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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 31st Annual General Meeting of **KUMPULAN FIMA BERHAD** will be held on Thursday, 25th September 2003 at Dewan Berjaya, Bukit Kiara Equestrian & Country Club, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur at 3.00 p.m. for the purpose of transacting the following businesses:

1. To receive and adopt the Audited Financial Statements for the year ended 31st March 2003 and the Reports of the Directors and Auditors thereon. **Resolution 1**
2. Re-election of Directors:
 - (i) To re-elect a Director, Encik Ahmad Riza bin Basir who retires in accordance with Article 114 of the Company's Articles of Association. **Resolution 2**
 - (ii) To accept the retirement of a Director, Datuk Abu Hassan bin Kendut, who retires in accordance with Article 114 of the Company's Articles of Association and does not seek re-election. **Resolution 3**
 - (iii) To re-elect a Director, Datuk Haji Mohamad bin Haji Hasan, who retires in accordance with Article 118 of the Company's Articles of Association. **Resolution 4**
 - (iv) To re-elect a Director, Encik Roslan bin Hamir, who retires in accordance with Article 118 of the Company's Articles of Association. **Resolution 5**
 - (v) To re-elect a Director, Cik Rozilawati binti Haji Basir, who retires in accordance with Article 118 of the Company's Articles of Association. **Resolution 6**
 - (vi) To re-elect a Director, Encik Azizan bin Mohd Noor, who retires in accordance with Article 118 of the Company's Articles of Association. **Resolution 7**
 - (vii) To re-elect a Director, Dato' Dr. Mohd Noor bin Ismail, who retires in accordance with Section 129 of the Companies Acts, 1965. **Resolution 8**
3. To approve the payment of Directors' fees. **Resolution 9**
4. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 10**
5. 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
2nd September 2003

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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors Standing for Re-Election

- 1.1 Retiring under Article 114 of the Articles of Association of the Company:
- Encik Ahmad Riza bin Basir
- 1.2 Retiring under Article 118 of the Articles of Association of the Company:
- Datuk Haji Mohamad bin Haji Hasan
 - Encik Roslan bin Hamir
 - Cik Rozilawati binti Haji Basir
 - Encik Azizan bin Mohd Noor
- 1.3 Retiring under Section 129 of the Companies Act, 1965:
- Dato' Dr. Mohd Noor bin Ismail

2. Details of Directors Standing for Re-Election

The details of the Directors standing for re-election are as per the Directors' profile from pages 6 to 8 of this Annual Report.

3. Attendance at Board Meetings for the Financial Year Ended 31st March 2003 for Directors Standing for Re-Election

Name of Directors	No. of Board Meetings	
	Held	Attended
Datuk Haji Mohamad bin Haji Hasan	*3	3
Encik Ahmad Riza bin Basir	9	7
Dato' Dr. Mohd Noor bin Ismail	9	9
Cik Rozilawati binti Haji Basir	*4	4
Encik Roslan bin Hamir	*4	4
Encik Azizan bin Mohd Noor	*-	-

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

4. Details of Board Meetings

Nine (9) Board Meetings were held during the financial year ended 31st March 2003 in 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:

- 3rd April 2002 at 3.00 p.m.
- 28th May 2002 at 4.00 p.m.
- 30th July 2002 at 4.00 p.m.
- 30th August 2002 at 9.30 a.m.
- 11th October 2002 at 3.30 p.m.
- 27th November 2002 at 3.00 p.m.
- 24th January 2003 at 10.00 a.m.
- 25th February 2003 at 3.00 p.m.
- 19th March 2003 at 3.30 p.m.

5. Details of General Meetings Held During the Financial Year Ended 31st March 2003

5.1 Extraordinary General Meeting

Date : 8th May 2002
Time : 10.00 a.m.
Venue : Ballroom A, Level 2
The Pan Pacific Hotel Kuala Lumpur
Jalan Putra
50746 Kuala Lumpur

5.2 30th Annual General Meeting

Date : 25th September 2002
Time : 3.00 p.m.
Venue : Banquet Hall, Kuala Lumpur Golf & Country Club
No. 10 Jalan 1/70D, Off Jalan Bukit Kiara
60000 Kuala Lumpur

5.3 Extraordinary General Meeting

Date : 25th September 2002
Time : 3.30 p.m.
Venue : Banquet Hall, Kuala Lumpur Golf & Country Club
No. 10 Jalan 1/70D, Off Jalan Bukit Kiara
60000 Kuala Lumpur

CORPORATE INFORMATION

Board of Directors

Datuk Haji Mohamad bin Haji Hasan (*Independent Non-Executive Chairman*)
Encik Ahmad Riza bin Basir (*Group Managing Director*)
Dato' Dr. Mohd Noor bin Ismail (*Non-Independent Non-Executive Director*)
Datuk Hassan bin Abas (*Independent Non-Executive Director*)
Datuk Abu Hassan bin Kendut (*Independent Non-Executive Director*)
Cik Rozilawati binti Haji Basir (*Non-Independent Non-Executive Director*)
Encik Roslan bin Hamir (*Non-Independent Non-Executive Director*)
Encik Azizan bin Mohd Noor (*Independent Non-Executive Director*)

Company Secretaries

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

Audit Committee

Datuk Abu Hassan bin Kendut (Chairman)
Datuk Haji Mohamad bin Haji Hasan
Datuk Hassan bin Abas
Dato' Dr. Mohd Noor bin Ismail
Encik Azizan bin Mohd Noor

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.
7th Floor, Exchange Square, Bukit Kewangan
50200 Kuala Lumpur

Telephone No. : 03-2026 8099
Facsimile No. : 03-2026 3736

Stock Exchange Listing

Main Board of the Kuala Lumpur Stock Exchange

Principal Bankers

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

Auditors

Hanafiah Raslan & Mohamad

PROFILE OF DIRECTORS

DATUK HAJI MOHAMAD BIN HAJI HASAN

Independent Non-Executive Chairman

47 years of age, Malaysian

Datuk Haji Mohamad bin Haji Hasan graduated from University of Malaya with a Bachelor of Arts (Honours) degree. He has several years of experience in commercial and merchant banking both locally and overseas. Currently, he is the Managing Director of Cycle & Carriage Bintang Berhad.

He was appointed a Director of Kumpulan Fima Berhad (“the Company”) on 27th November 2002 and subsequently made Chairman on 17th January 2003. 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.

ENCIK AHMAD RIZA BIN BASIR

Group Managing Director

42 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 Nationwide Express Courier Services Berhad, 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 1st October 1996 and made Group Managing Director on 11th 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 Cik Rozilawati binti Haji 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.

