaya, Bukit Kiara Equestrian & Country Club, Jalan Bukit Kiara
 Off Jalan Damansara, 60000 Kuala Lumpur

5.2 Extraordinary General Meeting

Date : 25 September 2003
 Time : 3.30 p.m.
 Venue : Dewan Berjaya, Bukit Kiara Equestrian & Country Club, Jalan Bukit Kiara
 Off Jalan Damansara, 60000 Kuala Lumpur

Board of Directors

Tan Sri Dato' Zaki bin Tun Azmi (*Independent Non-Executive Chairman*)
Encik Ahmad Riza bin Basir (*Group Managing Director*)
Dato' Dr. Mohd Noor bin Ismail (*Non-Independent Non-Executive Director*)
Encik Roslan bin Hamir (*Non-Independent Non-Executive Director*)
Encik Azizan bin Mohd Noor (*Independent Non-Executive Director*)
Puan Rozana Zeti binti Basir (*Non-Independent Non-Executive Director*)
Encik Rosman bin Abdullah (*Independent Non-Executive Director*)

Company Secretaries

Encik Mohd Yusof bin Pandak Yatim (MIA 4110)
Cik Nasliza binti Mohd Nasir (LS 08653)

Audit Committee

Encik Azizan bin Mohd Noor (Chairman)
Dato' Dr. Mohd Noor bin Ismail
Encik Rosman bin Abdullah

Registered Office

Suite 4.1, Level 4, Block C, Plaza Damansara
No. 45 Jalan Medan Setia 1, Bukit Damansara
50490 Kuala Lumpur

Telephone No. : 03-2092 1211
Facsimile No. : 03-2092 5923
E-mail : enquiry@fima.com.my
Website : <http://www.fima.com.my>

Share Registrar

Malaysian Share Registration Services Sdn. Bhd.
26th Floor, Menara Multi-Purpose, Capital Square
No. 8 Jalan Munshi Abdullah
50100 Kuala Lumpur

Telephone No. : 03-2721 2222
Facsimile No. : 03-2721 2530

Stock Exchange Listing

Main Board of Bursa Malaysia

Principal Bankers

Malayan Banking Berhad
Maybank International (L) Ltd.
Bumiputra Commerce Bank Berhad
Public Bank Berhad

Auditors

Messrs. Hanafiah Raslan & Mohamad

TAN SRI DATO' ZAKI BIN TUN AZMI
Independent Non-Executive Chairman
59 years of age, Malaysian

Tan Sri Dato' Zaki bin Tun Azmi has vast experience in the legal field. He was called to the English Bar in 1969 and later admitted as Advocate & Solicitor, High Court of Malaya in 1983. Prior to his admission in the High Court of Malaya, he was attached to the Attorney General's Chamber from 1969 to 1970. He served as a Magistrate in Kuala Lumpur from 1970 to 1971 and later became the President of Sessions Court, Ipoh from 1971 to 1973. He was later appointed as the Federal Counsel in the Drafting Division of the Attorney General's Chambers from 1973 to 1976. From 1976 to 1984, he was the Senior Federal Counsel, Ministry of Home Affairs. Since January 1985 until to date, he is a partner of a legal firm. Currently, he is a Director of Bina Darulaman Berhad, HLG Capital Berhad, Narra Industries Berhad (formerly known as Hume Cemboard Berhad), S.P. Setia Berhad, Matsushita Electric Co. (M) Bhd. and Petroliam Nasional Berhad.

He was appointed a Director of Kumpulan Fima Berhad ("KFima" or "the Company") on 5 May 2004 and subsequently made Chairman on 31 May 2004. He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Company. He has never been convicted for any offence.

ENCIK AHMAD RIZA BIN BASIR
Group Managing Director
43 years of age, Malaysian

Encik Ahmad Riza bin Basir, a lawyer by training, graduated with a Bachelor of Arts in Law (Honours) degree from University of Hertfordshire, Hertford, United Kingdom and Barrister at Law (Lincoln's Inn), London in 1984. Currently, he is the Chairman of Fima Corporation Berhad and Syarikat Kayu Wangi Berhad. He is also a Director of Ladang Perbadanan-Fima Berhad, KESM Industries Berhad, John Hancock Life Insurance (Malaysia) Berhad, Jerneh Asia Berhad and United Plantations Berhad.

He was appointed a Director of the Company on 1 October 1996 and made Group Managing Director on 11 October 2002. He is the son of Tan Sri Dato' Haji Basir bin Ismail, a major shareholder of the Company. He is also the brother of Puan Rozana Zeti binti Basir, a Director of the Company. He holds shares in the Company and has never been convicted for any offence within the past 10 years.

DATO' DR. MOHD NOOR BIN ISMAIL
Non-Executive Non-Independent Director
71 years of age, Malaysian

Dato' Dr Mohd Noor bin Ismail holds a Diploma in Agriculture from Universiti Pertanian Malaysia (now known as Universiti Putra Malaysia), Bachelor and Master of Science in Agriculture from Louisiana State University, USA and Doctor of Business and Administration from University of Action Learning Buckingham, United Kingdom. In 1982, he attended the Advance Management Programme (AMP) at Harvard Business School, USA.

He began his career as an Assistant Agriculture Officer in Jabatan Pertanian Negeri Johor and then as Farm Director in Universiti Pertanian Malaysia. He served as Professor and Deputy Vice Chancellor in Universiti Pertanian Malaysia before joining KFima as a Director on 2 August 1982. He then became the Managing Director in 1983, and was appointed as the Executive Director of the Company from 1991 to 31 January 2003. He is a Director of Fima Corporation Berhad, Nationwide Express Courier Services Berhad and Tradewinds (Malaysia) Berhad.

He has no family relationship with any Director and/or major shareholders of the Company. He holds shares in the Company and has never been convicted for any offence within the past 10 years.

ENCIK ROSLAN BIN HAMIR
Non-Independent Non-Executive Director
37 years of age, Malaysian

Encik Roslan bin Hamir is an ACCA graduate with Bachelor of Arts (Honours) in Accounting and Finance. He began his career with Messrs. Ernst & Young in 1993 as an auditor. In 1998, he joined Kumpulan Fima Berhad as Senior Vice President, Corporate Services.

Currently, he is the Chief Executive Officer/Director of Fima Corporation Berhad, and a Director in Ladang Perbadanan-Fima Berhad.

He was appointed a Director of the Company on 11 October 2002. He holds shares in the Company and has never been convicted for any offence within the past 10 years.

ENCIK AZIZAN BIN MOHD NOOR
Independent Non-Executive Director
63 years of age, Malaysian

Encik Azizan bin Mohd Noor was appointed a Director of the Company on 2 April 2003. He is a fellow member of the Institute of Chartered Accountants in England & Wales (ICAEW). He is also a member of the Malaysian Institute of Accountants (MIA) and the Malaysian Association of Certified Public Accountants (MACPA) respectively.

The positions held by him previously include as a senior auditor with Azman, Wong, Salleh & Co., Chartered Accountants, Chief Internal Auditor of the former Bank Bumiputera Malaysia Berhad and as a senior partner with Anuarul, Azizan, Chew & Co., Chartered Accountants. He is currently a Director of Malakoff Berhad.

He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Company. He has never been convicted for any offence within the past 10 years.

PUAN ROZANA ZETI BINTI BASIR
Non-Independent Non-Executive Director
29 years of age, Malaysian

Puan Rozana Zeti binti Basir, graduated with a Bachelor of Arts in Fashion Marketing from American College in London. She began her career with Metro Jaya Bhd in 1998 as Visual Merchandising Executive. She was with Kumpulan Fima Berhad as Corporate Services Executive from 2000 to 2001.

She was appointed a Director of the Company on 30 March 2004. She is the daughter of Tan Sri Dato' Hj. Basir bin Ismail, a major shareholder of the Company. She is also the sister of Encik Ahmad Riza bin Basir, the Group Managing Director of the Company. She holds shares in the Company and has never been convicted for any offence within the past 10 years.

ENCIK ROSMAN BIN ABDULLAH
Independent Non-Executive Director
37 years of age, Malaysian

Encik Rosman bin Abdullah is an accountant by profession. He graduated from the Australian National University, Australia with a Bachelor of Commerce (Accounting) degree in 1988. He has been a chartered member of the Malaysia Institute of Accountants and a member of the Australian Society of Certified Practising Accountants since 1992. He had also attended the Oxford Advance Management Programme in year 2000 under the British Government Chevening Scholarship Award.

He has over 15 years extensive experience in auditing, corporate finance and corporate management. He began his career in 1989 with Hanafiah Raslan & Mohammad, a chartered accountants firm that subsequently merged with Arthur Andersen SC. During his nine years tenure with the firm, he was involved in auditing, corporate restructuring, privatisation, financial and corporate advisory and corporate finance assignments. He was the Executive Director of Finance, Business Development and Corporate Services of Malaysia Airports Holdings Berhad (MAHB) from 1997 to 2003. He is presently the Chairman of Datascan Berhad and the Corporate Affairs Director of Peremba Construction Sdn. Bhd.

He was appointed as Director of the Company on 5 May 2004. He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Company. He has never been convicted for any offence.

On behalf of the Board of Directors of Kumpulan Fima Berhad ("KFima"), I have the pleasure of presenting the Annual Report and financial statements of KFima and its group of companies ("the Group") for the financial year ended 31 March 2004.

FINANCIAL RESULTS AND PERFORMANCE

For the financial year ended 31 March 2004, the Group turnover amounted to RM223.08 million as compared to RM221.14 million for previous year. Meanwhile, profit after tax and minority interests amounted to RM119.79 million as compared to RM53.42 million previously.

I am pleased to report that the Group continues to show encouraging performance considering the various challenges posed by domestic as well as global developments. For the year under review, there was recognition of a one-off exceptional item of RM106.13 million arising from deconsolidation of Fima Securities Holdings Sdn Bhd, Fima RLA Sdn Bhd and Fima Asset Management Sdn Bhd.

DIVIDEND

For the financial year ended 31 March 2004, the Board of Directors is recommending that no dividend be declared.

OUTLOOK FOR THE FUTURE

The year 2003/4 had been especially encouraging in all aspects for the Group. The Group is directing its resources to all its business sectors as well as exploiting synergies between its various businesses.

For our continued growth and sustainability and in line with the Group's cost and quality leadership strategy, we will develop and deliver products and services to our customers efficiently. The Group is committed to operational efficiency and the deployment of resources to better satisfaction of customers and customer requirements.

APPRECIATION AND ACKNOWLEDGEMENT

During the year under review, my predecessor, YAB Datuk Haji Mohamad bin Haji Hasan and Directors, Cik Rozilawati binti Haji Basir resigned on 30 March 2004 while YBhg Datuk Hassan bin Abas resigned on 1 April 2004. Meanwhile, YBhg Datuk Abu Hassan bin Kendut retired on 25 September 2003. On behalf of the Board, I wish to express our sincere appreciation for their active participation and invaluable contributions to the success of the Group.

On behalf of the Board, I also wish to welcome our new Directors, Puan Rozana Zeti binti Basir and Encik Rosman bin Abdullah.

I would like to take this opportunity to express our deepest appreciation to the management and staff of the Group for their tireless efforts during the year and their steadfastness and resilience in facing the challenges. My appreciation goes to our shareholders, clients, financial institutions, business associates and the various other government agencies and authorities for their cooperation, confidence and continued support to our Group. I wish also to record my thanks to the Group and my fellow members of the Board for appointing me as Chairman on 31 May 2004.

TAN SRI DATO' ZAKI BIN TUN AZMI
CHAIRMAN

FIVE - YEAR GROUP FINANCIAL HIGHLIGHTS

Year Ended 31 March (RM Million)	1999	2000	2001	2002	2003	2004
REVENUE	256.6	268.9	234.5	187.3	221.1	223.1
PROFIT						
Profit / (loss) before taxation	(53.0)	(25.1)	(1.6)	(62.0)	63.6	135.8
Profit / (loss) after taxation	(58.8)	(30.6)	(13.5)	(74.9)	53.4	119.8
ASSET / LIABILITY						
Total tangible assets	615,902	666,351	530,824	449,149	467,407	447,448
Net goodwill on consolidation	19,921	18,035	802	705	608	511
Total liabilities	(540,433)	(439,739)	(327,384)	(309,637)	(282,445)	(248,436)
Minority interest	(43,028)	(152,531)	(153,091)	(156,025)	(158,932)	(54,455)
Shareholders' fund	52,362	92,116	51,151	(15,808)	26,638	145,068
EARNINGS & DIVIDEND						
Earning / (Loss) Per Share (sen)	(21.1)	(11.9)	(4.9)	(29.9)	20.3	45.5
Gross Dividend Per Share (sen)	-	-	-	-	-	-
Net Dividend Per Share (sen)	-	-	-	-	-	-
SHARE PRICES						
Financial Year:						
Highest Transacted Price Per Share (RM)	1.40	2.45	2.04	0.72	0.64	0.61
Lowest Transacted Price Per Share (RM)	0.25	0.47	0.35	0.30	0.19	0.34

INTRODUCTION

KFima is a holding company with subsidiaries principally involved in the manufacturing, food and agro-based, bulking and trading sectors.

MANUFACTURING DIVISION

The division posted a total revenue of RM94.58 million, a decrease of RM5.18 million or about 5.2% compared with the preceding financial year. However, pretax profit rose by RM6.96 million or 53.2% to RM20.06 million over the previous year's pretax profit of RM13.10 million. The better performance is attributed to favourable sales mix in the production of security and confidential documents.

FOOD AND AGRO-BASED DIVISION

After registering a turnaround in its business the preceding year, the division continued with the positive momentum by recording another significant jump of 17.2% growth in its overall turnover. Total revenue from this division closed at RM97.75 million. Its profit contribution has also improved significantly. International Food Corporation Limited in Papua New Guinea registered the biggest improvement with profit before tax of RM7.18 million. The continuous improvement in its efficiency and productivity, effective cost control and the strengthening Kina contributed to the company's performance. Pineapple Cannery of Malaysia Sdn Bhd also posted a 51.1% higher revenue from the preceding financial year. The new products introduced and the improved recovery rate and supply of fresh pineapple contributed to this result. Similarly, Ladang Fima Sdn Bhd achieved higher revenue from higher FFB average price. Fima Instanco Sdn Bhd and Fima Mr Juicy Sdn Bhd was able to maintain its performance. Fima-TLP Feedlot Sdn Bhd sold about 22.0% more cattle than the preceding year and it also registered a significant jump in profit. The division will continue to aggressively explore various options to further improve its businesses. The many projects that have been planned should be able to contribute significantly to the performance of the division in the near future.

BULKING DIVISION

Revenue contribution from this division registered RM28.77 million showing RM2.58 million or 8.2% lower compared with preceding financial year. The decrease is in tandem with the 12.5% drop in throughput due to difficult business environment and severe market competition.

TRADING DIVISION

The division's revenue for the year was RM16.80 million as compared to RM21.98 million the previous year, a decrease of 23.4%. It is now actively shifting its core trading operations to the supply of aviation products to the Malaysian government agencies.

The Board of Directors (“the Board”) of KFima always strives to adopt the highest standards of Malaysian Code on Corporate Governance (“the Code”) to ensure transparency, accountability as well as corporate performance within its Group of Companies. The Board is committed to enhancing long-term shareholder value and establishing strategic directions with regards to its business conduct.

The following statement sets out the application of the principles of the Code by the Company:

1.0 BOARD OF DIRECTORS

1.1 The Board

The Group fully appreciates the importance of stewardship by the Board in establishing goals for management and monitoring the achievement of the business strategies. The Board meets at least four (4) times a year, once every quarter, with additional meeting convened when the need arises. The Directors collectively have the necessary skills and experiences to bring an independent judgement to deliberate all matters with regards to the overall Company strategy, acquisition and divestment policies, capital expenditure approvals and review of the financial and operational performance.

The Board has delegated specific responsibilities to four (4) committees namely Executive, Audit, Nomination and Remuneration Committees. These Committees have the authority to examine particular issues and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

1.2 Board Composition and Balance

At the date of this statement, the Board consists of seven (7) members - one (1) Group Managing Director, three (3) non-independent Directors and three (3) independent Directors. A brief profile of each Director is presented herein.

There is a clear division of responsibility between the Chairman and the Group Managing Director. There is also a balance composition in the Board with the presence of the independent non-executive Directors of the necessary calibre to carry out sufficient weight in Board decisions. The role of the independent non-executive Directors is fully acknowledged and recognised to ensure the strategies proposed by the management are critically scrutinised and deliberated in the best interest of the shareholders and increasing stakeholders’ value.

1.3 Board Meetings

During the twelve months ended 31 March 2004, six (6) Board meetings were held. A majority of the Directors attended all the Board meetings held during their tenure.

The Directors’ attendance at Board Meetings held during the financial year is as follows:

Name of Directors	No. of Board Meetings	
	Held	Attended
Tan Sri Dato' Zaki bin Tun Azmi (appointed on 5 May 2004)	*0	0
Encik Ahmad Riza bin Basir	6	6
Dato' Dr Mohd Noor bin Ismail	6	6
Encik Roslan bin Hamir	6	6
Encik Azizan bin Mohd Noor	6	6
Puan Rozana Zeti binti Basir (appointed on 30 March 2004)	*0	0
Encik Rosman bin Abdullah (appointed on 5 May 2004)	*0	0
Datuk Haji Mohamad bin Haji Hasan (resigned on 30 March 2004)	6	3
Cik Rozilawati binti Haji Basir (resigned on 30 March 2004)	6	5
Datuk Hassan bin Abas (resigned on 1 April 2004)	6	2
Datuk Abu Hassan bin Kendut (retired on 25 September 2003)	*3	3

*Reflects the number of meetings held during the time the Director held office.

1.4 Supply Of Information

Each Board member receives a full set of board papers for each agenda item distributed in advance of each Board meeting which include the comprehensive reviews and analysis of major business and financial issues. This is issued in sufficient time as per the Company's Board Charter to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting.

In addition, the Board also reviews and approves all corporate announcements, particularly the announcement of the quarterly financial results prior to releasing them to Bursa Malaysia.

All Directors have direct access to the advice and services of the Group Company Secretaries who are responsible for ensuring that Board procedures are followed. The Board may seek independent professional advice where necessary and in appropriate circumstances at the Company's expense.

1.5 Board Committees

1.5.1 Nomination Committee

The Board has established a Nomination Committee on 23 November 2001.

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

- Make recommendations to the Board on all new Board and Board Committee appointments;
- Evaluate the effectiveness of the Board through an assessment of mix, skills and experience; and
- The Nomination Committee shall not have the delegated power from the Board to implement its recommendations. The decision lies with the Board after taking into account and reviewing the recommendations by the Committee.

The members of the Nomination Committee during the year were:

- Encik Azizan bin Mohd Noor - Chairman (appointed on 28 May 2003)
(*Independent & Non-Executive Director*)
- Datuk Haji Mohamad bin Haji Hasan (ceased on 24 March 2004)
(*Independent & Non-Executive Director*)
- Datuk Hassan bin Abas (ceased on 30 March 2004)
(*Independent & Non-Executive Director*)

- Datuk Abu Hassan bin Kendut (ceased on 25 September 2003)
(Independent & Non-Executive Director)
- Encik Rosman bin Abdullah (appointed on 31 May 2004)
(Independent & Non-Executive Director)

There was no Nomination Committee meeting held in the year due to cessation of members.

1.5.2 Remuneration Committee

The Company has adopted the objective as recommended by the Code to determine the remuneration for a Director so as to ensure that the Company attracts and retains the Directors needed to run the Group successfully. In this respect, a Remuneration Committee was established on 23 November 2001.

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

- Make recommendations to the Board on the remuneration framework for the Executive/Managing Director and determining the remuneration arrangements for the Executive/Managing Director;
- Recommend to the Board changes in remuneration, if required or in the event the present structure and remuneration policy are deemed inappropriate; and
- Remuneration of the Non-Executive Directors shall be determined by the Board collectively, where individuals concerned shall abstain from discussion of their own remuneration.

The members of the Remuneration Committee during the year were:

- Encik Azizan bin Mohd Noor – Chairman (appointed on 28 May 2003)
(Independent & Non-Executive Director)
- Datuk Haji Mohamad bin Haji Hasan (ceased on 30 March 2004)
(Independent & Non-Executive Director)
- Datuk Hassan bin Abas (ceased on 1 April 2004)
(Independent & Non-Executive Director)
- Datuk Abu Hassan bin Kendut (ceased on 25 September 2003)
(Independent & Non-Executive Director)
- Encik Rosman bin Abdullah (appointed on 31 May 2004)
(Independent & Non-Executive Director)

The Remuneration Committee had one (1) meeting in the period.

1.5.3 Audit Committee

The Board is also assisted by the Audit Committee whose member, terms of reference and activities for the year under review are included herein.

1.5.4 Executive Committee

The Board has set up an Executive Committee (EXCO) to assist the Board in the day-to-day operations of the Group. The EXCO operates under clearly defined terms of reference. The EXCO comprises three (3) directors chaired by one of the Directors. The EXCO deals with a wide range of matters, including review of monthly financial results and forecasts, proposals for capital expenditure and major operating issues which arise out of the ordinary course of business.

1.6 Re-election of Directors

All Directors are subject to retirement and re-election by shareholders at least once every three (3) years in accordance with Article 114 of the Company's Articles of Association.

1.7 Directors' Training

All the Directors have attended the Mandatory Accreditation Training Programme prescribed by the Listing Requirements of Bursa Malaysia. The Directors had also attended the Continuing Education Programme to accumulate the required continuing education points in compliance with requirement of Bursa Malaysia and to keep abreast with the latest developments relevant to them.

2.0 DIRECTORS' REMUNERATION

The aggregate remuneration of the Directors for the financial year ended 31 March 2004 are as follows:-

	Salaries & Other Emoluments (RM'000)	Benefit In Kind (RM'000)	Fees (RM'000)	Total (RM'000)
Executive Directors	449	27	40	516
Non-Executive Directors	842	11	311	1,164

The number of Directors whose total remuneration falls within the respective bands is as follows:

Bands	No. of Directors (Company)	
	Executive	Non-Executive
RM550,001 – RM600,000	-	1
RM500,001 – RM550,000	1	-
RM350,001 – RM400,000	-	1
RM50,001 – RM100,000	-	2
Below RM50,000	-	4

3.0 SHAREHOLDERS

The Company recognises the importance of communicating with its shareholders and does this through the Annual Report, Annual General Meeting ("AGM") and Extraordinary General Meeting. Dialogue between shareholders and the Company is fostered where each individual shareholder can raise questions and concerns with regards to the Company's performance and position as a whole.

It has also been the Company's practice to send the notice of AGM and related papers to shareholders at least twenty one (21) days before the meeting.

The Company makes various announcements through Bursa Malaysia, in particular the timely release of the quarterly results within two (2) months from the close of a particular quarter. Members of the public can obtain the full financial results and the Company's announcements from Bursa Malaysia's website.

4.0 ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

For financial reporting through quarterly reports to Bursa Malaysia and the annual report to shareholders, the Directors have a responsibility to secure the accuracy of the income statement, the balance sheet, the cash flow statement and all other financial disclosure based on Malaysian Accounting Standards Board rules and other legislation. The Audit Committee assists the Board to oversee the Group's financial reporting processes and the quality of its financial reporting. The Statement by Directors pursuant to Section 169 of the Companies Act 1965 is presented herein.

4.2 Internal Controls

The Board has overall responsibility for maintaining a sound system of internal control to safeguard the shareholders' investment and Group's assets.

The system of internal control is designed to manage and provide reasonable and not absolute assurance against material misstatement or loss. The Statement of Internal Control is set out herein.

4.3 Relationship with Auditors

The functions of the Audit Committee in relation to the external auditors including a summary of the activities of the Audit Committee are included in the Audit Committee Report stated herein. The Company has always maintained a close and transparent relationship with its auditors in seeking professional advice and ensuring compliance with the approved accounting standards in Malaysia.

4.4 Statement of Compliance with the Best Practices of the Code

The Company is committed to achieving high standards of Corporate Governance throughout the Group and to the highest level of integrity and ethical standards in all its business dealings. The Board considers that it has complied throughout the financial year with the Best Practices as set out in the Code.

Statement made in accordance with the resolution of the Board of Directors dated 28 June 2004.

TAN SRI DATO' ZAKI BIN TUN AZMI
CHAIRMAN

1. MEMBERS OF THE COMMITTEE

Chairman

Encik Azizan bin Mohd Noor
(appointed on 17 November 2003)

Independent Non-Executive Director
(Member – Malaysian Institute of Accountants)

Datuk Abu Hassan bin Kendut
(ceased on 25 September 2003)

Independent Non-Executive Director
(Member – Malaysian Institute of Accountants)

Members

Dato' Dr. Mohd Noor bin Ismail

Non-Independent Non-Executive Director

Encik Rosman bin Abdullah
(appointed on 6 May 2004)

Independent Non-Executive Director
(Member – Malaysian Institute of Accountants)

Datuk Hassan bin Abas
(ceased on 1 April 2004)

Independent Non-Executive Director
(Member – Malaysian Institute of Accountants)

Datuk Haji Mohamad bin Haji Hasan
(ceased on 30 March 2004)

Independent Non-Executive Director

2. TERMS OF REFERENCE

2.1 Composition

The Audit Committee ("the Committee") shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three (3) members, a majority of whom must be Independent Directors. A quorum for a meeting shall be two (2) members, both being Independent Directors.

The members of the Committee shall elect a Chairman from among their number who shall be an Independent Non-Executive Director. No Alternate Director is appointed as a member of the Committee.

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

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

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

2.2 Authority

The Committee is authorized by the Board to investigate any activity within its terms of reference. It is authorized to seek information it requires from any employee and all employees are directed to co-operate with any request made by the Committee.

The Committee is authorized by the Board to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

2.3 Duties and Responsibilities

The duties and responsibilities of the Committee shall be:

2.3.1 Review audit plans before the audit commences, audit report, evaluation of system of internal accounting controls and management letters and response with the external auditors.

2.3.2 Carry out the following with regards to the internal audit function:

- Review the adequacy of scope, functions and resources of the internal audit function and that it has the necessary authority to carry out its work;
- Review internal audit programmes, the major findings of internal audits, process and investigation undertaken, management's response and coordination between the internal and external auditors;
- Review any appraisal or assessment of the performance of members of the internal audit function; and
- Approve any appointment/termination of senior internal audit staff and keep informed of resignations of internal audit staff and provide the resigning staff with opportunity to submit reasons for resigning.

2.3.3 Review quarterly results and year end financial statements, prior to the approval by the Board, focusing particularly on:

- Any changes in or implementation of major accounting policy changes;
- Significant and unusual events; and
- Compliance with accounting standards and other legal requirements.

2.3.4 Discuss any problems and reservations arising from the interim and final audits and any matter the external auditor may wish to discuss (in the absence of Management where necessary).

2.3.5 Review any related party transactions and conflict of interest situation that may arise in the Company including any transactions, procedure or course of conduct that raises questions of Management integrity.

2.3.6 Consider and review any letter of resignation from the external auditors of the Company and recommend the nomination of a person/persons as external auditors.

2.3.7 The Committee shall also report on the following to the Board to enable the Board in preparing an Audit Committee Report for the Company's annual report:

- The composition of the Committee, including name, designation and directorship of the members and whether the director is independent or otherwise;
- The terms of reference of the Committee;
- The number of Committee meetings held in the financial year and details of attendance of each member;
- A summary of the activities of the Committee in the discharge of its functions and duties for the financial year; and
- A summary of the activities of the Internal Audit Department.

2.3.8 If the Committee is of the view that a matter reported by the Committee to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Securities, the Committee shall be responsible for reporting such matters to Bursa Malaysia. The Committee shall have the discretion to undertake such action independently from the Board.

2.3.9 The Committee shall update the Board on issues and concerns discussed during their meetings including those raised by external auditors and where appropriate, make the necessary recommendations to the Board.

2.4 Meetings

Meetings shall be held at least four (4) times annually. However, at least once a year, the Committee shall meet with the external auditors without any Executive Directors being present. Apart from that, the external auditors may request for a meeting if they consider it necessary. Other Directors and employees shall attend any particular Committee meeting only at the Committee's invitation and specific to the relevant meeting. The Company Secretary shall be the Secretary of the Committee.

The Committee shall cause minutes to be entered in the books provided for purpose of recording all resolutions and proceedings of minutes. Such minutes shall be signed by the Chairperson of the meeting at which the proceedings were held or by the Chairperson of the next succeeding meeting and if so signed, shall be conclusive evidence without any further proof of the facts.

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

Minutes of each meeting shall also be distributed to all attendees of the Committee meetings and circulated and presented to all members of the Board for notation purposes at the Board meeting. The books containing the minutes of the proceedings of any meetings of the Committee shall be kept by the Company at the registered office of the Company and shall be open to the inspection of any members of the Committee or the Board.

3. SUMMARY OF ACTIVITIES OF THE COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2004

3.1 The details of the Committee meetings during the financial year are as follows:

Name of Committee Members	No. of Meetings	
	Held	Attended
Encik Azizan bin Mohd Noor	*2	2
Dato' Dr. Mohd Noor bin Ismail	3	3
Datuk Hassan bin Abas	3	2
Datuk Haji Mohamad bin Haji Hasan	3	2
Datuk Abu Hassan bin Kendut	*2	2

*Reflects the number of meetings held during the time the Director held office.

3.2 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:

- Reviewed the audit plans, system of internal controls, management letters and response with the external auditors;
- Reviewed the internal audit programmes, the major findings of internal audits, process and

investigation undertaken, management's response and coordination between the internal and external auditors;

- Reviewed the quarterly and annual financial results of the Company and Group prior to submission to the Board for consideration and approval; and
- Reviewed related party transactions and conflict of interest situations that may arise in the Company.

4. SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTION DURING THE FINANCIAL YEAR ENDED 31 MARCH 2004

4.1 The Group Internal Audit Department ("GIA") evaluated the following:

- Adequacy, integrity and effectiveness of the Company's internal controls in safeguarding shareholders' investment and the Company's assets. The internal controls cover financial, operational and compliance controls and enterprise risk management;
- Extent of compliance with established policies, procedures and statutory requirements; and
- Adequacy of policies, procedures and guidelines on the Company's accounting, financial and operational activities.

4.2 The GIA also recommended improvements to the existing system of internal controls, if deemed necessary.

1. INTRODUCTION

The Malaysian Code on Corporate Governance stipulates that the Board of Directors of listed companies should maintain a sound system of internal controls to safeguard shareholders' investment and the Group's assets.

The Board of Directors of Kumpulan Fima Berhad ("the Board") acknowledges that the practice of good corporate governance is an on-going process and not just an annual matter to be covered as compliance in the Annual Report. The Board is committed to practising the highest standards of corporate governance and observing best practices throughout the Group. The Board's Statement on Internal Control is in compliance with the Listing Requirements of Bursa Securities and the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

2. RESPONSIBILITY

The Board recognises their responsibility for the Group's system of internal control, which is designed to identify and manage the principal risks facing the business in pursuit of its objectives, for reviewing its adequacy and integrity and to ensure good corporate governance. The Management is accountable to the Board for monitoring the Group's system of internal control and for providing assurance to the Board that it has done so. The system of internal control covers risk management, financial, operational and compliance controls to safeguard shareholders' investments and the Group's assets. This system is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

3. KEY PROCESS

The key processes that the Board has established in reviewing the adequacy and integrity of the system of internal control are as follows:

- 3.1 The Executive Committee ("EXCO") reviews monthly reports from the Management of various lines of business on the key operating performance, legal, environmental and regulatory matters.
- 3.2 There is a budgeting and forecasting system. Each line of business submits a business plan annually for approval by the Board. The results of the lines of businesses are reported monthly and variances are analysed against budget and acted on in timely manner. The Group's strategic directions are also reviewed annually taking into account changes in market conditions and significant business risks.
- 3.3 Limit of authority within the Group provides a sound framework of authority and accountability within the organisation and to facilitate quality, well informed and timely corporate decisions making at the appropriate level in the organisation hierarchy.
- 3.4 The compliance function, which includes the Audit Committee and internal audit function, assist the Board to oversee the management of risks and review the effectiveness of internal controls. The Audit Committee reviews report of the Group Internal Audit Department ("the GIA") and also conducts annual assessment on the adequacy of the GIA's scope of work.
- 3.5 The Audit Committee, on behalf of the Board, regularly reviews and holds discussions with Management on the action taken on internal control issues identified in reports prepared by the GIA, the external auditors and the Management.
- 3.6 The competency of staff is enhanced through rigorous recruitment process and development programmes. A performance appraisal system of staff is in place, with established targets and accountability and is reviewed on an annual basis.

4. RISK MANAGEMENT FRAMEWORK

- 4.1** The Enterprise Risk Management ("ERM") framework adopted by the Group involves various key processes and its core elements are as follows:
- The identification of each business risk to ensure that all components of the organisational risks is captured;
 - The measurement of the identified risk in terms of magnitude of impact and frequency of occurrence; and
 - The control or the way the risk is managed in line with the needs of the constant monitoring to ensure continuous improvements.
- 4.2** The risk assessment of ERM has been conducted through a combination of workshops and interviews involving senior management participation to provide a structured approach in identifying, prioritising and managing risks.
- 4.3** The risk management policy and procedure document will sensitise staff more strongly to risk identification, measurement, control, ongoing monitoring, responsibilities and accountabilities. The workshops conducted generated the following reports:
- ERM report including a Board executive summary;
 - Detailed risk register; and
 - Risk management policy and procedure document.
- 4.4** The above reports will be summarised as the risk profile and outline the process followed in conducting the assignment and to include the summary of risk register outputs and the results will provide the basis for:
- Business action plan and improvement strategies;
 - Developing costs effective control strategies; and
 - The GIA to prioritise operational review.
- 4.5** The ERM framework is in place to monitor the liquidity risk via the capital adequacy position against the total risk requirements faced by the business.
- 4.6** The principal risks identified are those relating to Operational, Finance, Environment, Technology, Preparedness, Human Resources, Integrity and Reputation.
- 4.7** The EXCO reviews and decides on the Group's budget allocation, including its cash-flow position, equity injection, operating expenses and capital expenditure performance.
- 4.8** The process of reviewing the adequacy and the integrity of internal control is a continuous process and the Board will from time to time review the monitoring and reporting process to ensure their effectiveness on the whole.
- 4.9** This statement is made in accordance with the resolution of the Board dated 28 June 2004.

AZIZAN BIN MOHD NOOR
CHAIRMAN OF AUDIT COMMITTEE

The Directors are required by the Companies Act, 1965 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and the Group as at the end of the financial year and of the result of the Company and the Group for the year then ended.

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

The Directors have responsibility for ensuring that the Company and the Group keeps accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the financial statements comply with the Companies Act 1965.

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

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

Recurrent Related Party Transactions of A Revenue Nature

Recurrent related party transactions of a revenue nature of the Company for the financial year ended 31 March 2004 were as follows:

Name of Companies	Related Parties	Nature of RRPT	Interested Major Shareholders, Directors and Persons Connected to them of KFima	Actual Value of Transactions during the Financial Year RM'000
MATTRA / IFC	IFC / MATTRA	Sale of frozen fish Seller: MATTRA Buyer: IFC	<p>Major Shareholders</p> <p>1. BHR Enterprise Sdn Bhd 2. Tan Sri Dato' Haji Basir bin Ismail⁽¹⁾</p> <p>Directors</p> <p>1. Ahmad Riza bin Basir⁽²⁾ 2. Dato' Dr. Mohd Noor bin Ismail⁽³⁾ 3. Roslan bin Hamir⁽⁴⁾</p> <p>Persons Connected</p> <p>Persons Connected to BHR Enterprise Sdn Bhd and Tan Sri Dato' Haji Basir bin Ismail. Refer to Table A.</p>	13,347
KFima / FimaCorp /	FimaCorp KFima	Letting of office space Landlord: FimaCorp Tenant: KFima ⁽⁶⁾	<p>Major Shareholders</p> <p>1. BHR Enterprise Sdn Bhd 2. Tan Sri Dato' Haji Basir bin Ismail⁽¹⁾</p> <p>Directors</p> <p>1. Ahmad Riza bin Basir⁽²⁾ 2. Roslan bin Hamir⁽⁴⁾</p> <p>Persons Connected</p> <p>Persons Connected to BHR Enterprise Sdn Bhd and Tan Sri Dato' Haji Basir bin Ismail. Refer to Table A.</p>	389
PCM / IFC	IFC / PCM	Sale of frozen fish Seller: PCM Buyer: IFC ⁽⁵⁾	<p>Major Shareholders</p> <p>1. BHR Enterprise Sdn Bhd 2. Tan Sri Dato' Haji Basir bin Ismail⁽¹⁾</p> <p>Directors</p> <p>1. Ahmad Riza bin Basir⁽²⁾ 2. Roslan bin Hamir⁽⁴⁾</p> <p>Persons Connected</p> <p>Persons Connected to BHR Enterprise Sdn Bhd and Tan Sri Dato' Haji Basir bin Ismail. Refer to Table A.</p>	4,241

Notes:-

Names of Subsidiary	Effective Interest (%)	Principal Activities
IFC ⁽⁵⁾	95.42	Canning of mackerel
MATTRA ⁽⁶⁾	100.0	International trading house and investment holding
FimaCorp ⁽⁷⁾	63.4	Investment holding and property management
PCM ⁽¹⁰⁾	100.0	Cultivation and canning of pineapples

None of the abovementioned subsidiary companies has any interest, direct or indirect in KFima.

- (1) Tan Sri Dato' Haji Basir bin Ismail is a director of BHR Enterprise Sdn Bhd;
- (2) Ahmad Riza bin Basir is the Group Managing Director of KFima and a director of FimaCorp and MATTRA;
- (3) Dato' Dr. Mohd Noor bin Ismail is a director of KFima, FimaCorp and IFC;
- (4) Roslan bin Hamir is the Chief Executive Officer/Director of FimaCorp, a director of KFima and IFC;
- (5) A wholly owned subsidiary of Endell Pte Ltd (incorporated in the Republic of Singapore) which in turn is an 80% owned subsidiary of Fima Overseas Holdings Sdn Bhd which in turn is wholly owned by KFima;
- (6) A wholly owned subsidiary of KFima;
- (7) FimaCorp is a 63.4% owned subsidiary of Fima Metal Box Holdings Sdn Bhd, which in turn is wholly owned by KFima;
- (8)

Location	:	Level 4, Block C, Plaza Damansara, No. 45 Jalan Medan Setia 1, Bukit Damansara, 50490 Kuala Lumpur.
Size	:	15,181.39 sq. ft
Rental rate per month	:	RM32,160.92
Tenure of agreement	:	Three years commencing from 1 December 2002 with an option to renew for a further two years.