DATUK ABU HASSAN BIN KENDUT

Independent Non-Executive Director

60 years of age, Malaysian

Datuk Abu Hassan bin Kendut is a member of the Malaysian Association of Certified Public Accountants (MACPA) and the Malaysian Institute of Accountants (MIA). He began his career with Messrs. Turquand Youngs & Co., Kuala Lumpur and London in 1963 as an audit staff and subsequently promoted to audit supervisor. He joined Malaysia Airline System Berhad as Finance Manager in 1971. In 1974, he joined Messrs. Coopers & Lybrand and retired as Senior Partner in 1997.

Currently, he is the Chairman of United Engineers (Malaysia) Berhad, Intria Berhad, Cement Industries of Malaysia Berhad and Perusahaan Otomobil Nasional Berhad. He is also a Director of Khazanah Nasional Berhad, John Hancock Life Insurance (Malaysia) Berhad, Metrod (Malaysia) Berhad and Rating Agency Malaysia Berhad and a few private companies.

He was appointed a Director of the Company on 18th April 2001 and Chairman of the Audit Committee on 30th May 2001. 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.

DATO' DR. MOHD NOOR BIN ISMAIL

Non-Executive Non-Independent Director

70 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), B.Sc and M.Sc from Louisiana State University, USA and Doctor of Business Administration (DBA) (UK). In 1982, he attended the Advanced Management Program (AMP) at Harvard Business School, USA.

He began his career in 1955 with the Department of Agriculture Johor. In 1967, he joined Universiti Putra Malaysia. He was appointed as Professor in 1974 and served as Deputy Vice Chancellor of the same University from 1975 until he retired in 1983.

Currently, he is the Chairman of Nationwide Express Courier Services Berhad and Tradewinds (Malaysia) Berhad. He is also a Director of British American Tobacco (M) Berhad, Fima Corporation Berhad and Ladang Perbadanan-Fima Berhad. He is also a Board member of Malaysian Agricultural Research and Development Institute (MARDI), Universiti Pendidikan Sultan Idris Malaysia (UPSI), Programme Advisory Committee of Palm Oil Board (PAC), member of Majlis Penyelarasan Sektor Awam-Swasta Pertanian Negara, National Sports Council, National Labour Advisory Council and Chairman of Malaysian Agricultural Producer's Association (MAPA).

He was appointed as a Director of the Company on 2nd August 1982 and became the Managing Director in 1983 and was the Executive Director of the Company from 1991 to 31st January 2003. 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.

DATUK HASSAN ABAS

Independent Non-Executive Director

50 years of age, Malaysian

Datuk Hassan Abas, is an accountant by profession. He graduated from the University of Lancaster, UK with a degree in Accounting and Finance. He is a member of the Institute of Chartered Accountants in England and Wales (ICAEW) and the Institute of Taxation, UK.

Currently, he is a Director of Landmarks Berhad and Cycle & Carriage Bintang Berhad.

He was appointed a Director of the Company on 28th October 1995. 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.

ROZILAWATI BINTI HAJI BASIR

Non-Executive Non-Independent Director

32 years of age, Malaysian

Rozilawati binti Haji Basir has experience in corporate strategy, marketing, development of new businesses and entrepreneurship. She was appointed as Director of Kumpulan Fima Berhad on 11th October 2002 having joined the Fima Group of companies in 1994 as management trainee. She has held various positions within the group since then. She is also a member of the Kumpulan Fima Berhad Board's Executive Committee.

She holds a Master's degree in Business Administration in International Business from the University of Bristol, UK and a Bachelor of Arts (Hons.) degree Social Sciences majoring in Law from the University of Hertfordshire, UK.

She was appointed a Director of the Company on 11th October 2002. Her directorships in other public companies are as the Executive Director/Chief Executive Officer of Nationwide Express Courier Services Berhad and a director of Syarikat Kayu Wangi Berhad. She is the daughter of Tan Sri Dato' Haji Basir bin Ismail, a major shareholder of the

Company. She is also the sister of Encik Ahmad Riza bin Basir, a Director of the Company. She has indirect interest 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

36 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 an Alternate Director in Ladang Perbadanan-Fima Berhad.

He was appointed a Director of the Company on 11th 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

62 years of age, Malaysian

Encik Azizan bin Mohd Noor is an accountant by profession. 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.

He was appointed a Director of the Company on 2nd April 2003. Currently he is also a Director of Amal Assurance Berhad, Malakoff Berhad, Bumiputra-Commerce Finance Berhad and Commerce Asset-Holding 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.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report of Kumpulan Fima Berhad and its group of companies ("the Group") for the financial year ended 31st March 2003.

FINANCIAL PERFORMANCE

For the financial year ended 31st March 2003, the Group turnover amounted to RM221.1 million, higher by 18.1% from the previous year. Profit after tax and minority interests amounted to RM53.0 million as compared to a loss after tax and minority interests of RM78.7 million previously.

I am pleased to report that the Group has continued to show encouraging performance despite various challenges posed by domestic as well as global developments. For the year under review, the disposal of the stockbroking business to M&A Securities Sdn Bhd for a cash consideration of RM45.0 million resulted in a net gain of RM43.9 million to the Group.

DIVIDENDS

For the financial year ended 31st March 2003, the Board of Directors is recommending that no dividend be declared.

OUTLOOK FOR THE FUTURE

The year 2002/3 had been especially challenging in all aspects for the Group, and marked our exit from the business of dealing in securities. On 28th October 2002, Fima RLA Sdn Bhd (formerly known as Fima Securities Sdn Bhd) surrendered its dealer's licence to the Securities Commission. Efforts have been undertaken by the Group to streamline its businesses as well as to reduce borrowings through the divestment of non-core assets.

With the disposal of the stockbroking business, the Group will be directing its resources to the manufacturing, food and agro-based, bulking and trading sectors, and there is on going efforts to strengthen the activities of the Group. For our continued growth and sustainability, the Group has put in place strategies and measures to enhance overall productivity and efficiency. In addition, the Group has initiated an on going process of identifying, evaluating and managing risks encountered by it in a structured manner pursuant to the Enterprise Risk Management Framework. I am confident that we can successfully meet the challenges ahead.

APPRECIATION AND ACKNOWLEDGEMENT

During the year under review, our Executive Chairman, YBhg Tan Sri Dato' Haji Basir bin Ismail and Director, YBhg Tan Sri Dato' Seri B. Bek-Nielsen retired on 25th September 2002. On behalf of the Board, I wish to express our sincere appreciation for their stewardship and invaluable contributions to the success of the Group. We wish them all the best for an enjoyable retirement. YBhg Dato' Dr. Mohd Noor bin Ismail retired from being an Executive Director on 1st February 2003 but remain on the Board. I would like to record our gratitude for the services rendered during his tenure as an Executive Director.

On behalf of the Board, I also wish to welcome our new Group Managing Director, Encik Ahmad Riza bin Basir and our new Directors, Encik Roslan bin Hamir, Cik Rozilawati binti Haji Basir and Encik Azizan bin Mohd Noor.