- (9) Basis in arriving at the respective estimated value (may vary and subject to changes) is stated in the table below:

Nature of RRPT	Estimated Value Of Transactions During Validity Period RM'000
Sale of frozen fish Seller: MATTRA Buyer: IFC	As per IFC's projection
Letting of office space Landlord: FimaCorp Tenant: KFima	As per tenancy agreement
Sale of frozen fish Seller: PCM Buyer: IFC	As per IFC's projection

- (10) A wholly owned subsidiary of KFima

TABLE A

Name	Directors Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Directors				
Ahmad Riza bin Basir			⁽²⁾ 92,754,770	35.25
Dato' Dr. Mohd. Noor bin Ismail	13,215,700	5.02	-	-
Roslan bin Hamir	111,000	*	-	-
Rozana Zeti binti Basir	-	-	⁽³⁾ 81,949,070	31.14
Major Shareholders				
BHR Enterprise Sdn Bhd	81,949,070	31.14	-	-
Tan Sri Dato' Haji Basir bin Ismail	55,353,830	21.03	⁽¹⁾ 81,949,070	31.14
Dato' Dr. Mohd Noor bin Ismail	13,215,700	5.02		
Persons Connected to Directors and/or Major Shareholders of KFima other than disclosed above				
<i>Persons Connected to BHR Enterprise Sdn Bhd and Tan Sri Dato' Haji Basir bin Ismail</i>				
Puan Sri Hamidah binti Abd Rahman (Spouse)	-	-	⁽⁴⁾ 81,949,070	31.14
Ahmad Riza bin Basir (Son)	-	-	⁽²⁾ 92,754,770	35.25
Roshayati binti Basir (Daughter)	-	-	⁽³⁾ 81,949,070	31.14
Rozilawati binti Haji Basir (Daughter)	-	-	⁽³⁾ 81,949,070	31.14
Rozana Zeti binti Basir (Daughter)	-	-	⁽³⁾ 81,949,070	31.14

* Negligible

Notes: -

- (1) Deemed interested by virtue of his substantial direct shareholding in BHR Enterprise Sdn Bhd;
- (2) Deemed interested by virtue of his direct holding in Subur Rahmat Sdn Bhd and substantial direct holding in BHR Enterprise Sdn Bhd;
- (3) Deemed interested by virtue of his/her substantial direct shareholding in BHR Enterprise Sdn Bhd;
- (4) Deemed interested by virtue of being the spouse of Tan Sri Dato' Haji Basir bin Ismail;



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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 2004.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding, property holding and the provision of management services to its related companies.

The principal activities of the subsidiaries are described in Note 39 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year other than the disposals of subsidiaries as disclosed in Note 8.

RESULTS

	Group RM'000	Company RM'000
Profit/(loss) after taxation	125,545	(2,491)
Minority interests	(5,756)	-
Net profit/(loss) attributable to shareholders	<u>119,789</u>	<u>(2,491)</u>

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

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 the effects arising from the disposals of subsidiaries resulting in a gain of RM106,127,000 to the Group and a gain of RM2 to the Company as disclosed in Note 8 to the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the current financial year.

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:

Tan Sri Dato' Zaki bin Tun Azmi (appointed on 5 May 2004)
 Ahmad Riza bin Basir
 Dato' Dr. Mohd Noor bin Ismail
 Roslan bin Hamir
 Azizan bin Mohd Noor
 Rozana Zeti binti Basir (appointed on 30 March 2004)
 Rosman bin Abdullah (appointed on 5 May 2004)
 Datuk Abu Hassan bin Kendut (retired on 25 September 2003)
 Datuk Haji Mohamad bin Haji Hasan (resigned on 30 March 2004)
 Rozilawati binti Haji Basir (resigned on 30 March 2004)
 Datuk Hassan bin Abas (resigned on 1 April 2004)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than as may arise from the share options granted pursuant to a subsidiary's, Fima Corporation Berhad ("FCB"), Employee Share Option Scheme ("ESOS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 7 to the financial statements or the fixed salary of a full-time employee of the Company) 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, other than the options to subscribe for shares in FCB of RM1.00 each pursuant to FCB's ESOS.

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 Each			
	1 April 2003	Bought	Sold	31 March 2004
The Company				
Direct Interest				
Ahmad Riza bin Basir	1,087,000	-	(1,087,000)	-
Dato' Dr. Mohd Noor bin Ismail	10,000	15,205,700	(2,000,000)	13,215,700
Roslan bin Hamir	111,000	-	-	111,000
Indirect Interest				
Ahmad Riza bin Basir	152,057,000	-	(59,302,230)	92,754,770
Rozana Zeti binti Basir	152,057,000	-	(70,107,930)	81,949,070

Subsidiary - Fima Corporation Berhad	As at 1 April 2003	Number of Ordinary Shares of RM1 Each at Option Price of RM1.07			As at 31 March 2004
		Granted	Retracted	Exercised	
Ahmad Riza bin Basir	228,000	-	(228,000)	-	-
Roslan bin Hamir	228,000	-	-	-	228,000

None of above directors have exercised any of the ESOS entitlement during the financial year.

Ahmad Riza bin Basir and Rozana Zeti binti Basir by virtue of their interests in shares of the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets 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 provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision 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 provision for doubtful debts of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
- (i) any charge on the assets of the Group or 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 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 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 or of the Company to meet its obligations 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 or of Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

The significant events during the financial year are as disclosed in Note 37 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors

Tan Sri Dato' Zaki bin Tun Azmi

Ahmad Riza bin Basir

Kuala Lumpur, Malaysia
28 June 2004

STATEMENT BY DIRECTORS

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

We, Tan Sri Dato' Zaki bin Tun Azmi and Ahmad Riza bin Basir, being two of the directors of Kumpulan Fima Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 34 to 92 are drawn up in accordance with applicable Approved Accounting Standards in Malaysia and the provisions of the Companies Act, 1965 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2004 and of the results and the cash flows of the Group and of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors

Tan Sri Dato' Zaki bin Tun Azmi

Ahmad Riza bin Basir

Kuala Lumpur, Malaysia
28 June 2004

STATUTORY DECLARATION

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

I, Mohd Yusof bin Pandak Yatim, being the officer primarily responsible for the financial management of Kumpulan Fima Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 34 to 92 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 Mohd Yusof bin Pandak Yatim
at Kuala Lumpur in the Federal Territory
on 28 June 2004

Mohd Yusof bin Pandak Yatim

Before me,

Abas bin Hasan
W178
Commissioner for Oaths

We have audited the accompanying financial statements set out on pages 34 to 92. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with applicable approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia so as to give a true and fair view of:
 - (i) the financial position of the Group and of the Company as at 31 March 2004 and of the results and the cash flows of the Group and of the Company for the year then ended; and
 - (ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Company and by its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements and the auditors' reports thereon of the subsidiaries of which we have not acted as auditors, as indicated in Note 39 to the financial statements, being financial statements which have been included in the consolidated financial statements.

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.

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.

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Abdul Rauf bin Rashid
No. 2305/05/06(J)
Partner

Kuala Lumpur, Malaysia
28 June 2004

INCOME STATEMENTS

For The Year Ended 31 March 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Revenue	4				
- Continuing operations		221,899	221,060	11,880	12,498
- Discontinued operations		1,177	76	-	-
		<u>223,076</u>	<u>221,136</u>	<u>11,880</u>	<u>12,498</u>
Other income	5	4,289	7,560	361	1,112
Gain on disposal of discontinued operations	8	106,127	43,870	-	-
Changes in inventories of finished goods, work-in-progress and livestock		8,206	3,943	-	-
Raw materials, consumables and livestock purchased		(126,871)	(141,246)	-	-
Staff costs	6	(26,937)	(23,752)	(3,935)	(2,801)
Depreciation		(14,719)	(14,655)	(1,290)	(1,525)
Other operating expenses		(34,806)	(30,397)	(1,835)	(2,935)
Profit from operations	9	138,365	66,459	5,181	6,349
- Continuing operations		136,534	67,502	-	-
- Discontinued operations		1,831	(1,043)	-	-
Finance costs	10	(5,458)	(7,757)	(8,473)	(8,953)
Share of profits of associated companies		2,884	4,870	-	-
Profit/(loss) before taxation		<u>135,791</u>	<u>63,572</u>	<u>(3,292)</u>	<u>(2,604)</u>
Taxation	11	(10,246)	(6,223)	801	771
Profit/(loss) after taxation		<u>125,545</u>	<u>57,349</u>	<u>(2,491)</u>	<u>(1,833)</u>
Minority interests		(5,756)	(3,927)	-	-
Net profit/(loss) attributable to shareholders		<u>119,789</u>	<u>53,422</u>	<u>(2,491)</u>	<u>(1,833)</u>
Basic earnings per share (sen)	12	<u>45.5</u>	<u>20.3</u>		

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

As At 31 March 2004

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	13	250,172	264,770	61,543	73,905
Plantation development expenditure	14	7,218	7,658	-	-
Investment in subsidiaries	15	-	-	86,487	85,011
Investment in associated companies	16	62,635	59,892	19,894	19,894
Other investments	17	54	54	1	1
Deferred tax assets	32	3,384	4,926	-	-
Net goodwill on consolidation	18	511	608	-	-
		<u>323,974</u>	<u>337,908</u>	<u>167,925</u>	<u>178,811</u>
CURRENT ASSETS					
Inventories	19	24,918	42,444	-	-
Trade receivables	20	33,432	42,618	184	129
Other receivables	21	8,696	11,321	10,801	13,914
Due from related companies	22	6	1,089	7,624	9,615
Cash and bank balances	23	56,933	32,635	1,683	1,529
		<u>123,985</u>	<u>130,107</u>	<u>20,292</u>	<u>25,187</u>
CURRENT LIABILITIES					
Short term borrowings	24	14,415	17,552	-	-
Trade payables	25	15,374	18,203	154	121
Other payables	26	20,219	31,633	796	1,740
Due to related companies	22	-	53	15,620	13,933
Taxation		5,005	7,171	2,784	2,784
		<u>55,013</u>	<u>74,612</u>	<u>19,354</u>	<u>18,578</u>
NET CURRENT ASSETS					
		<u>68,972</u>	<u>55,495</u>	<u>938</u>	<u>6,609</u>
REPRESENTED BY:					
Share capital	27	263,160	263,160	263,160	263,160
Reserves		(118,092)	(236,522)	(252,921)	(250,430)
Shareholders' equity		145,068	26,638	10,239	12,730
Minority interests	28	54,455	158,932	-	-
		<u>199,523</u>	<u>185,570</u>	<u>10,239</u>	<u>12,730</u>
Long term borrowings	30	170,733	187,593	150,800	163,500
Retirement benefit obligations	31	3,959	2,092	600	1,165
Deferred tax liabilities	32	18,731	18,148	7,224	8,025
Non-current liabilities		<u>193,423</u>	<u>207,833</u>	<u>158,624</u>	<u>172,690</u>
		<u>392,946</u>	<u>393,403</u>	<u>168,863</u>	<u>185,420</u>

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 March 2004

	Share Capital RM'000	Share Premium RM'000	Non-distributable----->			Accumulated Loss RM'000	Total RM'000
			Revaluation Reserve RM'000	Other Reserves* RM'000			
At 31 March 2002, as previously stated	263,160	12,161	69,641	51,371	(412,141)	(15,808)	
Prior year adjustment (Note 33)	-	-	(12,126)	-	6,399	(5,727)	
At 31 March 2002, as restated	263,160	12,161	57,515	51,371	(405,742)	(21,535)	
Revaluation deficit	-	-	(2,755)	-	-	(2,755)	
Impairment loss	-	-	(1,700)	-	-	(1,700)	
Translation loss	-	-	-	(794)	-	(794)	
Net loss not recognised in income statement	-	-	(4,455)	(794)	-	(5,249)	
Bonus issue by a subsidiary	-	-	-	449	(449)	-	
Transfer to accumulated loss	-	-	-	(8,684)	8,684	-	
Net profit for the year	-	-	-	-	53,422	53,422	
At 31 March 2003	263,160	12,161	53,060	42,342	(344,085)	26,638	
At 31 March 2003, as previously stated	263,160	12,161	65,186	42,342	(350,877)	31,972	
Prior year adjustment (Note 33)	-	-	(12,126)	-	6,792	(5,334)	
At 31 March 2003, as restated	263,160	12,161	53,060	42,342	(344,085)	26,638	
Disposal of property, plant and equipment	-	-	(2,861)	-	2,861	-	
Effect of change in statutory tax rate of a foreign subsidiary	-	-	(1,268)	-	-	(1,268)	
Translation loss	-	-	-	(91)	-	(91)	
Net loss not recognised in income statement	-	-	(4,129)	(91)	2,861	(1,359)	
Net profit for the year	-	-	-	-	119,789	119,789	
At 31 March 2004	263,160	12,161	48,931	42,251	(221,435)	145,068	

For The Year Ended 31 March 2004 (Contd.)

*** Other Reserves**

	<----- Non-distributable ----->				
	Capital Reserve arising from				
	Capital Reserve	Bonus Issue in Subsidiary	Foreign Exchange Reserve	Statutory Reserve Fund	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
At 31 March 2002	437	26,309	15,941	8,684	51,371
Bonus issue in a subsidiary	-	449	-	-	449
Transfer to accumulated loss	-	-	-	(8,684)	(8,684)
Translation loss not recognised in income statement	-	-	(794)	-	(794)
At 31 March 2003	437	26,758	15,147	-	42,342
Translation loss not recognised in income statement	-	-	(91)	-	(91)
At 31 March 2004	437	26,758	15,056	-	42,251

Statutory reserve fund relates to certain minimum percentage of profit after tax in relation to a former subsidiary's, Fima RLA Sdn. Bhd. ("FRLA"), shareholders' funds transferred in previous years in accordance with the Kuala Lumpur Stock Exchange's Rules Relating to Member Companies. Due to the surrender of FRLA's dealer's licence in previous year, the statutory reserve fund is no longer required in the current year.

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 March 2004

	Share Capital RM'000	<---Non-distributable---> Share Premium RM'000	Revaluation Reserve RM'000	Accumulated Loss RM'000	Total RM'000
At 31 March 2002					
As previously stated	263,160	12,161	33,534	(282,741)	26,114
Prior year adjustment (Note 33)	-	-	(8,796)	-	(8,796)
At 31 March 2002, as restated	263,160	12,161	24,738	(282,741)	17,318
Revaluation deficit not recognised in income statement	-	-	(2,755)	-	(2,755)
Net loss for the year	-	-	-	(1,833)	(1,833)
At 31 March 2003	263,160	12,161	21,983	(284,574)	12,730
At 31 March 2003					
As previously stated	263,160	12,161	30,779	(285,345)	20,755
Prior year adjustment (Note 33)	-	-	(8,796)	771	(8,025)
At 31 March 2003, as restated	263,160	12,161	21,983	(284,574)	12,730
Disposal of property, plant and equipment not recognised in income statement	-	-	(2,861)	2,861	-
Net loss for the year	-	-	-	(2,491)	(2,491)
At 31 March 2004	263,160	12,161	19,122	(284,204)	10,239

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 31 March 2004

	2004	2003
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	135,791	63,572
Adjustment for:		
Depreciation	14,719	14,655
Net gain on disposal of property, plant and equipment	(80)	(140)
Share of profits of associated companies	(2,884)	(4,870)
Loss on disposal of an associated company	-	196
Unrealised foreign exchange gain	(14)	(2,463)
Amortisation of goodwill on consolidation	1,259	1,259
Provision for doubtful debts	432	288
Provision for retirement benefits	2,775	287
Bad debts recovered	(1,577)	(3,506)
Writeback of provision for doubtful debts	(10)	(1,096)
Property, plant and equipment written off	-	540
Bad debts written off	-	106
Inventories written (back)/down	(2,232)	1,990
Amortisation of reserve on consolidation	(1,162)	(1,162)
Gain on disposal of discontinued operations	(106,127)	(43,870)
Amortisation of plantation development expenditure	1,682	2,116
Provision for profit and capital guarantee	-	179
Interest expense	9,495	10,899
Interest income	(666)	(502)
Operating profit before working capital changes	<u>51,401</u>	<u>38,478</u>
Decrease/(increase) in inventories	19,758	(4,301)
Decrease/(increase) in receivables	9,918	(9,126)
Decrease in short term funds held in trust	256	247
Increase in net amount due from related companies	(501)	(1,419)
(Decrease)/increase in payables	<u>(4,969)</u>	<u>8,050</u>
Cash generated from operations	75,863	31,929
Interest paid	(9,495)	(10,899)
Taxes paid	<u>(9,715)</u>	<u>(16,522)</u>
Net cash generated from operating activities	<u>56,653</u>	<u>4,508</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds arising from the surrender of a subsidiary's dealers' licence	-	45,000
Proceeds from disposal of an associated company	-	1,045
Plantation development expenditure (Note 14)	(1,242)	(1,602)
Proceeds from disposal of property, plant and equipment	11,649	2,606
Purchase of property, plant and equipment	(7,654)	(14,708)
Proceeds from disposal of investments	-	13
Purchase of additional shares in an associated company	(5,250)	(9,750)
Dividend received from associated companies	3,930	1,173
Interest received	666	502
Net cash generated from investing activities	<u>2,099</u>	<u>24,279</u>

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For The Year Ended 31 March 2004 (Contd.)

	2004	2003
	RM'000	RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	(12,700)	-
Net repayment of short term financing	(4,550)	(31,175)
Repayment of hire purchase and lease financing	-	(108)
Dividends paid to minority shareholders of a subsidiary	(2,051)	(1,020)
Decrease in deposits on lien	1,241	450
Proceeds from issuance of shares by a subsidiary	36	-
Acquisition of treasury shares by a subsidiary	(321)	-
Redemption of preference shares	(11,865)	-
Net cash used in financing activities	<u>(30,210)</u>	<u>(31,853)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	28,542	(3,066)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>20,312</u>	<u>23,378</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>48,854</u>	<u>20,312</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	12,434	15,917
Fixed deposit with financial institutions	41,875	12,597
Secured and unsecured bank overdrafts	(5,455)	(8,202)
	<u>48,854</u>	<u>20,312</u>
Cash and bank balances comprise:		
Cash and bank balances	12,434	15,917
Fixed deposit with financial institutions	41,875	12,597
Cash and cash equivalents*	<u>54,309</u>	<u>28,514</u>
Deposits on lien and short term funds held in trust (Note 23)	2,624	4,121
	<u>56,933</u>	<u>32,635</u>

- * Cash and cash equivalents as at balance sheet date excludes deposits on lien for banking facilities granted to certain subsidiaries and short term funds held in trust for clients and remisers which are not freely available for use by the Group as disclosed in Note 23.

The accompanying notes form an integral part of the financial statements.