I would like to take this opportunity to express our deepest appreciation to the management and staff of the Group for their commitment and dedication in the performance of their duties during the year. 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 for 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 17th January 2003.

DATUK HAJI MOHAMAD BIN HAJI HASAN
Chairman

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

Year Ended 31 March

(RM Million)	1998	1999	2000	2001	2002	2003
TURNOVER	406.0	256.6	268.9	234.5	187.3	221.1
PROFIT						
Profit / (Loss) Before Taxation	(427.7)	(53.0)	(25.1)	(1.6)	(62.0)	63.6
Profit / (Loss) After Taxation	(434.6)	(58.8)	(30.6)	(13.5)	(74.9)	56.9
TOTAL NET ASSETS						
Total Net Assets	389.6	184.4	293.6	260.5	268.5	402.0
Financed By:						
Shareholders' Funds	83.8	34.4	49.0	51.2	(15.8)	32.0
Reserve on Consolidation	19.2	18.0	16.9	15.7	14.6	13.4
Minority Interest	45.5	43.0	152.6	153.1	156.0	159.0
Long Term Liabilities	5.5	6.7	11.7	11.0	8.6	10.0
Long Term Borrowings	235.6	82.3	63.4	29.5	105.1	187.6
EARNINGS & DIVIDEND						
Earning / (Loss) Per Share (sen)	(163.5)	(21.1)	(11.9)	(4.9)	(29.9)	20.2
Gross Dividend Per Share (sen)	-	-	-	-	-	-
Net Dividend Per Share (sen)	-	-	-	-	-	-
SHARE PRICES						
Financial Year:						
Highest Transacted Price Per Share (RM)	3.30	1.40	2.45	2.04	0.72	0.64
Lowest Transacted Price Per Share (RM)	0.39	0.25	0.47	0.35	0.30	0.19

OPERATIONS REVIEW

INTRODUCTION

Kumpulan Fima Berhad ("the Company") is a holding company with subsidiaries principally involved in manufacturing, food and agro-based, bulking and trading.

MANUFACTURING DIVISION

Total revenue from this division closed at RM100.9 million, an increase of RM25.5 million or about 34% compared with preceding financial year due to the introduction of several new security products. On 28th February 2002, Fima Corporation Berhad ("FCB") entered into a Shareholders' Agreement with Giesecke & Devrient GmbH ("G&D") for the purpose of a joint venture to set up and operate a bank note production plant in Malaysia. The shareholding of the joint venture company, Giesecke & Devrient Malaysia Sdn Bhd, is held by G&D and FCB in the ratio of 70% and 30% respectively. FCB had to-date fully subscribed to the 15.0 million ordinary shares of RM1.00 each in the joint venture company. Giesecke & Devrient Malaysia Sdn Bhd is expected to commence production in the fourth quarter of the year.

FOOD AND AGRO-BASED DIVISION

The division registered a total revenue of RM83.4 million, an increase of about 11% compared to the preceding financial year. It also registered a significant turnaround in profit.

The turnover of Pineapple Cannery of Malaysia Sdn Bhd increased by about 7% to RM12.2 million attributable to higher sales volume and improvement in fruit supply. Efforts are being made to reduce the dependency on pineapple by looking at other related products. Ladang Fima Sdn Bhd's turnover improved by approximately 58% to RM1.9 million due to higher sales volume and higher FFB average price. With the annual per capita consumption of meat and meat products on the uptrend, Fima-TLP Feedlot Sdn Bhd registered about 14% increase in sales to RM15.1 million from last year.

The continued support from few key institutional buyers with long term contracts had helped the food packaging business to favourably contribute to Fima Instanco Sdn Bhd's profitability. The subsidiary company operating in Papua New Guinea, International Food Corporation Limited, showed a marked improvement in its performance and recorded a minimal profit. This is the result of continuous improvement in its efficiency and productivity.

The division is aggressively looking at various options to improve its businesses by increasing its product offerings. It is also strengthening its distribution infra-structure and is continuously looking for opportunities in new markets (domestic and export). Strategic plans has been laid down to start building its brand equities for the long term.

BULKING DIVISION

On the back of a difficult business environment, the division recorded another year of higher profit. The improvement in performance was attributable to improved product-mix quality coupled with reduced operating costs.

To enhance competitive advantage, the division is committed to develop some exogenous traffic for higher throughput and value added services for better handling margin.

TRADING DIVISION

The division's profit before tax for the year was RM1.1 million as compared to preceding year's RM1.0 million. The core business of the division remains supplying frozen fish. However, it is now actively pursuing to be a major supplier to the Malaysian government agencies.

STOCKBROKING DIVISION

With the surrender of its dealer's licence to the Securities Commission on 28th October 2002, Fima RLA Sdn Bhd (formerly known as Fima Securities Sdn Bhd) ceased to deal in securities. Fima RLA had completed the Sale and Purchase Agreement with Hickham Capital Sdn Bhd on 27th June 2003 for the disposal of its entire 100% equity holding in Fima Asset Management Sdn Bhd for a consideration of a nominal value of RM1.00.

The principal activity of Fima RLA is now limited to debt recovery.

STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors of Kumpulan Fima Berhad is always committed to ensure that the highest standards of Corporate Governance (“Code”) are adhered to throughout the Group as a fundamental part of discharging its responsibilities to safeguard shareholders’ investment and interest and ultimately enhance shareholders’ value.

In view of this, the Company has taken steps to ensure compliance with the Code as follows:

1. BOARD OF DIRECTORS

1.1 The Board

An effective Board leads and controls the Group. The Board meets at least four (4) times a year, once every quarter, with additional meeting convened as and when necessary. The Board members have the necessary skills and experiences to bring an independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

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 eight (8) members, comprising of one (1) Independent and Non-Executive Chairman, one (1) Group Managing Director, three (3) Non-Independent and Non-Executive Directors and three (3) Independent and Non-Executive Directors. A brief profile of each Director is presented from pages 6 to 8 of this Annual Report.

There is a clear division of responsibility between the Chairman and the Group Managing Director to ensure that there is a balance of power and authority. There is also balance in the Board composition in view of the presence of the independent non-executive Directors of the necessary calibre to carry sufficient weight in Board decisions. Although all the Directors have an equal responsibility for the Group’s operations, the role of the independent non-executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined and take account of the long term interests, not only of the shareholders, but also of stakeholders and the many communities in which the Group conducts business.

1.3 Board Meetings

During the twelve (12) months ended 31st March 2003, nine (9) Board meetings were held. A majority of the Directors attended all the Board meetings held during their tenure.