CASH FLOW STATEMENT

For The Year Ended 31 March 2004

	2004 RM'000	2003 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,292)	(2,604)
Adjustment for:		
Depreciation	1,290	1,525
Due from former subsidiaries written off	-	75
Interest expense	7,371	7,701
Interest income	(76)	(1,210)
Dividend income	(10,698)	(10,062)
Provision for amount due from subsidiaries	-	1,149
Provision for retirement benefits	311	-
Writeback of provision for doubtful debts	(295)	(1,068)
Gain on disposal of property, plant and equipment	(61)	-
Operating loss before working capital changes	<u>(5,450)</u>	<u>(4,494)</u>
(Increase)/decrease in receivables	(1,551)	2,814
Decrease/(increase) in amount due from related companies	4,239	(2,211)
(Decrease)/increase in payables	<u>(1,787)</u>	<u>1,326</u>
Cash used in operations	<u>(4,549)</u>	<u>(2,565)</u>
Interest paid	<u>(7,371)</u>	<u>(7,701)</u>
Net cash used in operating activities	<u>(11,920)</u>	<u>(10,266)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of an associated company	-	1,045
Proceeds from disposal of property, plant and equipment	11,455	-
Purchase of property, plant and equipment	(322)	(221)
Net dividends received	13,571	8,457
Interest received	70	1,210
Net cash generated from investing activities	<u>24,774</u>	<u>10,491</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of other short term borrowings	<u>(12,700)</u>	<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	154	225
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>1,529</u>	<u>1,304</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>1,683</u>	<u>1,529</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash in hand and at bank	<u>1,683</u>	<u>1,529</u>

The accompanying notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The principal activities of the Company are investment holding, property holding and the provision of management services to its related companies. The principal activities of the subsidiaries are described in Note 39. There has been no significant change in the nature of the principal activities during the financial year other than the disposal of subsidiaries as disclosed in Note 8.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of Bursa Malaysia Securities Berhad. The registered office and 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 number of employees in the Group and in the Company at the end of the financial year were 1,164 (2003: 1,102) and 52 (2003: 50) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 June 2004.

2. 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. These resources are managed and allocated centrally to ensure that all business units of the Group maintain the required level of capital and liquidity. The Group operates within clearly defined guidelines and the Group's policy is not to engage in speculative transactions.

(a) Interest Rate Risk

Interest rate exposure arises from the Group's borrowings and deposits. The investment in financial assets are mainly short term in nature and they are not held for speculative purposes but have been mostly placed in fixed deposits which yield better returns than cash at bank.

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.

Interest rates information on debts of the Group is disclosed in Notes 22, 24, 29 and 30.

(b) Foreign Exchange Risk

The Group has transactional currency exposure, which arise from the sales or purchases by the Company and its subsidiaries in those currencies other than their functional currencies. In addition, the Group is also exposed to translational risk arising from its foreign currency denominated assets and liabilities especially denominated in United States Dollar, Singapore Dollar and Papua New Guinea Kina.

The Group manages its transactional exposure by matching, as far as possible, its receipts and payments in each individual currencies.

The Group does not use any foreign currency instruments to hedge foreign currency exposure.

2. 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 liabilities as 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.

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

(e) Fair Values

The fair values of financial assets and liabilities approximate their respective carrying values on the balance sheets of the Group and of the Company as at 31 March 2004.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention except for the revaluation of certain land and buildings and plant and machinery included under property, plant and equipment.

The financial statements comply with the provisions of the Companies Act, 1965 and applicable Approved Accounting Standards in Malaysia.

During the financial year ended 31 March 2004, the Group and the Company adopted the following MASB Standards for the first time:

MASB 25 Income Taxes
 MASB 27 Borrowing Costs
 MASB 28 Discontinuing Operations
 MASB 29 Employee Benefits

The effects of adopting MASB 25 are disclosed in Note 33 to the financial statements. The adoption of MASB 27, MASB 28 and MASB 29 has not given rise to any adjustments to the opening balances of retained profits of the prior and current year or to changes in comparatives.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(b) Basis of Consolidation

(i) Subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries. Subsidiaries are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits therefrom.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. The assets and liabilities of a subsidiary are measured at their fair values at the date of acquisition. The difference between the cost of an acquisition and the fair values of the Group's share of the net assets of the acquired subsidiary at the date of acquisition is included in the consolidated balance sheet as goodwill or reserve on consolidation.

Intragroup transactions, balances and resulting unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are eliminated on consolidation unless costs cannot be recovered.

The gain or loss on disposal of a subsidiary company is the difference between net disposal proceeds and the Group's share of its net assets together with any unamortised balance of goodwill and exchange differences which were not previously recognised in the consolidated income statement.

Minority interests in the consolidated balance sheet consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree at the acquisition date and the minorities' share of movement in the acquiree's equity since then.

(ii) Associates

Associates are those entities in which the Group exercises significant influence but not control, through participation in the financial and operating policy decisions of the entities.

Investments in associated companies are accounted for in the consolidated financial statements by the equity method of accounting based on the audited or management financial statements of the associated companies.

Under the equity method of accounting, the Group's share of profits less losses of associated companies during the financial year is included in the consolidated income statement. The Group's interest in associated companies is carried in the consolidated balance sheet at cost plus the Group's share of post-acquisition retained profits or accumulated losses and other reserves.

Unrealised gains on transactions between the Group and the associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are eliminated unless costs cannot be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**(c) 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 reliably measured. Specific income streams are recognised as follows:

- (i) Dividend income is recognised when the right to receive payment is established.
- (ii) Revenue relating to sale of goods is recognised net of sales taxes and discounts when the transfer of risks and rewards have been completed.
- (iii) Revenue from services rendered is recognised net of service taxes and discounts as and when the services are performed.
- (iv) Brokerage fee of a subsidiary, was charged to the clients and was recognised on the day when the contracts are executed.
- (v) All other income are recognised on an accrual basis.

(d) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary or associate at the date of acquisition.

Goodwill is stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(o). Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet while goodwill arising on the acquisition of associates is included within the carrying amount of investment in associates.

Goodwill is amortised on a straight-line basis over its estimated useful life of 20 years.

(e) Plantation Development Expenditure

New estate development expenditure is capitalised until the plants attain maturity and the amount capitalised will be charged to income statement based on the area harvested. Replanting expenditure consists of expenses incurred from the stage of clearing to maturity and the amount capitalised will be charged to income statement based on area harvested.

(f) Investments

Investments in subsidiaries, associated companies and other non-current investments are stated at cost less accumulated impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 3(o).

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited to the income statement.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**(g) Foreign Currencies****(i) Foreign Currency Transactions**

Transactions in foreign currencies are converted into Ringgit Malaysia at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the balance sheet date are translated into Ringgit Malaysia at rates of exchange ruling at that date. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost are translated using the historical rate as of the date of acquisition and non-monetary items which are carried at fair value are translated using the exchange rate that existed when the values were determined. All exchange differences are taken to the income statement.

(ii) Foreign Entities

Financial statements of foreign consolidated subsidiaries are translated at year-end exchange rates with respect to the assets and liabilities, and at exchange rates at the dates of the transactions with respect to the income statement. All resulting translation differences are included in the foreign exchange reserve in the shareholders' equity. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the Company and translated at the exchange rate ruling at the date of the transaction.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used are as follows:

	2004	2003
	RM	RM
United States Dollar	3.8000	3.8000
Singapore Dollar	2.2835	2.1500
Papua New Guinea Kina	<u>1.1438</u>	<u>1.0105</u>

(h) Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost or valuation less accumulated depreciation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3(o).

Revaluation on landed properties are made at least once every five years by an independent valuer on an open market value basis. Any revaluation increase is credited to equity as a revaluation surplus, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is recognised in the income statement to the extent of the decrease previously recognised. A revaluation decrease is first offset against an increase on unutilised earlier valuations in respect of the same property and is thereafter recognised as an expense. Upon the disposal of the revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

Freehold land and construction work-in-progress are not depreciated. Leasehold land is depreciated on a straight line basis over the term of the respective leases which range from 2 to 99 years.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**(h) Property, Plant and Equipment and Depreciation (Contd.)**

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

Buildings	2%	-	6.66%
Plant and machinery	4%	-	33.33%
Office equipment, furniture and fittings	6.66%	-	25%
Motor vehicles	10%	-	33.33%
Farm equipment	4%	-	33.33%
Factory extensions			3.33%
Office renovation	10%	-	20%

Upon disposal of an item of property, plant or equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the income statement and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

(i) Inventories

Livestocks, which are held for resale in the future, are stated at the lower of cost and net realisable value. Livestocks include costs of livestock and an appropriate portion of feed costs and overheads.

Inventories, except for livestock, are stated at the lower of cost (determined on the first-in, first-out, ("FIFO") basis) and net realisable value. Cost of finished goods and work-in-progress includes direct materials, direct labour, direct charges and variable production overheads.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(j) Income Tax

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

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**(j) Income Tax (Contd.)**

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

Prior to the adoption of MASB 25: Income Taxes on 1 April 2003, deferred tax was provided for using the liability method in respect of significant timing differences and deferred tax assets were not recognised unless there was reasonable expectation of their realisation. This change in accounting policy has been accounted for retrospectively and the effects of this change are disclosed in Note 33.

(k) Cash and Cash Equivalents

For the purpose of cash flow statements, cash and cash equivalents include cash on hand and at banks and deposits at call which have an insignificant risk of changes in value, net of outstanding bank overdrafts.

(l) Provisions for Liabilities

Provisions for liabilities are recognised when the Group and the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

(m) 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 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, and 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 national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the income statement as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**(m) Employee Benefits (Contd.)****(iii) Defined benefit plans**

The Group operates a retirement benefit scheme for eligible employees of the Group under the Retirement Benefits Plans. The Group sets aside provisions for retirement benefits based on the basic monthly salary of each eligible employee at the end of each financial year of service over the employees' period of employment.

Prior to the adoption of MASB 29: Employee Benefits on 1 April 2003, no liability was recognised for the obligations in respect of short term employee benefits in the form of accumulating compensated absences. The change in accounting policy has not given rise to any material adjustments to opening balances of retained profits of the prior and current year or to changes in comparatives.

(n) Leases

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incident to ownership.

(i) Finance leases

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased asset is consistent with that for depreciable property, plant and equipment as described in Note 3(h).

(ii) Operating leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the relevant lease.

(o) Impairment of Assets

At each balance sheet date, the Group reviews the carrying amounts of its assets, other than financial assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(o) Impairment of Assets (Contd.)

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of any available previously recognised revaluation surplus for the same asset.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

(p) Financial Instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument. Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

(i) Trade and Other Receivables

Trade and other receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(ii) Trade and Other Payables

Trade and other payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

(iii) Interest Bearing Borrowings

Interest-bearing bank loans and overdrafts are recorded at the amount of proceeds received, net of transaction costs.

(iv) Equity Instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

4. REVENUE

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

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Continuing operations:				
Production and trading of security and confidential documents	94,582	99,809	-	-
Bulking and logistic services	26,197	31,353	-	-
Sales of agrobased products	93,374	83,230	-	-
Property management services	3,366	4,647	-	-
Trading	3,455	1,051	-	-
Rental income	792	869	876	953
Interest income	70	27	76	1,210
Management fees	63	74	230	273
Dividend income	-	-	10,698	10,062
	<u>221,899</u>	<u>221,060</u>	<u>11,880</u>	<u>12,498</u>
Discontinued operations:				
Brokerage fees, commission and other stockbroking related income	1,177	76	-	-
	<u>223,076</u>	<u>221,136</u>	<u>11,880</u>	<u>12,498</u>

5. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Bad debts recovered	1,577	3,506	-	-
Net gain on disposal of property, plant and equipment	80	140	61	-
Interest income	596	475	-	-
Rental income	428	440	-	-
Writeback of provision for doubtful debts	10	418	295	1,068
Amortisation of reserve on consolidation	1,162	1,162	-	-
	<u>1,162</u>	<u>1,162</u>	<u>-</u>	<u>-</u>

6. STAFF COSTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Wages and salaries	18,087	18,606	2,229	1,937
Social security costs	157	157	15	12
Pension costs - defined contribution plan	2,379	2,211	291	247
Pension costs - defined benefit plan (Note 31)	2,775	287	311	-
Other staff related expenses	3,539	2,491	1,089	605
	<u>26,937</u>	<u>23,752</u>	<u>3,935</u>	<u>2,801</u>

Included in staff costs of the Group and of the Company are executive directors' salaries and other emoluments amounting to RM913,000 (2003: RM1,561,000) and RM468,000 (2003: RM610,000) respectively as disclosed in Note 7.

7. DIRECTORS' REMUNERATION

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	321	766	318	545
Bonus	80	80	80	-
Pension costs - defined contribution plan	48	65	48	65
Fees	40	20	22	-
Benefits-in-kind	27	90	27	89
	<u>516</u>	<u>1,021</u>	<u>495</u>	<u>699</u>
Non-Executive:				
Salaries and other emoluments	253	262	37	58
Bonus	71	51	-	-
Pension costs - defined contribution plan	35	31	-	-
Fees	311	218	296	205
Benefits-in-kind	11	18	-	7
Gratuity paid to former Executive Director	483	-	483	-
	<u>1,164</u>	<u>580</u>	<u>816</u>	<u>270</u>

7. DIRECTORS' REMUNERATION (Contd.)

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Directors of the subsidiaries				
Executive:				
Salaries and other emoluments	318	586	-	-
Bonus	43	-	-	-
Pension costs - defined contribution plan	48	44	-	-
Fees	15	-	-	-
	<u>424</u>	<u>630</u>	<u>-</u>	<u>-</u>
Non-Executive:				
Salaries and other emoluments	8	-	-	-
Fees	42	-	-	-
	<u>50</u>	<u>-</u>	<u>-</u>	<u>-</u>
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration excluding benefit-in-kind	913	1,561	468	610
Total non-executive directors' remuneration	1,203	562	816	263
Total directors' remuneration excluding benefit-in-kind	<u>2,116</u>	<u>2,123</u>	<u>1,284</u>	<u>873</u>

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

	Number of Directors	
	2004	2003
Executive Directors:		
RM500,001 - RM550,000	1	-
RM450,001 - RM500,000	-	1
RM350,001 - RM400,000	-	1
RM200,001 - RM250,000	<u>-</u>	<u>1</u>
Non-Executive Directors:		
RM550,001 - RM600,000	1	-
RM350,001 - RM400,000	1	-
RM300,001 - RM350,000	-	1
RM50,001 - RM100,000	2	2
Below RM50,000	<u>4</u>	<u>5</u>

8. DISCONTINUED OPERATIONS

On 28 October 2002, Fima RLA Sdn Bhd ("FRLA"), a former subsidiary, surrendered its dealer's licence to the Securities Commission and ceased its stockbroking business to enable M&A Securities Sdn. Bhd. to commence its Kuala Lumpur branch operations on the same day. FRLA was then principally involved in debt recoveries. The transaction resulted in a net gain of approximately RM43,870,000, recognised in the previous financial year.

On 10 January 2003, FRLA, entered into an agreement to sell the entire issued and paid up share capital of its wholly-owned subsidiary, Fima Asset Management Sdn Bhd ("FAM") to a third party for a cash consideration of RM1. The sale was approved by the Securities Commission on 19 June 2003. The sale was completed on 27 June 2003.

On 15 September 2003, the Company entered into Sale and Purchase Agreements to dispose of its subsidiaries i.e. Fima Securities Holdings Sdn Bhd and FRLA, to a third party for a total consideration of RM2. The two subsidiaries were operating in the stockbroking segment but had ceased their stockbroking business and commenced debt recoveries thereafter. The disposal was completed on 30 September 2003.

The revenue, results and cash flows of the subsidiaries were as follows:

	Financial period ended 30.9.2003 RM'000	Financial year ended 31.3.2003 RM'000
Revenue	1,177	76
Gain on disposal of stockbroking license	-	43,870
Other operating income	1,571	3,668
Operating expenses	(917)	(4,878)
Profit from operations	1,831	42,736
Finance costs	(20)	(1,917)
Profit for the year	1,811	40,819
Taxation	-	526
Net profit for the year	1,811	41,345
Cash flows from operating activities	6,323	7,128
Cash flow from investing activities	95	118
Cash flow from financing activities	(11,946)	(255)
Total cash flows	(5,528)	6,991

8. DISCONTINUED OPERATIONS (CONTD.)

The net liabilities of the subsidiaries were as follows:

	30.9.2003	31.3.2003
	RM'000	RM'000
Property, plant and equipment	192	309
Investment in subsidiaries	-	1
Trade and other receivables	2,831	6,897
Cash and bank balances	2,759	8,287
Short term borrowing	(3,017)	(3,052)
Trade and other payables	(107,765)	(130,560)
Tax payable	(1,127)	(1,127)
Net liabilities disposed	<u>(106,127)</u>	<u>(119,245)</u>
Total disposal proceeds	-*	
Gain on disposal	<u>106,127</u>	
Disposal proceeds settled by cash	<u>-</u>	
Cash flow arising on disposal:		
Cash consideration, representing cash inflow of the Company	-	
Cash and cash equivalents of subsidiaries disposed	<u>(2,759)</u>	
Net cash outflow of the Group	<u>(2,759)</u>	

There was no tax charge or credit arising from the gain on disposal.

* The disposal proceeds were RM2.

9. PROFIT FROM OPERATIONS

Profit from operations is stated after charging/(crediting):

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Professional fees	746	3,551	404	318
Cleaning and maintenance expenses	909	1,089	67	112
Quit rent assessment	491	124	65	85
Water and utilities expenses	1,305	838	31	37
Amortisation of goodwill on consolidation	1,259	1,259	-	-
Auditors' remuneration				
- statutory audit	269	283	45	45
- other services	-	80	-	80

9. PROFIT FROM OPERATIONS (CONTD.)

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Provision for doubtful debts	432	288	-	-
Writeback of provision for doubtful debts	(10)	(1,096)	(295)	(1,068)
Bad debts written off	-	106	-	-
Inventories written (back)/down	(2,232)	1,990	-	-
Intangible assets written back	(24)	-	-	-
Rental of premises	4,209	3,142	497	476
Rental of equipment	5	5	-	-
Amortisation of plantation development expenditure	1,682	2,116	-	-
Provision for retirement benefits	2,775	287	311	-
Gratuity paid to former Executive Chairman	310	-	310	-
	<u>310</u>	<u>-</u>	<u>310</u>	<u>-</u>

10. FINANCE COSTS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Interest expense on borrowings	9,495	10,899	7,371	7,701
Foreign exchange (gain)/loss:				
- Realised	(5,257)	(1,926)	-	-
- Unrealised	(14)	(2,463)	1	95
Other finance costs	1,234	1,247	1,101	1,157
	<u>5,458</u>	<u>7,757</u>	<u>8,473</u>	<u>8,953</u>

Foreign exchange (gains)/losses relate to retranslation (gains)/losses on a term loan of a subsidiary, International Food Corporation Ltd. ("IFC") which is denominated in United States Dollar, as disclosed in Note 30(b).