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

Name of Directors	No. of Board Meetings	
	Held	Attended
Datuk Haji Mohamad bin Haji Hasan (appointed on 27.11.2002)	*3	3
Encik Ahmad Riza bin Basir	9	7
Datuk Abu Hassan bin Kendut	9	9
Tan Sri Dato’ Haji Basir bin Ismail (retired on 25.9.2002)	*4	4
Tan Sri Dato’ Seri B. Bek-Nielsen (retired on 25.9.2002)	*4	2
Dato’ Dr. Mohd Noor bin Ismail	9	9
Datuk Hassan bin Abas	9	8
Cik Rozilawati binti Haji Basir (appointed on 11.10.2002)	*4	4
Encik Roslan bin Hamir (appointed on 11.10.2002)	*4	4
Encik Azizan bin Mohd Noor (appointed on 2.4.2003)	*-	-

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

1.4 Supply Of Information

Each Board member receives monthly operating results, including a comprehensive review and analysis. Prior to each Board meeting, Directors are sent an agenda and a full set of Board papers which include the information relevant to the issues of the meetings covering the areas of strategic, financial, operational and regulatory compliance matters for each agenda to be discussed at the meeting. This is issued in sufficient time 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 the Kuala Lumpur Stock Exchange (“KLSE”).

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.

1.5 Board Committees

The Board of Directors is assisted by its Committees, which have been established under defined terms of reference.

1.5.1 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.

1.5.2 Nomination Committee

The Board has established a Nomination Committee on 23rd 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. 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:

- (1) Datuk Hassan bin Abas - Chairman
(Independent Non-Executive Director)
- (2) Datuk Abu Hassan bin Kendut
(Independent Non-Executive Director)
- (3) Datuk Haji Mohamad bin Haji Hasan (appointed on 17.1.2003)
(Independent Non-Executive Director)
- (4) Encik Azizan bin Mohd Noor (appointed on 28.5.2003)
(Independent Non-Executive Director)
- (5) Encik Ahmad Riza bin Basir (resigned on 17.1.2003)
(Group Managing Director)

This Nomination Committee had two (2) meetings in the period, which were attended by all members.

1.5.3 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 23rd 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:

- (1) Encik Azizan bin Mohd Noor – Chairman (appointed on 28.5.2003 replacing Datuk Abu Hassan bin Kendut)
(Independent Non-Executive Director)
- (2) Datuk Abu Hassan bin Kendut
(Independent Non-Executive Director)
- (3) Datuk Haji Mohamad bin Haji Hasan (appointed on 17.1.2003)
(Independent Non-Executive Director)
- (4) Datuk Hassan bin Abas (appointed on 6.3.2003)
(Independent Non-Executive Director)
- (5) Tan Sri Dato' Seri B. Bek-Nielsen (resigned on 25.9.2002)
(Independent Non-Executive Director)
- (6) Encik Ahmad Riza bin Basir (resigned on 17.1.2003)
(Group Managing Director)

The Remuneration Committee had three (3) meetings in the period, which were attended by all members.

1.5.4 Audit Committee

The Board is also assisted by the Audit Committee whose member, terms of reference and activities for the year under review are set out from pages 18 to 20.

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 KLSE.

2. DIRECTORS' REMUNERATION

The aggregate remuneration of the Directors for the financial year ended 31st March 2003 are as follows:-

Company	Company Salaries & Other Emoluments (RM'000)	Benefit In Kind (RM'000)	Fees (RM'000)	Total (RM'000)
Executive Directors	610	89	-	699
Non-Executive Directors	58	7	205	270

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

Bands	Number of Directors (Company)	
	Executive	Non-Executive
RM300,001 – RM350,000	1	-
RM200,001 – RM250,000	1	-
RM150,001 – RM200,000	1	-
RM 50,001 – RM100,000	-	2
Below RM50,000	-	6

3. 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. It is the Company's objective to maintain an active dialogue with its shareholders with the intention of giving shareholders a clear and complete picture of the Company's business and financial performance.

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 the Stock Exchange, 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 the KLSE's website.

4. ACCOUNTABILITY AND AUDIT

4.1 Financial Reporting

For financial reporting through quarterly reports to KLSE and the annual report to shareholders, the Directors have a responsibility to present a fair statement of the Group's position and prospects. The Audit Committee assists the Board in scrutinizing information for disclosure to ensure accuracy, adequacy and completeness. The Statement by Directors pursuant to Section 169 of the Companies Act, 1965 is set out on page 34 of this Annual Report.

4.2 Internal Controls

The Board has overall responsibility for the Group's internal control systems and for reviewing its effectiveness whilst the role of management is to implement the Board's policies on risk and control.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives.

In pursuing these objectives, internal controls can only provide reasonable and not absolute assurance against material misstatement or loss. The Statement of Internal Controls is set out from pages 21 to 23 of this Annual Report.

4.3 Relationship with Auditors

The functions of the Audit Committee in relation to the external auditors are stated in the Audit Committee Report as set out from pages 18 to 20. The Company has always maintained a close and transparent relationship with its external 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 29th July 2003.

DATUK HAJI MOHAMAD BIN HAJI HASAN
CHAIRMAN

AUDIT COMMITTEE REPORT

1. MEMBERS OF THE AUDIT COMMITTEE

Chairman

Datuk Abu Hassan bin Kendut
Independent Non-Executive Director
(Member – Malaysian Institute of Accountants)

Members

Dato' Dr. Mohd Noor bin Ismail
Non-Independent Non-Executive Director

Datuk Hassan bin Abas
Independent Non-Executive Director
(Member – Malaysian Institute of Accountants)

Datuk Haji Mohamad bin Haji Hasan
(appointed on 25.2.2003)
Independent Non-Executive Director

Encik Azizan bin Mohd Noor
(appointed on 28.5.2003)
Independent Non-Executive Director
(Member – Malaysian Institute of Accountants)

2. TERMS OF REFERENCE

2.1 Membership

The Committee shall be appointed by the Board from among the Directors of the Company and shall consist of not less than three members, a majority of whom are independent Directors. The members of the Committee shall elect a Chairman from among their number who shall be an independent non-executive Director.

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 of Committee members should be reviewed by the Board at least once every three (3) years.

2.2 Authority

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised 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 authorised 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 letter 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 programme, the major findings of internal audits, process and investigation undertaken, management's response and co-ordination between the internal and external auditors;
- Review any appraisal or assessment of the performance of members of the internal audit function;
- 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; and
- 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 Audit 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 Audit Committee, including name, designation and directorship of the members and whether the director is independent or otherwise;
 - The terms of reference of the Audit Committee;
 - The number of Audit Committee meetings held in the financial year and details of attendance of each member;
 - A summary of the activities of the Audit 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 Audit 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 Kuala Lumpur Stock Exchange Listing Requirements, the Audit Committee shall be responsible for reporting such matters to the Kuala Lumpur Stock Exchange. The Audit Committee shall have the discretion to undertake such action independently from the Board.
- 2.3.9 The Audit 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

Other Directors, appropriate officers and external auditors may be invited to attend the meetings as and when considered necessary.

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

Meetings shall be held at least four (4) times a year. The external auditors may request a meeting if they consider it necessary.

A quorum of a meeting shall be at least two (2) members, majority of whom must be independent Directors.

3. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2003

Seven (7) Audit Committee Meetings were held by the Committee during the financial year. Details of attendance are as follows:

Name of Directors	No. of Meetings	
	Held	Attended
Datuk Abu Hassan bin Kendut	7	7
Dato' Dr. Mohd Noor bin Ismail	7	7
Datuk Hassan bin Abas	7	5
Datuk Haji Mohamad bin Haji Hasan	*2	2
Encik Azizan bin Mohd Noor	*-	-

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

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 co-ordination 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.
- 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 31ST MARCH 2003

The Group Internal Audit Department 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.

The Group Internal Audit Department also recommended improvements to the existing system of internal controls, if deemed necessary.

STATEMENT ON INTERNAL CONTROL

1. INTRODUCTION

The Board acknowledges that the practice of good corporate governance is an on-going process and not just an annual matter to be covered as compliance in the Annual Report. The Board is committed to practising the highest standards of corporate governance and observing best practices throughout the Group. The Group aims to maintain a sound system of internal control to safeguard shareholders' investment and the Group assets.

Paragraph 15.27(b) of the KLSE Listing Requirements require Directors of listed companies to include a statement in annual reports on the state of their internal controls, which has been prepared in accordance with the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

2. RESPONSIBILITY

The Board of Directors 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 and for reviewing its adequacy and integrity. 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 and not absolute assurance against material misstatement or loss.

3. KEY PROCESS

The key processes that the Directors have established in reviewing the adequacy and integrity of the system of internal control is as follows:

- The EXCO reviews monthly reports from the management of various lines of business on the key operating performance, legal, environmental and regulatory matters.
- 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 business 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.
- Limit of authority within the Group provides a sound framework of authority and accountability within the organisation and to facilitate quality and timely corporate decisions making at the appropriate level in the organisation hierarchy.
- The compliance function, which includes the Audit Committee and internal audit function, assist the Board to oversee the management of risk and review the effectiveness of internal controls. The Audit Committee reviews report of internal audit division and also conducts annual assessment on the adequacy of the internal audit division's scope of work.
- 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 Group Internal Audit Department, the external auditors and the Management.
- The competency of staffs is enhanced through rigorous recruitment process and development programs. 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

The Board had during the period under review engaged external consultants to assist in the formalisation of an effective risk management framework for the Group. The Enterprise Risk Management System adopted involves various key processes and are based on the following core elements:

- 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 and frequency of occurrence.
- The control or the way the risk is managed in line with the needs of the constant monitoring to ensure continued improvements.

The risk assessment has been conducted through a combination of structured workshop and interviewers involving senior management participation. The Group's key personnel worked with the consultant project team during the engagement and are now trained in the business risk management methodology.

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:

- Risk assessment report including a Board executive summary;
- Detailed risks registers; and
- Risk management policy and procedure document.

These reports summarise the risk profiling results and outline the process followed in conducting the assignment and append the summary of risk register outputs and the results will provide the basis for:

- Business improvement strategies;
- Developing cost effective control strategies; and
- Internal audit to prioritise operational review.

A Risk Management Framework is in place to monitor the liquidity risk via the capital adequacy position against the total risk requirements faced by the business.

The scope of risks presently monitored focus on the following:

(i) Strategic Risk

The causes of these risks include such things as national and global economies, government policies and regulations, interest rates, foreign exchange and climatic conditions. The lack of advance warning and frequent immediate response required to manage strategic risks means they are often best identified and monitored by senior management as part of their strategic planning and review mechanisms.

(ii) Operational Risk

Operational Risk is inherent in the ongoing activities within the different business units or subsidiaries of the Group. These are the risk associated with such things as the day-to-day operational performance of staff, liquidity/funding, credit and fair value. The risks caused by the company structure and the manner in which the subsidiaries report to corporate headquarters. Senior management needs ongoing assurance that operational risks are identified and managed.

(iii) Project Risk

Risks that are associated with projects which are specific including acquisitions and investments. Effective strategies for managing project risks is to develop set of key criteria to manage the significant risks that are common within most projects. This approach assists Project Manager with the identification of the risk inherent in individual projects. Additionally, when project risks are managed there are fewer integration problems with assimilating required changes back into general management functions.

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.

This statement made in accordance with the resolution of the Board of Directors dated 29th July 2003.

**DATUK HAJI MOHAMAD BIN HAJI HASAN
CHAIRMAN**

STATEMENTS OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

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.

ADDITIONAL DISCLOSURE

Pursuant to the Listing Requirements of the Kuala Lumpur Stock Exchange, 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 31st March 2003 were as follows:

Name of Companies	Related Parties	Nature of the Recurrent Transactions	Interested Major Shareholders, Directors and Persons Connected to them of KFima	Actual value of transactions from 1 st September 2002 up to the subsequent AGM following the 30 th AGM (RM'000)
MATTRA / IFC	IFC / MATTRA	Sale of frozen fish Seller: MATTRA Buyer: IFC	<p>Major Shareholders</p> <ol style="list-style-type: none"> 1. Fima Makmur 2. Tan Sri Dato' Haji Basir bin Ismail⁽¹⁾ <p>Directors</p> <ol style="list-style-type: none"> 1. Ahmad Riza bin Basir⁽²⁾ 2. Dato' Dr. Mohd Noor bin Ismail⁽³⁾ 3. Roslan bin Hamir⁽⁴⁾ <p>Persons Connected</p> <p>Persons Connected to Fima Makmur and Tan Sri Dato' Haji Basir bin Ismail. Refer to Table A.</p>	20,895
Fima RLA/ FimaCorp	FimaCorp/ Fima RLA	Letting of office space Landlord: FimaCorp Tenant: Fima RLA ⁽⁹⁾	<p>Major Shareholders</p> <ol style="list-style-type: none"> 1. Fima Makmur 2. Tan Sri Dato' Haji Basir bin Ismail <p>Directors</p> <ol style="list-style-type: none"> 1. Ahmad Riza bin Basir⁽²⁾ 2. Dato' Dr. Mohd Noor bin Ismail⁽³⁾ 3. Roslan bin Hamir⁽⁴⁾ <p>Persons Connected</p> <p>Persons Connected to Fima Makmur and Tan Sri Dato' Haji Basir bin Ismail. Refer to Table A.</p>	434