11. TAXATION

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
In Malaysia:				
Charge for the year	8,692	6,565	-	-
Over provision in prior years	(764)	(2,420)	-	-
Deferred tax relating to origination and reversal of temporary differences (Note 32)	857	657	(801)	(771)

Associated companies

In Malaysia:				
Charge for the year	1,461	1,421	-	-
	<u>10,246</u>	<u>6,223</u>	<u>(801)</u>	<u>(771)</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 28% (2003: 28%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Profit/(loss) before taxation	<u>135,791</u>	<u>63,572</u>	<u>(3,292)</u>	<u>(2,604)</u>
Taxation at statutory tax rate of 28% (2003: 28%)	38,021	17,800	(922)	(729)
Income not subject to tax	(32,707)	(14,070)	(1,888)	(1,292)
Effect of different tax rate in other countries	144	(3)	-	-
Expenses not deductible for tax purposes	8,488	7,226	2,009	1,250
Effect of tax rate at 20% on first RM500,000	(40)	(8)	-	-
Utilisation of reinvestment allowance	(370)	(494)	-	-
Utilisation of previously unrecognised tax losses in prior year	(2,526)	(1,808)	-	-
Overprovided in prior years	(764)	(2,420)	-	-
Tax expense/(refund) for the year	<u>10,246</u>	<u>6,223</u>	<u>(801)</u>	<u>(771)</u>

11. TAXATION (CONTD.)

Tax losses are analysed as follows:

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Tax savings recognised during the year arising from:				
Utilisation of current year's tax losses	1,114	1,115	1,107	1,115
Utilisation of tax losses brought forward from previous years	1,974	1,709	-	-
Unutilised tax losses carried forward	<u>52,783</u>	<u>50,318</u>	<u>16,527</u>	<u>16,527</u>

Unabsorbed allowances are analysed as follows:

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Tax savings recognised during the year arising from:				
Utilisation of current year unabsorbed capital allowances	300	401	-	-
Utilisation of unabsorbed capital allowances brought forward from previous years	-	350	-	-
Unabsorbed reinvestment allowances carried forward	183	183	-	-
Unabsorbed capital allowances carried forward	<u>3,647</u>	<u>3,166</u>	<u>1,634</u>	<u>1,413</u>

12. EARNINGS PER SHARE

	Group	
	2004	2003
Net profit attributable to shareholders (RM'000)	119,789	53,422
Number of ordinary shares in issue ('000)	263,160	263,160
Earnings per share (sen)	<u>45.5</u>	<u>20.3</u>

The comparative basic earnings per share has been restated to take into account the effect of the change in accounting policy (Note 3(a) and Note 33) on net profit for that year.

13. PROPERTY, PLANT AND EQUIPMENT

Group	At Valuation		At Cost			Total RM'000
	Land and buildings* RM'000	Plant and machinery RM'000	Land and buildings** RM'000	Other assets+ RM'000	Construction work-in progress RM'000	
At Valuation/Cost						
At 1 April 2003	111,959	4,079	102,152	212,720	221	431,131
Additions	38	24	186	4,421	2,985	7,654
Disposals	(11,500)	-	(2,344)	(4,623)	-	(18,467)
Write off	-	-	-	(1,188)	-	(1,188)
Reclassification	-	-	-	2,255	(2,255)	-
Disposal of subsidiaries (Note 8)	-	-	-	(5,101)	-	(5,101)
Translation difference	801	538	2,131	1,921	-	5,391
At 31 March 2004	101,298	4,641	102,125	210,405	951	419,420
Accumulated Depreciation and Impairment Losses						
At 1 April 2003	4,524	123	22,496	136,553	-	163,696
- accumulated depreciation	1,700	-	-	965	-	2,665
- accumulated impairment losses	1,621	299	2,370	10,429	-	14,719
Charge for the year	(107)	-	(2,344)	(4,447)	-	(6,898)
Disposals	-	-	-	(1,188)	-	(1,188)
Write off	-	-	-	(4,909)	-	(4,909)
Disposal of subsidiaries (Note 8)	580	1,708	(218)	(907)	-	1,163
Translation difference	8,318	2,130	22,304	136,496	-	169,248
At 31 March 2004	92,980	2,511	79,821	73,909	951	250,172
Net Book Value						
At 31 March 2004	105,735	3,956	79,656	75,202	221	264,770
At 31 March 2003	1,731	21	2,372	10,531	-	14,655
Depreciation charge for 2003						

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)*** Land and Buildings**

Group	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Total RM'000
At Valuation					
At 1 April 2003	31,242	59,289	6,000	15,428	111,959
Additions	23	-	-	15	38
Disposals	-	(11,500)	-	-	(11,500)
Translation difference	-	182	-	619	801
At 31 March 2004	31,265	47,971	6,000	16,062	101,298
Accumulated Depreciation and Impairment Losses					
At 1 April 2003					
- accumulated depreciation	-	1,836	1,200	1,488	4,524
- accumulated impairment losses	1,700	-	-	-	1,700
Charge for the year	-	653	401	567	1,621
Disposals	-	(107)	-	-	(107)
Translation difference	-	-	-	580	580
At 31 March 2004	1,700	2,382	1,601	2,635	8,318
Net Book Value					
At 31 March 2004	29,565	45,589	4,399	13,427	92,980
At 31 March 2003	29,542	57,453	4,800	13,940	105,735
Depreciation charge for 2003					
	-	853	400	478	1,731

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)**** Land and Buildings**

Group	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings, extension and renovation RM'000	Total RM'000
At Cost				
At 1 April 2003	78	2,121	99,953	102,152
Additions	-	-	186	186
Disposals	-	-	(2,344)	(2,344)
Translation difference	10	-	2,121	2,131
At 31 March 2004	88	2,121	99,916	102,125
Accumulated Depreciation				
At 1 April 2003	29	1,580	20,887	22,496
Charge for the year	31	85	2,254	2,370
Disposals	-	-	(2,344)	(2,344)
Translation difference	4	-	(222)	(218)
At 31 March 2004	64	1,665	20,575	22,304
Net Book Value				
At 31 March 2004	24	456	79,341	79,821
At 31 March 2003	49	541	79,066	79,656
Depreciation charge for 2003	29	85	2,258	2,372

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)
+ Other Assets
Group

At Cost	Storage tanks and pipes RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Renovations RM'000	Computer equipment RM'000	Office equipment RM'000	Total RM'000
At 1 April 2003	93,158	93,886	12,512	3,617	2,769	5,897	881	212,720
Additions	452	2,864	511	252	10	222	110	4,421
Disposals	(32)	(2,404)	(1,515)	(636)	-	(25)	(11)	(4,623)
Write off	(475)	(417)	-	(23)	-	(217)	(56)	(1,188)
Reclassification	2,255	-	-	-	-	-	-	2,255
Disposal of subsidiaries (Note 8)	-	-	(416)	(348)	-	(3,796)	(541)	(5,101)
Translation difference	-	1,842	79	-	-	-	-	1,921
At 31 March 2004	95,358	95,771	11,171	2,862	2,779	2,081	383	210,405

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)
+ Other Assets (Contd.)

	Storage tanks and pipes RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Furniture and fittings RM'000	Renovations RM'000	Computer equipment RM'000	Office equipment RM'000	Total RM'000
Accumulated Depreciation and Impairment Losses								
At 1 April 2003	48,735	69,478	8,716	3,231	1,024	5,571	763	137,518
- accumulated depreciation	-	-	-	-	-	-	-	-
- accumulated impairment losses	3,375	5,522	1,058	192	125	222	46	10,540
Charge for the year	-	12	-	-	-	-	1	13
Reclassification	-	(2,404)	(1,398)	(635)	-	-	(10)	(4,447)
Disposals	-	(124)	-	-	-	-	-	(124)
Revaluation	(475)	(417)	-	(23)	-	(217)	(56)	(1,188)
Write off	-	-	-	-	-	-	-	-
Disposal of subsidiaries (Note 8)	-	-	(223)	(348)	-	(3,796)	(542)	(4,909)
Translation difference	-	(565)	(342)	-	-	-	-	(907)
At 31 March 2004	51,635	71,502	7,811	2,417	1,149	1,780	202	136,496
Net Book Value								
At 31 March 2004	43,723	24,269	3,360	445	1,630	301	181	73,909
At 31 March 2003	44,423	24,408	3,796	386	1,745	326	118	75,202
Depreciation charge for 2003								
	3,049	5,681	1,110	229	231	210	41	10,551

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)
Company

	At Valuation	<-----At Cost----->			Total RM'000
	Land and buildings@ RM'000	Land and buildings RM'000	Motor vehicles, machinery and equipment ^ RM'000		
At Valuation/Cost					
At 1 April 2003	76,582	2,491	4,018		83,091
Additions	-	-	322		322
Disposal	(11,500)	(2,343)	(915)		(14,758)
At 31 March 2004	65,082	148	3,425		68,655
Accumulated Depreciation					
At 1 April 2003	3,182	2,343	3,661		9,186
Charge for the year	1,102	-	188		1,290
Disposal	(107)	(2,343)	(914)		(3,364)
At 31 March 2004	4,177	-	2,935		7,112
Net Book Value					
At 31 March 2004	60,905	148	490		61,543
At 31 March 2003	73,400	148	357		73,905
Depreciation charge for 2003	1,302	-	223		1,525

@ Land And Buildings
Company

	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Total RM'000
	At Valuation				
At 1 April 2003	12,300	57,682	4,200	2,400	76,582
Disposal	-	(11,500)	-	-	(11,500)
At 31 March 2004	12,300	46,182	4,200	2,400	65,082

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)
@ Land And Buildings (Contd.)

Company	Freehold land RM'000	Long term leasehold land RM'000	Short term leasehold land RM'000	Buildings RM'000	Total RM'000
Accumulated Depreciation					
At 1 April 2003	-	1,811	1,050	321	3,182
Charge for the year	-	644	351	107	1,102
Disposal	-	(107)	-	-	(107)
At 31 March 2004	-	2,348	1,401	428	4,177
Net Book Value					
At 31 March 2004	12,300	43,834	2,799	1,972	60,905
At 31 March 2003	12,300	55,871	3,150	2,079	73,400
Depreciation charge for 2003					
	-	845	350	107	1,302

^ Motor Vehicles, Machinery And Equipment

Company	Motor vehicle and boat RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Total RM'000
At Cost				
At 1 April 2003	1,108	673	2,237	4,018
Additions	95	-	227	322
Disposal	(353)	-	(562)	(915)
At 31 March 2004	850	673	1,902	3,425
Accumulated Depreciation				
At 1 April 2003	1,108	657	1,896	3,661
Charge for the year	14	-	174	188
Disposal	(353)	-	(561)	(914)
At 31 March 2004	769	657	1,509	2,935

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)**^ Motor Vehicles, Machinery And Equipment (Contd.)**

Company	Motor vehicle and boat RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Net Book Value				
At 31 March 2004	81	16	393	490
At 31 March 2003	-	16	341	357
Depreciation charge for 2003	10	9	204	223

Net book values of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group	
	2004 RM'000	2003 RM'000
Finance lease agreements	190	260
Hire purchase agreements	249	290
	<u>439</u>	<u>550</u>

- (a) Property, plant and equipment of the Group and of the Company with a net book value of approximately RM106,157,000 (2003: RM115,453,000) and RM61,543,000 (2003: RM73,905,000) respectively, have been pledged to financial institutions for banking facilities granted to the Group and to the Company as referred to in Notes 24(a) and 30.
- (b) Buildings and machinery of the subsidiaries carrying out bulking activities with a net book value of approximately RM44,728,000 (2003: RM35,626,000) are situated on land which are leased from Lembaga Pelabuhan Kelang ("LPK") by the Company. The lease will expire in 2022.
- (c) The land title of a freehold land and building of a subsidiary, Fima Corporation Berhad ("FCB") with a net book value of approximately RM1,041,000 (2003: RM1,072,000) is in the process of being transferred.
- (d) The title of a freehold land and building of a subsidiary, FCB with a net book value of approximately RM61,180,000 (2003: RM62,562,000) is in the process of being transferred. FCB has created a caveat on the land to protect its interest.
- (e) The factory extension of a subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. ("PKN") with a net book value of approximately RM1,545,000 (2003: RM1,694,000) was constructed on a piece of land leased from a third party. The lease will expire in the year 2020.
- (f) Included in the property, plant and equipment of the Group and of the Company are cost of fully depreciated assets which are still in use amounting to approximately RM79,397,000 (2003: RM68,870,000) and RM5,533,000 (2003: RM5,557,000) respectively.

13. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

(g) Had the revalued property, plant and equipment been carried at historical cost less accumulated depreciation, the net book value of each class of property, plant and equipment that would have been included in financial statements of the Group and of the Company as at 31 March 2004 would be as follows:

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Freehold land and buildings	10,050	10,050	10,050	10,050
Leasehold land and buildings	45,510	47,967	25,471	34,530
Plant and machinery	9,543	8,431	-	-

14. PLANTATION DEVELOPMENT EXPENDITURE

	Group	
	2004 RM'000	2003 RM'000
At 1 April 2003/2002	7,658	8,172
Additions	1,242	1,602
	8,900	9,774
Transfer to income statement	(1,682)	(2,116)
At 31 March 2004	7,218	7,658

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2004 RM'000	2003 RM'000
Unquoted ordinary shares, at cost:		
In Malaysia	127,299	233,813
Outside Malaysia	44,395	-
Redeemable convertible preference shares "B" of RM1.00 each, at cost	-	14,343
	171,694	248,156
Less: Accumulated impairment losses		
In Malaysia	(42,288)	(163,145)
Outside Malaysia	(42,919)	-
	86,487	85,011

(a) Shares in subsidiaries, Fima Metal Box Holdings Sdn. Bhd., Pineapple Cannery of Malaysia Sdn. Bhd. and Fima TLP-Feedlot Sdn. Bhd. costing approximately RM48,366,000 (2003: RM48,366,000) have been pledged to a financial institution for a revolving credit facility granted to the Company as referred to in Note 30(a).

15. INVESTMENT IN SUBSIDIARIES (CONTD.)

- (b) The preference shares in the prior year were obtained as part settlement for an amount due from a former subsidiary, FRLA pursuant to a Danaharta Workout Proposal dated 30 June 1999. Full provision for impairment losses in value had been made for this investment at the end of that year. The ordinary and preference share held in FRLA were disposed during the year through a Sale and Purchase Agreement with a third party, as disclosed in Note 8.
- (c) Information relating to the disposal of Fima Asset Management Sdn. Bhd., Fima Securities Holdings Sdn. Bhd. and Fima RLA Sdn. Bhd. is set out in Note 8 to the financial statement.
- (d) During the year, the Group increased its effective equity interest in International Food Corporation Limited (IFC) to 95.6% by way of capitalisation of amount owing to the Company by IFC.

The details of the subsidiaries are disclosed in Note 39.

16. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
In Malaysia:				
Ordinary shares, at cost				
- Quoted	17,643	17,643	17,643	17,643
- Unquoted	17,252	12,001	2,251	2,251
	<u>34,895</u>	<u>29,644</u>	<u>19,894</u>	<u>19,894</u>
Share of post-acquisition profits	<u>27,740</u>	<u>30,248</u>	<u>-</u>	<u>-</u>
	<u>62,635</u>	<u>59,892</u>	<u>19,894</u>	<u>19,894</u>
Market value of quoted shares	<u>70,214</u>	<u>66,240</u>	<u>70,214</u>	<u>66,240</u>
Represented by:				
Share of net tangible assets	<u>62,635</u>	<u>59,892</u>		

Quoted shares of an associated company, Ladang Perbadanan-Fima Bhd. with a carrying value of approximately RM15,222,000 (2003: RM15,222,000) have been pledged to a financial institution for a revolving credit facility granted to the Company as referred to in Note 30(a).

The details of the associated companies are disclosed in Note 40.

17. OTHER INVESTMENTS

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
In Malaysia:				
Ordinary shares, at cost				
- Quoted	23	23	1	1
- Unquoted	865	1,547	-	-
	888	1,570	1	1
Less: Accumulated impairment losses	(834)	(1,516)	-	-
	54	54	1	1
Market value of quoted shares	57	37	15	13

18. NET GOODWILL ON CONSOLIDATION

	Group	
	2004	2003
	RM'000	RM'000
Goodwill on consolidation		
At 1 April 2003/2002	14,002	15,261
Amortisation	(1,259)	(1,259)
At 31 March	12,743	14,002
Reserve on consolidation		
At 1 April 2003/2002	13,394	14,556
Amortisation	(1,162)	(1,162)
At 31 March	12,232	13,394
	511	608

19. INVENTORIES

	Group	
	2004	2003
	RM'000	RM'000
At cost:		
Raw materials	4,328	4,968
Work-in-progress	8,910	18,110
Finished goods	3,439	4,951
Consumable stores	1,604	1,350
Livestocks	1,812	4,073
	<u>20,093</u>	<u>33,452</u>
At net realisable value:		
Raw materials	4,677	6,544
Finished goods	148	2,448
	<u>4,825</u>	<u>8,992</u>
	<u>24,918</u>	<u>42,444</u>

The cost of inventories of the Group recognised as an expense during the financial year in the Group income statement amounts to approximately RM122,653,000 (2003: RM141,246,000).

20. TRADE RECEIVABLES

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Trade receivables:				
- normal	36,387	39,122	184	129
- due from brokers	-	1,086	-	-
- due from clients	-	92,970	-	-
	<u>36,387</u>	<u>133,178</u>	<u>184</u>	<u>129</u>
Less : Interest-in-suspense	-	(13,994)	-	-
Provision for doubtful debts	(2,955)	(76,566)	-	-
	<u>33,432</u>	<u>42,618</u>	<u>184</u>	<u>129</u>

The amount due from the clients represents amount receivable by a former subsidiary, FRLA, from its margin clients and non-margin clients.

The Group's normal trade credit ranges from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors except with certain Government agencies.

21. OTHER RECEIVABLES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Tax recoverable	5,237	7,008	9,911	8,737
Dividend receivable	3	-	3	4,611
Sundry receivables	112,406	14,626	99,696	637
	<u>117,646</u>	<u>21,634</u>	<u>109,610</u>	<u>13,985</u>
Less: Provision for doubtful debts	(108,950)	(10,313)	(98,809)	(71)
	<u>8,696</u>	<u>11,321</u>	<u>10,801</u>	<u>13,914</u>

Included in sundry receivables of the Group and of the Company in the current financial year is a reclassification of amount previously recognised as amount due from related companies to amount due from third parties, amounting to RM99,133,000. Full provision for doubtful debts has been made for these receivables.

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

22. DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Due from ultimate holding company	-	6	-	5
Due from fellow subsidiaries	-	1,083	-	17
Due from subsidiaries	-	-	24,976	171,280
Due from associates	6	-	2	-
	<u>6</u>	<u>1,089</u>	<u>24,978</u>	<u>171,302</u>
Less: Provision for doubtful debts	-	-	(17,354)	(161,687)
	<u>6</u>	<u>1,089</u>	<u>7,624</u>	<u>9,615</u>
Due to ultimate holding company	-	(50)	-	-
Due to fellow subsidiaries	-	(3)	-	(42)
Due to subsidiaries	-	-	(15,620)	(13,891)
	<u>-</u>	<u>(53)</u>	<u>(15,620)</u>	<u>(13,933)</u>

All the amounts due from/(to) related companies are unsecured, interest free and have no fixed terms of repayment except for prior year amount of approximately RM21,882,000 due from a subsidiary which is subject to interest from 5.35% to 5.6% per annum and an amount of approximately RM5,065,000 (2003: RM6,800,000) due to a subsidiary which is subject to interest of 4.2% (2003: 4.2% to 4.45%) per annum.