Name of Companies	Related Parties	Nature of the Recurrent Transactions	Interested Major Shareholders, Directors and Persons Connected to them of KFima	Actual value of transactions from 1 st September 2002 up to the subsequent AGM following the 30 th AGM (RM'000)
KFima/ FimaCorp	FimaCorp/ KFima	Letting of office space Landlord: FimaCorp Tenant: KFima ⁽¹⁰⁾	<p>Major Shareholders</p> <p>1. Fima Makmur 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 Fima Makmur and Tan Sri Dato' Haji Basir bin Ismail. Refer to Table A</p>	368

Notes:-

Names of Subsidiary	Effective Interest (%)	Principal Activities
IFC ⁽⁵⁾	80.0	Canning of mackerel
MATTRA ⁽⁶⁾	100.0	International trading house and investment holding
FimaCorp ⁽⁷⁾	63.4	Investment holding and property management
Fima RLA ⁽⁸⁾	100.0	Debt Recovery

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 Fima Makmur and Fima RLA and has retired as the Executive Chairman of KFima on 25th September 2002;
- (2) Ahmad Riza bin Basir is the Group Managing Director of KFima and a director of Fima Makmur, FimaCorp, MATTRA and Fima RLA;
- (3) Dato' Dr. Mohd Noor bin Ismail is a director of Fima Makmur, KFima, FimaCorp, Fima RLA and IFC. He resigned as a director of MATTRA on 25th October 2002;
- (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) Fima RLA is a 62.1% owned subsidiary of Fima Securities Holdings Sdn Bhd, which in turn is wholly owned by KFima and a direct interest of 37.4% held by KFima. The remaining 0.5% shareholding in Fima RLA is held by Fima Bulking Services Berhad, a wholly owned subsidiary of KFima;
- (9) Location : Level 1, No. 45 Block C, Jalan Medan Setia 1, Plaza Damansara, Bukit Damansara, 50490 Kuala Lumpur.
Size : 3,000 sq. ft
Rental rate per month : RM6,000.00
Tenure of agreement : Two years commencing from 1st November 2002 with an option to renew for a further two years.

- (10) *Location* : Level 4, No. 45 Block C, Jalan Medan Setia 1, Plaza Damansara, 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 1st December 2002 with an option to renew for a further two years.

Table A

Name	Direct Interest No. of Shares (%)	Indirect Interest No. of Shares (%)
Persons Connected to Fima Makmur Sdn Bhd		
BHR Enterprise Sdn Bhd	- -	⁽³⁾ 152,057,000 57.8
Persons Connected to Tan Sri Dato' Haji Basir bin Ismail		
Puan Sri Hamidah binti Abd Rahman (Spouse)	- -	⁽⁴⁾ 152,057,000 57.8
Ahmad Riza bin Basir (Son)	⁽¹⁾ 1,087,000 0.4	⁽²⁾ 152,057,000 57.8
Roshayati binti Basir (Daughter)	- -	⁽²⁾ 152,057,000 57.8
Rozilawati binti Basir (Daughter)	- -	⁽²⁾ 152,057,000 57.8
Rozana Zeti binti Basir (Daughter)	- -	⁽²⁾ 152,057,000 57.8

Notes:-

- (1) Held through OUB Nominees (Tempatan) Sdn Bhd as bare trustee;
(2) Deemed interested by virtue of his/her substantial direct shareholding in BHR Enterprise Sdn Bhd, which owns Fima Makmur Sdn Bhd;
(3) Deemed interested by virtue of its substantial direct shareholding in Fima Makmur Sdn Bhd;
(4) Deemed interested by virtue of being the spouse of Tan Sri Dato' Haji Basir bin Ismail.



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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2003.

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 38 to the financial statements.

There has been no significant change in the nature of the principal activities during the financial year other than the principal activity of a subsidiary, Fima RLA Sdn. Bhd. (formerly known as Fima Securities Sdn. Bhd.) ("FRLA"), having ceased its stockbroking business and commenced debt recovery services during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit/(loss) after taxation	56,956	(2,604)
Minority interests	(3,927)	-
Net profit/(loss) attributable to shareholders	<u>53,029</u>	<u>(2,604)</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 during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the net gain arising from the surrender of the dealer's licence of approximately RM43,870,000 as disclosed in the consolidated income statement and Note 35(c) 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:

Datuk Haji Mohamad bin Haji Hasan (appointed on 27 November 2002)
Ahmad Riza bin Basir
Datuk Abu Hassan bin Kendut
Dato' Dr. Mohd Noor bin Ismail
Datuk Hassan bin Abas
Rozilawati binti Haji Basir (appointed on 11 October 2002)
Roslan bin Hamir (appointed on 11 October 2002)
Azizan bin Mohd Noor (appointed on 2 April 2003)
Tan Sri Dato' Haji Basir bin Ismail (retired on 25 September 2002)
Tan Sri Dato' Seri B. Bek-Nielsen (retired on 25 September 2002)

In accordance with the Company's Articles of Association, Datuk Haji Mohamad bin Haji Hasan, Rozilawati binti Haji Basir, Roslan bin Hamir and Azizan bin Mohd. Noor retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election

Dato Dr. Mohd. Noor bin Ismail retires pursuant to Section 129(2) of the Companies Act, 1965 and a resolution is being proposed for his reappointment as a Director under the provision of Sections 129(6) of the said Act to hold office until the next Annual General Meeting of the Company.

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.

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 6 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.

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1 Each			31 March 2003
	1 April 2002	Bought	Sold	
The Company				
Direct Interest				
Ahmad Riza bin Basir	1,087,000	-	-	1,087,000
Dato' Dr. Mohd Noor bin Ismail	10,000	-	-	10,000
Roslan bin Hamir	-	206,000	(95,000)	111,000
Indirect Interest				
Ahmad Riza bin Basir	152,057,000	-	-	152,057,000
Rozilawati binti Haji Basir	152,057,000	-	-	152,057,000
Fima Makmur Sdn. Bhd. (In Members' Voluntary Liquidation)				
- Holding Company				
Direct Interest				
Dato' Dr. Mohd Noor bin Ismail	500,000	-	-	500,000
Indirect Interest				
Ahmad Riza bin Basir	3,050,000	-	-	3,050,000
Rozilawati binti Haji Basir	2,550,000	-	-	2,550,000

Ahmad Riza bin Basir and Rozilawati binti Haji Basir by virtue of their interests in shares of the Company and the holding 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 35 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are as disclosed in Note 36 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

DATUK HAJI MOHAMAD BIN HAJI HASAN

AHMAD RIZA BIN BASIR

Kuala Lumpur, Malaysia
29 July 2003

STATEMENT BY DIRECTORS

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

We, DATUK HAJI MOHAMAD BIN HAJI HASAN 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 36 to 90 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 2003 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