23. CASH AND BANK BALANCES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Cash in hand and at bank	12,434	15,917	1,183	1,529
Deposits with:				
Licensed banks	38,461	16,183	500	-
Licensed finance companies	6,038	535	-	-
	<u>56,933</u>	<u>32,635</u>	<u>1,683</u>	<u>1,529</u>

Included in the above are:

(a) Deposits of approximately RM2,624,000 (2003: RM3,865,000) on lien for banking facilities granted to certain subsidiaries as disclosed in Note 24(b).

(b) Short term funds of approximately RMNil (2003: RM256,000) held in trust for clients and remisers.

The weighted average effective interest rates and the average maturity of deposits of the Group as at the end of the financial year were as follows:

	2004 Weighted Average Interest Rates %	2004 Average Maturity Days	2003 Weighted Average Interest Rates %	2003 Average Maturity Days
Licensed banks	3.08	30	2.81	42
Licensed finance companies	<u>2.83</u>	<u>16</u>	<u>3.00</u>	<u>80</u>

24. SHORT TERM BORROWINGS

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Secured					
Bank overdrafts	(a)	5,455	7,914	-	-
Bankers acceptance	(a)	3,771	1,693	-	-
Bills payable	(b)	1,144	2,267	-	-
Hire purchase and lease payables (Note 29)		3	112	-	-
		<u>10,373</u>	<u>11,986</u>	<u>-</u>	<u>-</u>
Unsecured					
Bank overdrafts	(c)	-	288	-	-
Revolving credit facilities	(d)	-	3,000	-	-
		<u>-</u>	<u>3,288</u>	<u>-</u>	<u>-</u>
Secured loans, repayable within next twelve months (Note 30)		4,042	2,278	-	-
		<u>14,415</u>	<u>17,552</u>	<u>-</u>	<u>-</u>

24. SHORT TERM BORROWINGS (CONTD.)

- (a) The secured bank overdrafts and bankers acceptance of the Group amounting to approximately RM4,196,000 (2003: RM1,817,000) is secured by way of a charge over the property of a subsidiary, Pineapple Cannery of Malaysia Sdn. Bhd. ("PCM") with net book value of approximately RM9,679,000 (2003: RM9,476,000). The secured bank overdrafts of a subsidiary, International Food Corporation Limited ("IFC"), of approximately RM4,575,000 (2003: RM6,690,000) is secured by a corporate guarantee from the Company. These facilities bear interest ranging from 3.25% to 16% (2003: 3.35% to 17.25%) per annum.
- (b) The bills payable is secured by deposits under lien as disclosed in Note 23(a) and bears interest ranging from 8.15% to 8.55% (2003: 8.15% to 8.55%) per annum.
- (c) The unsecured bank overdrafts bear interest ranging from 3.50% to 7.40% (2003: 3.35% to 7.65%) per annum and are repayable on demand.
- (d) Prior year unsecured revolving credit facilities relate to the unsecured Islamic borrowing that had been restructured pursuant to FRLA's Proposed Debt Settlement Plan dated 4 December 2001. The borrowing did not attract any interest and was repayable on demand. The amount was part of disposal of subsidiaries as disclosed in Note 8.

25. TRADE PAYABLES

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trade payables:				
- normal	15,374	17,048	154	121
- due to brokers	-	213	-	-
- due to clients	-	942	-	-
	<u>15,374</u>	<u>18,203</u>	<u>154</u>	<u>121</u>

Prior year's amounts due to brokers and clients represent contra gains owing by a former subsidiary to its non-margin clients.

The normal trade credit terms granted to the Group and to the Company range from 14 and 90 days and 14 and 30 days respectively.

26. OTHER PAYABLES

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Trust accounts	(a)	-	51	-	-
Accruals		12,853	11,740	388	280
Provision for capital and profit guarantee		-	7,788	-	-
Equipment suppliers		214	1,890	215	-
Deposits		1,877	2,321	133	-
Interest payable		56	21	56	-
Sundry payables		5,219	7,822	4	1,460
		<u>20,219</u>	<u>31,633</u>	<u>796</u>	<u>1,740</u>

(a) Prior year's trust accounts represent clients' and remisers' trust monies of a former subsidiary.

27. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2004 '000	2003 '000	2004 RM'000	2003 RM'000
Authorised:				
At 1 April 2003/2002/31 March	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Issued and fully paid:				
At 1 April 2003/2002/31 March	<u>263,160</u>	<u>263,160</u>	<u>263,160</u>	<u>263,160</u>

28. MINORITY INTERESTS

	Group	
	2004	2003
	RM'000	RM'000
At 1 April 2003/2002	51,037	48,130
Dividend paid	(2,053)	(1,020)
Increase in share capital in a subsidiary via ESOS	36	-
Purchase of treasury shares by a subsidiary	(321)	-
Transfer from income statement	5,756	3,927
At 31 March	<u>54,455</u>	<u>51,037</u>
Unquoted shares, at cost:		
Redeemable convertible preference shares "A" of RM0.40 each	-	53,954
Redeemable convertible preference shares "A1" of RM1.00 each	-	16,183
Redeemable non-convertible preference shares of RM1.00 each	-	<u>37,758</u>
	<u>-</u>	<u>107,895</u>
	<u>54,455</u>	<u>158,932</u>

Prior year preference shares above were issued by a former subsidiary, FRLA, as part settlement of the amount due to third parties pursuant to FRLA's Proposed Debt Settlement Plan dated 4 December 2001.

Approximately RM11,865,000 of the preference shares had been redeemed prior to the disposal of the subsidiary.

29. HIRE PURCHASE AND LEASE PAYABLES

	Group	
	2004	2003
	RM'000	RM'000
Minimum lease payments:		
Payable within one year	4	132
Payable between one and five years	-	152
	<u>4</u>	<u>284</u>
Less: Finance charges	(1)	(66)
	<u>3</u>	<u>218</u>
Present value of finance lease liabilities:		
Within one year	-	112
Within one to five years	-	106
	<u>-</u>	<u>218</u>
Analysed as:		
Due within 12 months (Note 24)	3	112
Due after 12 months (Note 30)	-	106
	<u>3</u>	<u>218</u>

The hire purchase and lease bear interests of between 5.5% to 8.4% (2003: 3.8% to 8.4%) per annum.

30. LONG TERM BORROWINGS

	Note	Group		Company	
		2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Secured					
5.0 % to 5.25% (2003: 5.2% to 5.25%) revolving credit facility	(a)	150,800	163,500	150,800	163,500
6.85% term loan repayable by 25 quarterly instalments commencing March 2004	(b)	23,130	25,177	-	-
Hire purchase and lease payables (Note 29)		-	106	-	-
6.5% term loan repayable by 87 monthly instalments commencing June 2000	(c)	845	1,088	-	-
		<u>174,775</u>	<u>189,871</u>	<u>150,800</u>	<u>63,500</u>
Less : Repayable within next twelve months (Note 24)		<u>(4,042)</u>	<u>(2,278)</u>	<u>-</u>	<u>-</u>
		<u>170,733</u>	<u>187,593</u>	<u>150,800</u>	<u>163,500</u>
Maturity of borrowings (excluding hire purchase and lease payables):					
Within one year		4,042	2,278	-	-
Between one and two years		71,058	40,240	70,800	40,000
Between two to five years		99,675	147,353	80,000	123,500
		<u>174,775</u>	<u>189,871</u>	<u>150,800</u>	<u>163,500</u>

(a) A revolving credit facility of the Company amounting to approximately RM150,800,000 is secured by a standby letter of credit of an off-shore bank. The standby letter of credit is secured by a first fixed and floating charge on all assets of the Company and pledge of shares of certain subsidiaries and an associated company as disclosed in Notes 15(a) and 16. The facility was originally payable in two tranches; RM83,500,000 before 31 December 2002 and the balance by 30 June 2003. The bank has agreed that the facility be reduced to RM80,000,000 by 30 June 2005.

(b) A secured term loan of a subsidiary, IFC, amounting to approximately RM23,130,000 (2003: RM25,200,000), which is denominated in United States Dollar, is secured by way of a fixed and floating charge over all assets of IFC and a corporate guarantee from the Company.

(c) A secured term loan of a subsidiary, Pineapple Cannery of Malaysia Sdn. Bhd. ("PCM") amounting to approximately RM845,000 (2003: RM1,088,000) is secured by way of a charge over the property of PCM with net book value of approximately RM1,500,000 (2003: RM1,500,000) and by way of a corporate guarantee from the Company.

31. RETIREMENT BENEFIT OBLIGATIONS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
At 1 April 2003/2002	2,092	1,805	1,165	1,165
Provision made during the year	2,775	287	311	-
Contribution paid	(908)	-	(876)	-
At 31 March	<u>3,959</u>	<u>2,092</u>	<u>600</u>	<u>1,165</u>

32. DEFERRED TAXATION

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
At 1 April 2003/2002, as previously stated	7,888	6,838	-	-
Prior year adjustment (Note 33)	<u>5,334</u>	<u>5,727</u>	<u>8,025</u>	<u>8,796</u>
At 1 April, restated	13,222	12,565	8,025	8,796
Recognised in the income statement (Note 11)	857	657	(801)	(771)
Charged to equity	<u>1,268</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March	<u>15,347</u>	<u>13,222</u>	<u>7,224</u>	<u>8,025</u>
Presented after appropriate offsetting as follows:				
Deferred tax assets	(3,384)	(4,926)	-	-
Deferred tax liabilities	<u>18,731</u>	<u>18,148</u>	<u>7,224</u>	<u>8,025</u>
	<u>15,347</u>	<u>13,222</u>	<u>7,224</u>	<u>8,025</u>

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

Deferred Tax Assets of the Group:

	Provisions for Liabilities RM'000	Retirement Benefit Obligations RM'000	Tax losses and Unabsorbed Capital		Total RM'000
			Other Payables RM'000	Allowances RM'000	
At 1 April 2002	(1,632)	(117)	(222)	(3,247)	(5,218)
Recognised in the income statement	<u>(493)</u>	<u>(28)</u>	<u>78</u>	<u>735</u>	<u>292</u>
At 31 March 2003	(2,125)	(145)	(144)	(2,512)	(4,926)
Recognised in the income statement	<u>963</u>	<u>(680)</u>	<u>83</u>	<u>1,176</u>	<u>1,542</u>
At 31 March 2004	<u>(1,162)</u>	<u>(825)</u>	<u>(61)</u>	<u>(1,336)</u>	<u>(3,384)</u>

32. DEFERRED TAXATION (CONTD.)
Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM'000	Revaluation on Land and Building RM'000	Total RM'000
At 1 April 2002	6,174	11,609	17,783
Recognised in the income statement	1,236	(871)	365
At 31 March 2003	7,410	10,738	18,148
Recognised in the income statement	363	(1,048)	(685)
Charge to equity	-	1,268	1,268
At 31 March 2004	7,773	10,958	18,731

Deferred Tax Liabilities of the Company:

	Revaluation on Land and Building RM'000
At 1 April 2002	8,796
Recognised in the income statement	(771)
At 31 March 2003	8,025
Recognised in the income statement	(801)
At 31 March 2004	7,224

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

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Unutilised tax losses	10,663	9,346	4,627	4,627
Unabsorbed capital allowances	609	531	458	396
Unabsorbed reinvestment allowances	51	51	-	-
	11,323	9,928	5,085	5,023

The unutilised tax losses, unabsorbed capital allowances and unabsorbed reinvestment allowances are available indefinitely for offset against future taxable profits of the Company and the respective subsidiaries in which those items arose subject to agreement with the Inland Revenue Board. Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which they may be utilised.

33. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENT**(a) Changes in Accounting Policies**

During the financial year, the Group and the Company applied four new MASB Standards, which became effective on 1 April 2003, as explained in Note 3(a).

The change in accounting policy as a result of the adoption of MASB 25: Income Taxes resulted in a prior year adjustment. Under MASB 25, deferred tax liabilities are recognised for all taxable temporary differences. Previously, deferred tax liabilities were provided for on account of timing differences only to the extent that a tax liability was expected to materialise in the foreseeable future. In addition, the Group and the Company have commence recognition of deferred tax assets for all deductible temporary differences, when it is probable that sufficient taxable profit will be available against which the deductible temporary differences can be utilised. Previously deferred tax assets were not recognised unless there was reasonable expectation of their realisation.

(b) Prior Year Adjustment

The change in accounting policy has been applied retrospectively and comparatives have been restated. The effects of changes in accounting policy are as follows:

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
Effects on accumulated losses:				
At 1 April, as previously stated	(350,877)	(412,141)	(285,345)	(282,741)
Effects of adopting MASB 25	<u>6,792</u>	<u>6,399</u>	<u>771</u>	<u>-</u>
At 1 April, as restated	<u>(344,085)</u>	<u>(405,742)</u>	<u>(284,574)</u>	<u>(282,741)</u>
Effects on revaluation reserves:				
At 1 April, as previously stated	65,186	69,641	30,779	33,534
Effects of adopting MASB 25	<u>(12,126)</u>	<u>(12,126)</u>	<u>(8,796)</u>	<u>(8,796)</u>
At 1 April, as restated	<u>53,060</u>	<u>57,515</u>	<u>21,983</u>	<u>24,738</u>
Effects on net profit/(loss) for the year:				
Net profit/(loss) before				
changes in accounting policy	120,646	53,029	(3,292)	(2,604)
Effects of adopting MASB 25	<u>(857)</u>	<u>393</u>	<u>801</u>	<u>771</u>
Net profit/(loss) for the year	<u>119,789</u>	<u>53,422</u>	<u>(2,491)</u>	<u>(1,833)</u>

33. CHANGES IN ACCOUNTING POLICIES AND PRIOR YEAR ADJUSTMENT (CONTD.)**(b) Prior Year Adjustment (Contd.)**

Comparatives amounts as at 31 March 2003 have been restated as follows:

Group	Previously stated RM'000	Adjust- ments RM'000	Restated RM'000
Balance Sheet			
Reserves	231,188	5,334	236,522
Deferred tax assets	-	4,926	4,926
Deferred tax liabilities	<u>7,888</u>	<u>10,260</u>	<u>18,148</u>
Income Statement			
Taxation	<u>6,616</u>	<u>(393)</u>	<u>6,223</u>
	Previously stated RM'000	Adjust- ments RM'000	Restated RM'000
Company			
Balance Sheet			
Reserves	242,405	8,025	250,430
Deferred tax liabilities	<u>-</u>	<u>8,025</u>	<u>8,025</u>
Income Statement			
Taxation	<u>-</u>	<u>771</u>	<u>771</u>

34. COMMITMENTS

	Group	
	2004 RM'000	2003 RM'000
Capital expenditure:		
Approved and contracted for	1,953	6,534
Approved but not contracted for	<u>19,855</u>	<u>20,709</u>
	<u>21,808</u>	<u>27,243</u>
Investment commitment	<u>-</u>	<u>5,250</u>

35. CONTINGENT LIABILITIES/ASSET

	Group		Company	
	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000
(a) Guarantees provided in respect of borrowings by subsidiaries (Notes 24(a) and 30(b))	<u>28,550</u>	<u>32,955</u>	<u>28,550</u>	<u>31,867</u>

- (b) On 7 October 1999, the Company and a subsidiary, FCB Business Centre Sdn. Bhd. ("Plaintiffs") had served a Writ of Summons against a third party ("Defendant") for arrears of rental income and other expenses incurred amounting to approximately RM1,700,000. The Defendant filed their Statement of Defence denying the tenancy contract and counter claimed for over-payment of rental of approximately RM2,060,000.

On 7 February 2003, the High Court ruled in the Plaintiffs' favour in respect of the Plaintiffs' application for Summary Judgement for the sum of approximately RM1,180,000. The High Court also ordered that the remaining claim of approximately RM520,000 be proceeded with full trial. On 6 March 2003, the Defendant filed their Notice of Appeal to the Court of Appeal against decision of the High Court of Malaya. The Court of Appeal had on 5 May 2003 allowed the Defendant's application for extension of time to file their Record of Appeal. On 1 December 2003, the Defendant filed into Court the Record of Appeal and the Affidavit in Support. The matter has been fixed for hearing on 10 December 2004.

In view of the uncertainty of recovering the amount awarded to the Plaintiffs, the amount of approximately RM1,800,000 has not been recognised in the income statements of the Group and FCB Business Centre Sdn. Bhd. in the current financial year.

- (c) Following the termination of the Tenancy Agreement by Malaysian Airports Holding Berhad ("MAHB") on 11 May 2000, Fima Corporation Berhad ("FCB") as the Principal Tenant issued a termination notice dated 15 May 2000 to all its respective sub-tenants at Airtel Complex.

Pursuant to the above, on 28 September 2001, FCB was served a Writ of Summons dated 9 August 2002 from a Tenant ("Plaintiff") claiming for a compensation sum of RM2,120,000 being their renovation costs and general damages. The Board of FCB has sought the opinion from the solicitors who were of the opinion that there should be no compensation payable to the Plaintiff as the demised premise was acquired by a relevant authority which was provided in the Tenancy Agreement between FCB and the Plaintiff.

On 24 June 2002, the Plaintiff had filed its amended Writ of Summons and Statement of Claims, naming MAHB as the Second Defendant and served the same to FCB on 14 January 2003. On 20 January 2003, FCB solicitors filed an amended Statement of Defence. On 22 April 2003, the Second Defendant has obtained an Order in Terms from the Court to strike out the Plaintiff's claim. Currently, the Plaintiff is waiting for the Second Defendant's solicitors to file in the draft order of the same.

The Plaintiff served its Application for Summons in Chambers on FCB on 15 December 2003. Subsequently, FCB replied to the Plaintiff to file a Notice of Pre-Trial Case Management seeking the directions of the Judge as to the further conduct of the matter. On 4 February 2004, the Plaintiff had withdrawn the Application for Summons in Chamber and the Court had directed the Plaintiff to file the necessary application in order to continue the proceeding.

36. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2004 RM'000	2003 RM'000	2004 RM'000	2003 RM'000
Fima Corporation Berhad, a subsidiary				
- Interest expense	-	-	249	312
- Rental expense	-	-	389	367
- Management fees	-	-	(64)	(16)
Management fees from a subsidiary				
- Fima Bulking Services Bhd.	-	-	(87)	(113)
Interest income from a subsidiary				
- International Food Corporation Ltd.	-	-	-	(1,171)
(Sale)/Purchase from Lee Pineapple Co. Pte. Ltd., a shareholder of a subsidiary, Fima-TLP Feedlot Sdn. Bhd.	(42)	222	-	-
Dividend income from associated companies				
- Ladang Perbadanan-Fima Bhd.	-	-	(3,180)	(1,325)
- Marushin Canneries (Malaysia) Sdn. Bhd.	-	-	(2,280)	(304)
Purchases made from related parties*				
- Nationwide Express Courier Services Bhd.	98	98	-	-
- Nationwide Express Freight Forwarders Sdn. Bhd.	51	51	-	-
Management fees from a related party				
- Nationwide Express Courier Services Bhd.	(57)	(71)	(57)	(71)

* Nationwide Express Courier Services Bhd. and Nationwide Express Freight Forwarders Sdn. Bhd. are related parties by virtue of common directors, Dato' Dr. Mohd Nor bin Ismail, Rozilawati binti Haji Basir and Ahmad Riza bin Basir.

The directors are of the opinion that all the transactions above 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.