DATUK HAJI MOHAMAD BIN HAJI HASAN

AHMAD RIZA BIN BASIR

Kuala Lumpur, Malaysia
29 July 2003

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 36 to 90 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 29 July 2003

MOHD YUSOF BIN PANDAK YATIM

Before me,

PAISAH MURIDAN
W 187
Commissioner for Oaths

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF KUMPULAN FIMA BERHAD

We have audited the accompanying financial statements set out on pages 36 to 90. 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 2003 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 38 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
2305/05/04(J)
Partner

Kuala Lumpur, Malaysia
29 July 2003

INCOME STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revenue	4				
- Continuing operations		221,060	186,611	12,498	10,618
- Discontinued operations		76	699	-	-
		221,136	187,310	12,498	10,618
Other income	5	7,560	12,663	1,112	56,642
Net gain arising from the surrender of the dealer's licence	35(c)	43,870	-	-	-
Changes in inventories of finished goods, work-in-progress and livestock		3,943	6,004	-	-
Raw materials, consumables and livestock purchased		(141,246)	(110,746)	-	-
Staff costs	6	(23,747)	(28,228)	(2,801)	(2,502)
Depreciation		(14,655)	(15,259)	(1,525)	(1,857)
Other operating expenses	7	(30,402)	(95,292)	(2,935)	(86,058)
Profit/(loss) from operations		66,459	(43,548)	6,349	(23,157)
- Continuing operations		67,502	22,299	-	-
- Discontinued operations		(1,043)	(65,847)	-	-
Finance costs	8	(7,757)	(21,802)	(8,953)	(13,197)
Share of profits of associated companies		4,870	3,366	-	-
Profit/(loss) before taxation		63,572	(61,984)	(2,604)	(36,354)
Taxation	9	(6,616)	(12,956)	-	-
Profit/(loss) after taxation		56,956	(74,940)	(2,604)	(36,354)
Minority interests		(3,927)	(3,728)	-	-
Net profit/(loss) attributable to shareholders		53,029	(78,668)	(2,604)	(36,354)
Basic earnings/(loss) per share (sen)	10	20.2	(29.9)		

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

BALANCE SHEETS

AS AT 31 MARCH 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
NON-CURRENT ASSETS					
Property, plant and equipment	11	264,770	272,376	73,905	77,964
Plantation development expenditure	12	7,658	8,172	-	-
Investment in subsidiaries	13	-	-	85,011	85,011
Investment in associated companies	14	59,892	49,107	19,894	20,939
Other investments	15	54	67	1	1
Net goodwill on consolidation	16	608	705	-	-
		<u>332,982</u>	<u>330,427</u>	<u>178,811</u>	<u>183,915</u>
CURRENT ASSETS					
Inventories	17	42,444	40,133	-	-
Trade receivables	18	42,618	31,528	129	-
Other receivables	19	11,321	10,753	13,914	14,184
Due from related companies	20	1,089	1,699	9,615	9,274
Cash and bank balances	21	32,635	35,314	1,529	1,304
		<u>130,107</u>	<u>119,427</u>	<u>25,187</u>	<u>24,762</u>
CURRENT LIABILITIES					
Short term borrowings	22	17,552	130,774	-	83,500
Trade payables	23	18,203	16,419	121	102
Other payables	24	31,633	28,348	1,740	433
Due to related companies	20	53	1,288	13,933	14,579
Taxation		7,171	19,092	2,784	2,784
		<u>74,612</u>	<u>195,921</u>	<u>18,578</u>	<u>101,398</u>
NET CURRENT ASSETS/ (LIABILITIES)		<u>55,495</u>	<u>(76,494)</u>	<u>6,609</u>	<u>(76,636)</u>
		<u>388,477</u>	<u>253,933</u>	<u>185,420</u>	<u>107,279</u>

BALANCE SHEETS

AS AT 31 MARCH 2003 (CONTD.)

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
REPRESENTED BY:					
Share capital	25	263,160	263,160	263,160	263,160
Reserves		(231,188)	(278,968)	(242,405)	(237,046)
Shareholders' equity/(deficit)		31,972	(15,808)	20,755	26,114
Minority interests	26	158,932	156,025	-	-
		190,904	140,217	20,755	26,114
Long term borrowings	28	187,593	105,073	163,500	80,000
Retirement benefits	29	2,092	1,805	1,165	1,165
Deferred taxation	30	7,888	6,838	-	-
Non-current liabilities		197,573	113,716	164,665	81,165
		388,477	253,933	185,420	107,279

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2003

	←-----	Share Premium RM'000	Non-distributable Revaluation Reserve RM'000	-----→ Other Reserves* RM'000	Accumulated Loss RM'000	Total RM'000
At 1 April 2001, as previously stated	263,160	12,161	65,215	19,056	(308,441)	51,151
Prior year adjustment (Note 31)	-	-	-	-	1,456	1,456
At 1 April 2001, as restated	263,160	12,161	65,215	19,056	(306,985)	52,607
Revaluation surplus	-	-	4,426	-	-	4,426
Translation gain	-	-	-	6,006	-	6,006
Net gain not recognised in income statement	-	-	4,426	6,006	-	10,432
Bonus issue by a subsidiary	-	-	-	26,309	(26,309)	-
Bonus issue expenses	-	-	-	-	(179)	(179)
Net loss for the year	-	-	-	-	(78,668)	(78,668)
At 31 March 2002	263,160	12,161	69,641	51,371	(412,141)	(15,808)
At 31 March 2002, as previously stated	263,160	12,161	69,641	51,371	(413,597)	(17,264)
Prior year adjustment (Note 31)	-	-	-	-	1,456	1,456
At 31 March 2002, as restated	263,160	12,161	69,641	51,371	(412,141)	(15,808)
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 (Note 35(g))	-	-	-	449	(449)	-
Transfer to accumulated loss	-	-	-	(8,684)	8,684	-
Net profit for the year	-	-	-	-	53,029	53,029
At 31 March 2003	263,160	12,161	65,186	42,342	(350,877)	31,972

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2003 (CONTD.)