37. SIGNIFICANT EVENTS

- (a) On 26 December 2002, the Company entered into a Sale and Purchase Agreement with a third party for the disposal of a piece of land for a total consideration of approximately RM11,500,000. The proposed disposal was approved by the shareholders of the Company at an Extraordinary General Meeting held on 22 July 2003. The disposal was completed during the year resulting in a net loss of RM25,000.
- (b) On 10 January 2003, FRLA entered into an agreement to sell its entire issued and paid-up share capital of a wholly-owned subsidiary, FAM to a third party for a cash consideration of RM1. The sale was approved by the Securities Commission on 19 June 2003. The sale was completed on 27 June 2003. This disposal resulted in a gain on disposal to the Group and to the Company of RM7,912,000 and RM1 respectively.

37. SIGNIFICANT EVENTS (CONTD.)

- (c) On 29 April 2003, FCB increased its shareholdings from 9,750,000 ordinary shares to 15,000,000 ordinary shares by subscribing to an additional 5,250,000 ordinary shares of RM1 each in G&D. FCB's equity interest in G&D remains at 30%.
- (d) On 22 July 2003, the shareholders of the Company approved the proposed capitalisation of amount owing to the Company by its subsidiary, IFC of RM44,395,000. The capitalisation exercise was completed upon approval by relevant authorities during the year.
- (e) On 22 July 2003, the shareholders of the Company approved retirement gratuities to the former Executive Chairman, Tan Sri Dato' Haji Basir bin Ismail and the former Executive Director, Dato' Dr. Mohd Noor bin Ismail of RM310,000 and RM483,000 respectively upon their retirement from executive office.
- (f) On 15 September 2003, the Company entered into a Sale and Purchase Agreement with a third party to dispose its entire holding in Fima Securities Holdings Sdn Bhd ("FSH") for a cash consideration of RM1. The disposal was completed on 30 September 2003. The disposal resulted in a loss on disposal to the Group of RM9,000.
- (g) On 15 September 2003, the Company entered into a Sale and Purchase Agreement with a third party to dispose its entire holding in Fima RLA Sdn Bhd ("FRLA") for a cash consideration of RM1. The disposal was completed on 30 September 2003. The disposal resulted in a gain on disposal to the Group and to the Company of RM98,224,000 and RM1 respectively.

38. SEGMENTAL INFORMATION**(a) Business Segments**

The Group is principally engaged in the following activities:

- (i) Manufacturing - Production and trading of security and confidential documents;
- (ii) Agrobased - Estate operations, cattle farming and manufacturing and packaging of food products;
- (iii) Bulking - Providing bulk handling and storage of liquid products and cargoes, warehousing and transportation and customs forwarding services;
- (iv) Stockbroking - Stockbroking and dealing in securities. The Group had ceased operations in this segment and during the year had disposed of the stockbroking subsidiaries, as disclosed in Note 8;
- (v) Trading - International trading; and
- (vi) Others - Investment holding 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.

38. SEGMENTAL INFORMATION (CONTD.)

	Manufacturing		Agrobased		Bulking		Stockbroking		Trading		Property Management Service		Others		Eliminations		Consolidated	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue																		
External sales	94,582	99,759	93,374	83,230	26,197	31,353	1,177	76	3,455	1,051	3,366	4,697	925	970	-	-	223,076	221,136
Inter-segment sales	-	-	4,373	133	2,576	-	-	-	13,347	20,895	-	-	14,949	12,427	(35,245)	(33,455)	-	-
Total revenue	94,582	99,759	97,747	83,363	28,773	31,353	1,177	76	16,802	21,946	3,366	4,697	15,874	13,397	(35,245)	(33,455)	223,076	221,136
Results																		
Segment results	22,581	13,557	3,859	28	11,069	16,961	1,831	(1,130)	1,101	1,247	170	61	(5,475)	6,346	(2,898)	(14,481)	32,238	22,589
Gain from disposal of discontinued operations	-	-	-	-	-	-	-	43,870	-	-	-	-	-	-	106,127	-	106,127	43,870
Profit from operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	138,365	66,459
Finance costs, net	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,458)	(7,757)
Share of results of associates	(2,660)	(542)	5,544	5,412	-	-	-	-	-	-	-	-	-	-	-	-	2,884	5,412
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,246)	(6,223)
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125,545	57,891
Minority interests	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,756)	(3,927)
Net profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	119,789	53,964
Assets																		
Segment assets	58,586	50,143	95,329	94,268	137,061	137,681	4,661	15,493	9,543	9,740	100,504	101,047	223,912	249,544	(181,637)	(189,901)	447,959	466,015
Consolidated total assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	447,959	466,015
Liabilities																		
Segment liabilities	7,559	11,618	59,539	107,951	41,649	42,366	134,061	134,841	2,095	3,005	10,868	10,654	198,280	209,769	(205,615)	(237,759)	248,436	282,445
Consolidated total liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	248,436	282,445
Other Information																		
Capital expenditure	2,390	682	478	604	4,210	13,037	-	121	91	21	164	9,768	322	225	-	-	7,655	24,458
Depreciation	3,873	3,990	2,514	2,369	5,462	4,950	16	62	39	47	1,598	1,662	1,341	1,575	-	-	14,843	14,655
Amortisation of plantation development expenditure	-	-	1,682	2,116	-	-	-	-	-	-	-	-	-	-	-	-	1,682	2,116
Amortisation of goodwill on consolidation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,259	1,259	1,259
Amortisation of reserve on consolidation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,162	1,162	1,162

38. SEGMENTAL INFORMATION (CONTD.)**(b) Geographical Segments**

	Total Revenue from External Customers RM'000	Segment Assets RM'000	Capital Expenditure RM'000
31 March 2004			
Malaysia	205,926	581,173	7,443
Papua New Guinea	52,395	48,423	212
Eliminations	(35,245)	(181,637)	-
Consolidated	223,076	447,959	7,655
31 March 2003			
Malaysia	206,939	614,306	24,436
Singapore	-	175	-
Papua New Guinea	47,652	43,434	22
Eliminations	(33,455)	(189,901)	-
Consolidated	221,136	468,014	24,458

39. SUBSIDIARIES AND ACTIVITIES

(a) Set out below is a list of the subsidiaries of the Company as at 31 March 2004, all of which are incorporated in Malaysia, unless otherwise indicated:

Name of Company	Effective Interest		Principal Activities
	2004 %	2003 %	
Pineapple Cannery of Malaysia Sdn. Bhd. ("PCM") (5367-U)	100.0	100.0	Pineapple estate operations and processing and canning of pineapples
Fima-TLP Feedlot Sdn. Bhd. (31385-U)	55.0	55.0	Cattle farming
Ladang Fima Sdn. Bhd. (12652-H)	100.0	100.0	Cultivation of local fruits and oil palm
Fima Instanco Sdn. Bhd. (19196-T)	100.0	100.0	Manufacturing and packaging of food product

39. SUBSIDIARIES AND ACTIVITIES (CONTD.)

Name of Company	Effective Interest		Principal Activities
	2004 %	2003 %	
Fima Mr. Juicy Sdn. Bhd. (22947-D)	100.0	100.0	Processing fruit juice
Fima Bulking Services Bhd. (53110-X)	100.0	100.0	Providing bulk handling, storage and liquid and semi-liquid products and laboratory facilities
Fima Contracts Sdn. Bhd. (240960-H)	100.0	100.0	General trading and providing general contract services
Fimachem Sdn. Bhd. (151893-X)	100.0	100.0	General warehousing, tank farm operations and provision of liquid and bulk storage facilities
Fima Liquid Bulking Sdn. Bhd. (182904-W)	100.0	100.0	Operators of latex bulking installations
Fima Palmbulk Services Sdn. Bhd. (61459-M)	100.0	100.0	Bulk handling of liquid and semi-liquid products
Fima Freight Forwarders Sdn. Bhd. (223850-P)	100.0	100.0	Transportation services
Fima Logistics Sdn. Bhd. (288891-A)	100.0	100.0	Bulk handling, storage of liquid and semi-liquid products
Fima Metal Box Holdings Sdn. Bhd. (70926-X)	100.0	100.0	Investment holding
Fima Corporation Berhad ("FCB") (21185-P)	63.4	63.4	Investment holding and property management
Security Printers (M) Sdn. Bhd. (34025-W)	63.4	63.4	Trading of security and confidential documents
Percetakan Keselamatan Nasional Sdn. Bhd. (166151-T)	63.4	63.4	Production of security and confidential documents

39. SUBSIDIARIES AND ACTIVITIES (CONTD.)

Name of Company	Effective Interest		Principal Activities
	2004 %	2003 %	
FCB Business Centre Sdn. Bhd. (264746-K)	63.4	63.4	Property management services
FCB Ecotec Sdn. Bhd. (270661-K)	63.4	63.4	Inactive
FCB Management Sdn. Bhd. (270659-U)	63.4	63.4	Inactive
Affinity Projects Sdn. Bhd. (325289-A)	63.4	63.4	Inactive
Orenburg Corporation Sdn. Bhd. (275591-A)	63.4	63.4	Inactive
Fima Fraser's Hill Sdn. Bhd. (26087-U)	60.0	60.0	Inactive
Malaysian Transnational Trading (MATTRA) Corporation Bhd. (84962-V)	100.0	100.0	International trading house and investment holding
Mattra Premier Sdn. Bhd. (288892-P)	100.0	100.0	Inactive
Clarity Focus Sdn. Bhd. (299281-K)	100.0	100.0	Inactive
Fima Overseas Holdings Sdn. Bhd. (36334-P)	100.0	100.0	Investment holding
Endell Pte. Ltd.*# ("Endell")	80.0	80.0	Investment holding
International Food Corporation Limited*+	95.6	80.0	Manufacturer and distributor of canned fish
PNG Consolidated Industries Limited*+	80.0	80.0	Inactive
Fima Plantations Sdn. Bhd. (266309-P)	100.0	100.0	Investment holding

39. SUBSIDIARIES AND ACTIVITIES (CONTD.)

Name of Company	Effective Interest		Principal Activities
	2004 %	2003 %	
Fima Cold Stores Sdn. Bhd. (81127-P)	100.0	100.0	Inactive
Fimaly Oils Corporation Sdn. Bhd. (52962-W)	100.0	100.0	Inactive
Fima Systems Sdn. Bhd. (221415-V)	100.0	100.0	Inactive
Fima Hotel & Resort Management Sdn. Bhd. (265160-A)	100.0	100.0	Inactive
Fima Properties Sdn. Bhd. (221414-U)	100.0	100.0	Inactive
Fima Securities Holdings Sdn Bhd. (222326-P)	-	100.0	Investment holding
Fima RLA Sdn. Bhd. ("FRLA") (210959-K)	-	100.0	Debt recoveries
Fima Nominees (Tempatan) Sdn. Bhd. ("Tempatan") (218232-H)	-	100.0	Inactive
Fima Asset Management Sdn. Bhd. ("FAM") (218285-U)	-	100.0	Inactive
Fima CDS Nominees (Tempatan) Sdn. Bhd. ("CDS") (266463-W)	-	100.0	Inactive
Fima Nominees (Asing) Sdn. Bhd. ("Asing") (266462-X)	-	100.0	Inactive

* Subsidiaries not audited by Hanafiah Raslan & Mohamad

Incorporated in Singapore

+ Incorporated in Papua New Guinea

39. SUBSIDIARIES AND ACTIVITIES (CONTD.)

(b) The financial statements and auditors' reports of International Food Corporation Limited ("IFC") have highlighted the following matters:

- IFC has entered into a long term arrangement with Maybank International (L) Ltd in United States Dollars, the liability at balance sheet date was approximately RM23,130,000 (2003: RM25,177,000) when the Papua New Guinea Kina value was PNG K1=US\$0.3010 (2003: PNG K1 : US\$0.2660).
- Notwithstanding the excess of liabilities over assets and potential breaches of the loan agreement by the company, Maybank International (L) Ltd (the Bank) advised in writing on 16 April 2004, that the Bank are not presently cancelling the term loan facility provided that IFC services the interest on the term loan facility punctually and satisfactorily performs all its other obligations to the Bank.
- As stated in Note 3 to the financial statements of IFC, the plant and equipment of IFC was revalued by the directors on 31 July 2001.

40. ASSOCIATED COMPANIES AND ACTIVITIES

(i) The associated companies, all of which are incorporated in Malaysia, are as follows:

Name of Company	Effective Interest		Principal Activities
	2004 %	2003 %	
Ladang Perbadanan-Fima Berhad* (a quoted company) (52682-H)	23.2	23.2	Cultivation and marketing of palm oil
Marushin Canneries (Malaysia) Sdn. Bhd.* (162963-U)	38.0	38.0	Manufacturing and sale of canned sardines
Giesecke & Devrient (Malaysia) Sdn. Bhd.* (573030-M)	19.0	19.0	Printing and production of bank notes

40. ASSOCIATED COMPANIES AND ACTIVITIES (CONTD.)

(ii) Details of associated companies not equity accounted are as follows:

Name of Company	Effective Interest		Principal Activities
	2004 %	2003 %	
Consolidated Pineapple Sales Sdn. Bhd.* (5891-K)	50.0	50.0	Inactive
Kad Kash Sdn. Bhd.* (374691-H)	25.4	25.4	Inactive

* Associated companies not audited by Hanafiah Raslan & Mohamad

The results of these associated companies have not been equity accounted as the directors are of the opinion that the overall contribution from these companies are not significant to the Group's results and that to adopt equity accounting would involve undue expenses and delay out of proportion to the value to the members of the Company.

41. DETAILS OF INDEPENDENT PROFESSIONAL VALUATION

Details of independent professional valuation of landed properties owned by the Company and its subsidiaries at 31 March 2004 are as follows:

Year of Valuation	Description of Property	Amount RM'000	Basis of Valuation
2000	Land at Daerah Raub, Pahang	1,800	Open market value
2000	Land at Daerah Pontian, Johor	17,670	Open market value
2000	Building at Daerah Pontian, Johor	8,300	Open market value
2000	Land at Jalan Raja Chulan, Kuala Lumpur	4,200	Open market value
2000	Land at Banding Island Resort, Grik, Perak	14,500	Open market value
2000	Land at Kota Tinggi, Johor	27,000	Open market value
2000	Land at Mukim Tebrau, Johor Bahru, Johor	3,300	Open market value

41. DETAILS OF INDEPENDENT PROFESSIONAL VALUATION (CONTD.)

Year of Valuation	Description of Property	Amount RM'000	Basis of Valuation
2000	Land at Mukim Ayer Baloi, Pontian, Johor	9,000	Open market value
2000	Land at Mukim Plentong, Johor	3,200	Open market value
2000	Land at Ranau, Sabah	1,000	Open market value
2000	Building at Jalan Raja Chulan, Kuala Lumpur	800	Open market value
2000	Building at Banding Island Resort, Grik, Perak	1,600	Open market value
2000	Land at Malahang Industrial Centre, City of Lae, Papua New Guinea	1,554	Open market value

42. COMPARATIVE FIGURES

The presentation and classification of items in the current financial statements have been consistent with the previous financial year except that certain comparative amounts have been adjusted as a result of changes in accounting policies as disclosed in Note 3(a) and Note 33.

43. FINANCIAL INSTRUMENTS**Fair Values**

The aggregate net fair values of financial assets and financial liabilities which are not carried at fair value on the balance sheet of the Group and of the Company as at the end of the financial year are represented as follows:

	Note	Group		Company	
		Carrying Amount RM'000	Fair Value RM'000	Carrying Amount RM'000	Fair Value RM'000
31 March 2004					
Financial Assets					
Tax recoverable		5,237	*	9,911	*
Due from related companies		<u>6</u>	<u>**</u>	<u>1,089</u>	<u>**</u>
Financial Liabilities					
Due to related companies		<u>-</u>	<u>**</u>	<u>15,620</u>	<u>**</u>
31 March 2003					
Financial Assets					
Tax recoverable		7,008	*	8,737	*
Due from related companies		<u>1,089</u>	<u>**</u>	<u>9,615</u>	<u>**</u>
Financial Liabilities					
Due to related companies		<u>53</u>	<u>**</u>	<u>13,933</u>	<u>**</u>

* It is also not practical to estimate the fair value of the tax recoverable due principally to a lack of repayment terms and without incurring excessive costs.

** It is not practical to estimate the fair values of amounts due from/to related companies due principally to a lack of fixed repayment terms entered by the parties involved and without incurring excessive costs.

44. CURRENCY

All amounts are stated in Ringgit Malaysia.

PROPERTIES OF THE GROUP

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2004 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
KUMPULAN FIMA BERHAD								
1	Lot 260, PN 9302, Section 63, Daerah Kuala Lumpur, Wilayah Persekutuan	Commercial / Single storey Commercial Building	16/12/1988	Lease expiring 31/08/2012	0.38	16,412	3,333,333	13
2	Lot 469, PN108168, HS(D) 356, PT 1 Mukim Temengor, Daerah Hulu Perak Perak Darul Ridzuan	Commercial / Petrol Filling Station	15/07/1985	Leasehold expiring 17/10/2089	0.82	N/A	38,522	N/A
3	Lot 470, PN108169, HS(D) 357, PT 2 Mukim Temengor Daerah Hulu Perak Perak Darul Ridzuan	Agriculture / Rest House, Double Storey Villa & Quarters	15/07/1985	Leasehold expiring 17/10/2089	133.96	19,637	7,733,234	17
4	Lot 471, PN 108170, HS(D) 358, PT 3 Mukim Temengor, Daerah Hulu Perak Perak Darul Ridzuan	Agriculture / Vacant	15/07/1985	Leasehold expiring 17/10/2089	160.00	N/A	7,516,553	N/A
5	HS(D) 1396, PTD 257, Mukim Ulu Sg Sedili Besar, Daerah Kota Tinggi, Johor Darul Takzim	Agriculture / Fruit & Oil Palm Plantation	15/12/1982	Leasehold expiring 17/02/2077	1,010.28	N/A	24,419,439	N/A
6	HS(D) 1397, PTD 258, Mukim Ulu Sg Sedili Besar, Daerah Kota Tinggi, Johor Darul Takzim	Agriculture / Fruit & Oil Palm Plantation	15/12/1982	Leasehold expiring 17/02/2077	47.88	N/A	1,188,166	N/A
7	HS(D) 1398, PTD 331, Mukim Kota Tinggi, Daerah Kota Tinggi, Johor Darul Takzim	Agriculture / Fruit & Oil Palm Plantation	15/12/1982	Leasehold expiring 17/02/2077	18.82	N/A	454,898	N/A
8	Lot 42, GM 214, Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Agriculture / Cattle Feedlotting	15/10/1983	Freehold	2.99	N/A	478,748	N/A
9	Lot 92, GM 215, Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Agriculture / Cattle Feedlotting, Food Stores, Sheds & Cow Sheds	15/10/1983	Freehold	8.31	N/A	1,330,568	N/A
10	Lot 93, GM 216, Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Agriculture / Cattle Feedlotting	15/10/1983	Freehold	9.31	N/A	1,490,684	N/A
11	HS(D) 2426, PTD 5230, Mukim Ayer Baloi, Daerah Pontian, Johor Darul Takzim	Agriculture / Pineapple Plantation	06/08/1983	Freehold	6.50	N/A	33,221	N/A

PROPERTIES OF THE GROUP

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2004 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
KUMPULAN FIMA BERHAD								
12	HS(D) 2427, PTD 5233, Mukim Ayer Baloi, Daerah Pontian, Johor Darul Takzim	Agriculture / Pineapple Plantation	06/08/1983	Freehold	518.74	N/A	2,651,415	N/A
13	HS(D) 2428, PTD 5871, Mukim Ayer Baloi, Daerah Pontian, Johor Darul Takzim	Agriculture / Pineapple Plantation	06/08/1983	Freehold	136.00	N/A	695,091	N/A
14	HS(D) 2429, PTD 5228, Mukim Ayer Baloi, Daerah Pontian, Johor Darul Takzim	Agriculture / Pineapple Plantation	06/08/1983	Freehold	172.00	N/A	879,086	N/A
15	HS(D) 2430, PTD 5231, Mukim Ayer Baloi, Daerah Pontian, Johor Darul Takzim	Agriculture / Pineapple Plantation	06/08/1983	Freehold	230.12	N/A	1,176,135	N/A
16	HS(D) 2431 PTD 5229, Mukim Ayer Baloi, Daerah Pontian, Johor Darul Takzim	Agriculture / Pineapple Plantation	06/08/1983	Freehold	327.15	N/A	1,672,052	N/A
17	HS(D) 2432, PTD 5232, Mukim Ayer Baloi, Daerah Pontian, Johor Darul Takzim	Agriculture / Pineapple Plantation	06/08/1983	Freehold	370.38	N/A	1,892,999	N/A
18	HS(D) 238600, PTD 119706, Mukim Plentong, Daerah Johor Bahru, Johor Darul Takzim	Light Industrial	24/08/1992	Lease expiring 01/08/2053 from Johor Port Authority	4.95	N/A	2,968,669	N/A
19	PL 066290177, Daerah Ranau, Sabah	Agriculture / Vacant	10/09/1983	Leasehold expiring 31/12/2081	100.00	N/A	954,545	N/A
Sub total					3,258.59	36,049	60,907,358	
FIMA CORPORATION BERHAD								
1	Lot 3767 & 3768, (Grant 24531, 24532), Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Industrial	07/07/1993 Building	Freehold	2.72	66,608	1,040,976	36
2	Lot 1176, Mukim Pasir Panjang, Port Dickson, Negeri Sembilan	Bungalow	07/07/1993	Freehold	0.82	2,464	83,325	55
3	Lot 50575, Grant 12754, Mukim of Kuala Lumpur, Wilayah Persekutuan	Office Building	19/08/1995	Freehold	1.45	270,372	61,179,469	6
Sub total					4.99	339,444	62,303,770	

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2004 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
PINEAPPLE CANNERY OF MALAYSIA								
1	PTD 4431, Mukim Macap, Daerah Kluang, Johor Darul Takzim	Agriculture / Pineapple Plantation	31/03/2000	Note (i)	19.75	N/A	34,084	N/A
2	PTD 4432, Mukim Macap, Daerah Kluang, Johor Darul Takzim	Agriculture / Pineapple Plantation	31/03/2000	Note (i)	67.25	N/A	116,058	N/A
3	PTD 4433, Mukim Macap, Daerah Kluang, Johor Darul Takzim	Agriculture / Pineapple Plantation	31/03/2000	Note (i)	50.50	N/A	87,151	N/A
4	PTD 4434, Mukim Macap, Daerah Kluang, Johor Darul Takzim	Agriculture / Pineapple Plantation	31/03/2000	Note (i)	298.25	N/A	514,709	N/A
5	PTD 4435, Mukim Macap, Daerah Kluang, Johor Darul Takzim	Agriculture / Pineapple Plantation	31/03/2000	Note (i)	262.93	N/A	453,755	N/A
6	PTD 4439, Mukim Macap, Daerah Kluang, Johor Darul Takzim	Agriculture / Pineapple Plantation	31/03/2000	Note (i)	23.75	N/A	40,987	N/A
7	PTD 4440, Mukim Macap, Daerah Kluang, Johor Darul Takzim	Agriculture / Pineapple Plantation	31/03/2000	Note (i)	96.25	N/A	166,105	N/A
8	PTD 4441, Mukim Macap, Daerah Kluang, Johor Darul Takzim	Agriculture / Pineapple Plantation	31/03/2000	Note (i)	50.50	N/A	87,151	N/A
9	Lot 1790 EMR 2507, Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Agriculture / Rubber Plantation	30/03/1963	Freehold	4.39	N/A	256,861	N/A
10	Lot 4552 PTD 4243, Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Agriculture / Effluent Pond	10/12/1983	Freehold	2.59	N/A	151,543	N/A
11	Lot 4554 PTD 4241, Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Agriculture / Effluent Pond	10/12/1983	Freehold	2.42	N/A	141,596	N/A
12	Lot 1681 Grant 56, Mukim Jeram Batu, Daerah Pontian Johor Darul Takzim	Agriculture / Dumping Ground	15/07/1967	Freehold	2.43	N/A	120,000	N/A

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2004 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
PINEAPPLE CANNERY OF MALAYSIA								
13	Lot 3767 Grant 24531, Lot 3768 Grant 24532, Mukim Jeram Batu, Daerah Pontian Johor Darul Takzim	Industrial Land / Factory & Office Buildings	12/06/1974	Freehold	17.92	197,920	5,500,694	36
14	Lot 3769 Grant 24533, Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Residential / Single Storey Houses	12/06/1974	Freehold	7.31	37,240	2,899,646	36
15	Lot 3886 CT 12458, Mukim Jeram Batu, Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	14/01/1964	Freehold	9.51	N/A	1,889,583	N/A
16	Lot 3887 CT 12459, Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Agriculture / Orchard	14/01/1964	Freehold	9.49	N/A	1,885,609	N/A
17	Lot 3890 CT 12462, Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Agriculture / Orchard	14/01/1964	Freehold	6.23	N/A	1,237,865	N/A
18	Lot 3891 CT 12463, Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Agriculture / Orchard	14/01/1964	Freehold	10.00	N/A	1,986,943	N/A
19	Lot 180 Grant 136, Mukim Api-Api, Daerah Pontian, Johor Darul Takzim	Agriculture / Single Storey Factory Building complete with ancillary (Total gross floor area is 415,412 sq ft. on lots 180,181,182, 183,184 & 2945)	25/08/1977	Freehold	7.22	42,782	1,946,353	31
20	Lot 181 Grant 137, Mukim Api-Api, Daerah Pontian, Johor Darul Takzim	Agriculture / Single Storey Factory Building complete with ancillary	25/08/1977	Freehold	6.78	40,175	1,827,739	31
21	Lot 182 HS(D) 1976, Mukim Api-Api, Daerah Pontian, Johor Darul Takzim	Industrial Land / Single storey Factory Building complete with ancillary	25/08/1977	Leasehold expiring 03/10/2079	1.59	9,422	381,724	31
22	Lot 183 Grant 135, Mukim Api-Api, Daerah Pontian, Johor Darul Takzim	Agriculture / Single Storey Factory Building complete with ancillary	25/08/1977	Freehold	3.80	22,517	1,024,396	31

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2004 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
PINEAPPLE CANNERY OF MALAYSIA								
23	Lot 184 Grant 134, Mukim Api-Api, Daerah Pontian, Johor Darul Takzim	Agriculture / Single Storey Factory Building complete with ancillary	25/08/1977	Freehold	2.79	16,532	752,123	31
24	Lot 185 Grant 85, Mukim Api-Api, Daerah Pontian, Johor Darul Takzim	Agriculture / Vacant	25/08/1977	Freehold	2.86	N/A	435,897	N/A
25	Lot 560 Grant 132, Mukim Api-Api, Daerah Pontian, Johor Darul Takzim	Agriculture / Single Storey Residential Buildings & One Hostel Blocks	25/08/1977	Freehold	3.34	16,310	900,390	31
26	Lot 561 Grant 133, Mukim Api-Api, Daerah Pontian, Johor Darul Takzim	Agriculture / Two Single Storey Hostel Blocks	25/08/1977	Freehold	2.16	4,800	582,288	31
27	Lot 2945 Grant 138, Mukim Api-Api, Daerah Pontian, Johor Darul Takzim	Agriculture / Single Storey Factory Building Complete With Ancillary	25/08/1977	Freehold	2.31	13,984	636,204	31
28	Lot 1789, GM 1720, Mukim Jeram Batu, Daerah Pontian, Johor Darul Takzim	Agriculture / Rubber Plantation	08/02/2004	Freehold	4.06	16,000	22,840	36
Sub total					978.38	417,682	26,080,294	
LADANG FIMA SDN BHD								
1	HS(D) 1396 (PTD 257), & HS(D) 1397 (PTD 258) Mukim Ulu Sg Sedili Besar, Daerah Kota Tinggi, Johor Darul Takzim	Office, Bungalow Guest House & Quarters	1975 building	Land owned by FIMA	N/A	12,376	15,114	26
Sub total						12,376	15,114	
FIMA FEEDLOT SDN BHD								
1	Lot 92 (GM 215) & Lot 93 (GM 216), Mukim Tebrau, Daerah Johor Bahru, Johor Darul Takzim	Single Storey Office & Staff Labour Quarters	31/03/2000	Land owned by FIMA	N/A	5,693	25,039	31
Sub total						5,693	25,039	

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2004 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
BULKING & STORAGE DIVISION								
1	HS(D) 1075, Section 4, Butterworth, Daerah Seberang Perai Utara Pulau Pinang	Office Building	07/01/1992	Sub-Lease Expiring 30/06/2023	5.17	15,866	87,934	20
2	HS(D) 24616, PT 11689, Mukim Kapar, Daerah Klang, Selangor Darul Ehsan	Office Building	05/01/2002	Sub-Lease Expiring 14/07/2022	12.98	12,000	564,807	22
3	HS(D) 24616, PT 11689, Mukim Kapar, Daerah Klang, Selangor Darul Ehsan	Office Building	05/01/2002	Sub-Lease Expiring 14/07/2022	14.02	7,906	358,197	15
4	HS(D) 24616, PT 11689, Mukim Kapar, Daerah Klang, Selangor Darul Ehsan	Office Building	05/01/2002	Sub-Lease Expiring 14/07/2022	3.80	3,098	816,028	12
Sub total					35.97	38,870	1,826,966	
INTERNATIONAL FOOD CORPORATION LIMITED								
1	Portion 361, Malahang, Lae, Papua New Guinea	Industrial Land / Office Building, Amenities Building & 2 Factory Buildings	29/11/1994	State Lease Expiry 19/10/2093	35.65	204,999	20,043,856	9
Sub total					35.65	204,999	19,296,467	
FIMA FRASER'S HILL SDN BHD								
1	Lot 4509, PN 4503, Mukim Teras, Daerah Raub, Pahang Darul Makmur	Agriculture / Vacant	01/01/1976	Lease Expiry 01/01/2036	90.17		1,594,186	N/A
Sub total					90.17	0	1,594,186	
GRAND TOTAL					4,403.75	1,055,113	172,800,998	

Note (i) :

The tenure of the land will only be determined upon issuance of document of title by the State Authority, which is still pending. Notice to PCM for the payment of the required fees and premium have already been issued by the State Authority on 2 February 1993 and PCM has since duly paid all requisite fees and premiums.

ANALYSIS OF SHAREHOLDINGS

As At 23 June 2004

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

Names	No. Of Shares	%
1. BHR ENTERPRISE SDN BHD	81,949,070	31.14
2. SAHAMANN @ BASIR BIN ISMAIL	55,353,830	21.03
3. MOHD NOOR BIN ISMAIL	13,215,700	5.02
4. PERMODALAN NASIONAL BERHAD	13,019,000	4.95
5. MOHD FAUZY BIN ABDULLAH	11,200,000	4.26
6. SUBUR RAHMAT SDN BHD	8,605,700	3.27
7. M & A NOMINEE (TEMPATAN) SDN BHD < INSAS CREDIT & LEASING SDN BHD FOR SUBUR RAHMAT SDN BHD >	2,200,000	0.84
8. TASEC NOMINEES (TEMPATAN) SDN BHD < TA ASSET MANAGEMENT FOR COMMERCE LIFE ASSURANCE BHD >	1,200,000	0.46
9. CITICORP NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR ONG BOON BOO (472584) >	1,045,000	0.40
10. FUAT BIN MASHORI	850,000	0.32
11. NURHANIM BINTI ABDUL RAHIM	663,900	0.25
12. HUANG PHANG LYE	559,100	0.21
13. MELISSA SHIREEN MUNSHIR	537,000	0.20
14. MAR WOOL LIENG	529,000	0.20
15. LEMBAGA PEMEGANG-PEMEGANG AMANAH YAYASAN NEGERI SEMBILAN	520,000	0.20
16. BUMIPUTRA-COMMERCE NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR YAYASAN AMANAH SAHAM ANAK LANGKAWI BERHAD (4673 KUAH) >	500,000	0.19
17. YAYASAN SARAWAK	500,000	0.19
18. THONG & KAY HIAN NOMINEES (ASING) SDN BHD < UOB KAY HIAN PTE LTD FOR GOH KIAN SOON >	475,000	0.18
19. HSBC NOMINEES (TEMPATAN) SDN BHD < HSBC (MALAYSIA) TRUSTEE BERHAD FOR AMANAH SAHAM SARAWAK >	461,000	0.18
20. JF APEX NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR HO CHU CHAI >	451,600	0.17
21. CARTABAN NOMINEES (ASING) SDN BHD < DBSVICKERS FOR HO YIK YONG (0153066) >	433,000	0.16
22. HONG LEONG FINANCE BERHAD < PLEDGED SECURITIES ACCOUNT FOR KOH KIN LIP >	400,000	0.15
23. YAP MAN CHAN	388,600	0.15
24. HASNUL BIN HASSAN	360,000	0.14
25. LEW HOCK FEE	343,000	0.13
26. DING KWONG LEE	270,000	0.10
27. CHUA YEW LIANG	267,000	0.10
28. RHB NOMINEES (TEMPATAN) SDN BHD < RHB ASSET MANAGEMENT SDN BHD FOR YAYASAN SELANGOR >	250,000	0.09
29. OOI KOK SOON	250,000	0.09
30. CITICORP NOMINEES (TEMPATAN) SDN BHD < PLEDGED SECURITIES ACCOUNT FOR KHOR KIM HOCK (470985) >	232,300	0.09

As At 23 June 2004

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

Names	Shareholdings	%
1. BHR ENTERPRISE SDN BHD	81,949,070	31.14
2. SAHAMANN @ BASIR BIN ISMAIL	55,353,830	21.03
3. MOHD NOOR BIN ISMAIL	13,215,700	5.02

ANALYSIS BY SIZE OF SHAREHOLDINGS

Holdings	No. of Holders	%	Total Holdings	%
Less than 100	7	0.05	150	0.00
100 to 1,000	5,814	42.61	5,801,200	2.21
1,001 to 10,000	6,789	49.76	27,871,650	10.59
10,001 to 100,000	955	7.00	26,095,500	9.92
100,001 to less than 5% of issued shares	76	0.56	52,872,900	20.09
5% and above of issued shares	3	0.02	150,518,600	57.19
TOTAL	13,644	100.00	263,160,000	100.00

ANALYSIS BY TYPE OF SHAREHOLDINGS

Type of Ownership	Shareholders	%	Shareholdings	%
1) Government Agency	4	0.03	550,010	0.21
2) Bumiputra				
a) Individuals	1,693	12.41	87,504,030	33.25
b) Companies	48	0.35	104,848,770	39.84
c) Nominees Company	671	4.92	6,049,700	2.30
3) Non-Bumiputra				
a) Individuals	10,617	77.81	50,244,490	19.10
b) Companies	90	0.66	2,530,500	0.96
c) Nominees Company	375	2.75	8,446,000	3.21
Malaysian Total	13,498	98.93	260,173,500	98.87
4) Foreign				
a) Individuals	92	0.68	1,062,900	0.40
b) Companies	3	0.02	75,000	0.03
c) Nominees Company	51	0.37	1,848,600	0.70
Foreign Total	146	1.07	2,986,500	1.13
GRAND TOTAL	13,644	100.00	263,160,000	100.00

As At 23 June 2004

DIRECTORS' SHAREHOLDINGS

Director	Nationality	Direct Holdings		Indirect Holdings	
		No.	%	No.	%
1. Tan Sri Dato' Zaki bin Tun Azmi	Malaysian	10,000	0.00	-	0.00
2. Ahmad Riza bin Basir	Malaysian	-	0.00	92,754,770	35.25
3. Dato' Dr. Mohd Noor bin Ismail	Malaysian	13,215,700	5.02	-	0.00
4. Roslan bin Hamir	Malaysian	111,000	0.04	-	0.00
5. Azizan bin Mohd Noor	Malaysian	-	0.00	-	0.00
6. Rozana Zeti binti Basir	Malaysian	-	0.00	81,949,070	31.14
7. Rosman bin Abdullah	Malaysian	-	0.00	-	0.00

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KUMPULAN FIMA BERHAD

(Company No :11817-V)
(Incorporated in Malaysia)

FORM OF PROXY

I/We
being a Member of **KUMPULAN FIMA BERHAD** ("the Company"), hereby appoint
.....
of
or failing him/her
of
as *my/our proxy to vote for *me/us and on *my/our behalf at the Thirty-second (32nd) Annual General Meeting of the Company to be held at Banquet Hall, Kuala Lumpur Golf & Country Club, No. 10 Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Thursday, 5 August 2004 at 3.00 p.m.

Please indicate the manner in which you wish your votes should be cast with an "X" in the appropriate spaces below. Unless voting instructions are specified herein, the proxy will vote or abstain from voting as he/she thinks fit.

	RESOLUTION	FOR	AGAINST
1	To receive and adopt the Audited Financial Statements for the year ended 31 March 2004 and the Reports of the Directors and Auditors thereon.		
2	To re-elect a Director, Encik Roslan bin Hamir who retires in accordance with Article 114 of the Company's Articles of Association.		
3	To re-elect a Director, Puan Rozana Zeti binti Basir, who retires in accordance with Article 118 of the Company's Articles of Association.		
4	To re-elect a Director, Tan Sri Dato' Zaki bin Tun Azmi, who retires in accordance with Article 118 of the Company's Articles of Association.		
5	To re-elect a Director, Encik Rosman bin Abdullah, who retires in accordance with Article 118 of the Company's Articles of Association.		
6	To accept the retirement of a Director, Dato' Dr. Mohd Noor bin Ismail, who retires in accordance with Section 129 of the Companies Act, 1965.		
7	To approve the payment of Directors' fees.		
8	To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration.		
9	As a special business: Ordinary Resolution — Proposed Shareholders' Mandate.		
10	To transact any other ordinary business which may properly be transacted at an Annual General Meeting.		

No. of Shares held

Signature (If Shareholder is a Corporation, this part should be executed under seal)

Dated this day of 2004

Notes :-

A member of the Company entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him. A proxy may but need not be a Member and a Member may appoint more than two (2) proxies to attend at the same meeting. Where a Member appoints two (2) or more proxies, he shall specify the proportion of his shareholding to be represented by each proxy. The instruments appointing the proxy must be deposited at the Registered Office of the Company, not less than Forty-eight (48) hours before the time of holding the meeting.

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Postage
Stamp

KUMPULAN FIMA BERHAD

(Company No: 11817-V)

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

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