* Other Reserves

	←----- Non-distributable -----→				
	Capital Reserve RM'000	Capital Reserve arising from Bonus Issue in Subsidiary RM'000	Foreign Exchange Reserve RM'000	Statutory Reserve Fund RM'000	Total RM'000
At 1 April 2001	437	-	9,935	8,684	19,056
Bonus issue in a subsidiary	-	26,309	-	-	26,309
Translation gain not recognised in income statement	-	-	6,006	-	6,006
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

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

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2003

	Share Capital RM'000	←-- Non-distributable Share Premium RM'000	--> Revaluation Reserve RM'000	Accumulated Loss RM'000	Total RM'000
At 1 April 2001	263,160	12,161	33,534	(246,387)	62,468
Net loss for the year	-	-	-	(36,354)	(36,354)
At 31 March 2002	263,160	12,161	33,534	(282,741)	26,114
Revaluation deficit not recognised in income statement	-	-	(2,755)	-	(2,755)
Net loss for the year	-	-	-	(2,604)	(2,604)
At 31 March 2003	263,160	12,161	30,779	(285,345)	20,755

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

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2003

	2003 RM'000	2002 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	63,572	(61,984)
Adjustment for:		
Depreciation	14,655	15,259
Net gain on disposal of property, plant and equipment	(140)	(77)
Share of profits of associated companies	(4,870)	(3,366)
Loss on disposal of an associated company	196	-
Unrealised foreign exchange (gain)/loss	(2,463)	8,231
Amortisation of goodwill on consolidation	1,259	1,259
Provision for doubtful debts	288	60,583
Bad debts recovered	(3,506)	(2,967)
Writeback of provision for doubtful debts	(1,096)	(1,389)
Writeback of interest-in-suspense	-	(400)
Property, plant and equipment written off	540	282
Bad debts written off	106	90
Inventories written off	-	295
Inventories written down	1,990	-
Provision for retirement benefits	287	577
Amortisation of reserve on consolidation	(1,162)	(1,162)
Impairment loss on property, plant and equipment	-	906
Net gain arising from the surrender of a subsidiary's dealer's licence	(43,870)	-
Gain on disposal of subsidiaries	-	(4,898)
Amortisation of plantation development expenditure	2,116	1,979
Provision for profit and capital guarantee	179	6,329
Provision for impairment losses in other investments	-	19
Interest expense	10,899	12,432
Interest income	(502)	(758)
Operating profit before working capital changes	38,478	31,240
Increase in inventories	(4,301)	(2,327)
(Increase)/decrease in receivables	(7,450)	13,153
Decrease in short term funds held in trust	247	3,396
(Increase)/decrease in net amount due from related companies	(1,419)	117
Increase in payables	8,050	134
Cash generated from operations	33,605	45,713
Interest paid	(10,899)	(15,724)
Taxation paid	(16,522)	(11,414)
Net cash generated from operating activities	6,184	18,575

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2003 (CONTD.)

	2003 RM'000	2002 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds arising from the surrender of a subsidiary's dealers' licence	45,000	-
Proceeds from disposal of subsidiary	-	6,000
Proceeds from disposal of an associated company (Note 35(a))	1,045	-
Plantation development expenditure (Note 12)	(1,602)	(1,931)
Proceeds from disposal of property, plant and equipment	2,606	137
Purchase of property, plant and equipment	(14,708)	(10,204)
Proceeds from disposal of investments	13	-
Purchase of additional shares in an associated company (Note 35(f))	(9,750)	-
Interest received	502	767
Net cash generated from/(used in) investing activities	<u>23,106</u>	<u>(5,231)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loans	-	(4,916)
Net repayment of short term financing	(31,175)	(8,692)
Repayment of hire purchase and lease financing	(108)	(5,255)
Dividends paid to minority shareholders of a subsidiary	(1,020)	(610)
Increase in deposits on lien	1,072	(306)
Payment of bonus issue expenses of a subsidiary	-	(179)
Net cash used in financing activities	<u>(31,231)</u>	<u>(19,958)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,941)	(6,614)
EFFECT OF EXCHANGE RATE CHANGES	-	(1)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>23,378</u>	<u>29,993</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>21,437</u>	<u>23,378</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	15,917	13,499
Fixed deposit with financial institutions	13,722	17,500
Secured and unsecured bank overdrafts	(8,202)	(7,621)
	<u>21,437</u>	<u>23,378</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 21.

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

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2003

	2003 RM'000	2002 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(2,604)	(36,354)
Adjustment for:		
Depreciation	1,525	1,857
Bad debts written off	-	90
Provision for retirement benefits	-	89
Due from subsidiaries written off	-	667
Due from former subsidiaries written off	75	1
Interest expense	7,701	7,540
Interest income	(1,210)	(1,180)
Dividend income	(10,062)	(8,230)
Provision for amount due from subsidiaries	1,149	39,629
Provision for impairment loss in investment in subsidiaries	-	44,225
Writeback of provision for doubtful debts	(1,068)	(16)
Gain on disposal of subsidiaries	-	(4,413)
Waiver of amount due to a subsidiary	-	(52,003)
Operating loss before working capital changes	<u>(4,494)</u>	<u>(8,098)</u>
Decrease/(increase) in receivables	2,814	(281)
Increase in amount due from related companies	(2,211)	(644)
Increase/(decrease) in payables	<u>1,326</u>	<u>(6,463)</u>
Cash used in operations	<u>(2,565)</u>	<u>(15,486)</u>
Interest paid	(7,701)	(7,540)
Taxation paid	-	(2)
Net cash used in operating activities	<u>(10,266)</u>	<u>(23,028)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from disposal of a subsidiary	-	25,117
Proceeds from disposal of an associated company (Note 35(a))	1,045	-
Purchase of property, plant and equipment	(221)	(198)
Net dividends received	8,457	-
Interest received	1,210	1,180
Net cash generated from investing activities	<u>10,491</u>	<u>26,099</u>

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2003 (CONTD.)

	2003 RM'000	2002 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of other short term borrowings	<u>-</u>	<u>(3,303)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	225	(232)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	<u>1,304</u>	<u>1,536</u>
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	<u>1,529</u>	<u>1,304</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash in hand and at bank	<u>1,529</u>	<u>1,304</u>

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2003

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 38.

There has been no significant change in the nature of the principal activities during the financial year other than the principal activity of a subsidiary, Fima RLA Sdn. Bhd. (formerly known as Fima Securities Sdn. Bhd.) ("FRLA"), having ceased its stockbroking business and commenced debt recovery services during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Board of the Kuala Lumpur Stock Exchange. 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 holding and ultimate holding company is Fima Makmur Sdn. Bhd. (In Members' Voluntary Liquidation), a company incorporated and domiciled in Malaysia.

The number of employees in the Group and in the Company at the end of the financial year were 1,102 (2002 : 1,284) and 50 (2002 : 44) respectively.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 July 2003.

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.

(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.

(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 the Company as at 31 March 2003.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

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 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 2003, the Group and the Company adopted the following MASB Standards for the first time:

MASB	19	Events after the Balance Sheet Date
MASB	20	Provisions, Contingent Liabilities and Contingent Assets
MASB	22	Segment Reporting
MASB	23	Impairment of Assets
MASB	24	Financial Instruments: Disclosure and Presentation

The effects of adopting MASB 19 is summarised in the Statements of Changes in Equity and further information is disclosed in Note 31 to the financial statements. The adoption of MASB 20, 22, 23 and 24 have not given rise to any adjustments to the opening balances of retained profits of the prior and current year or to changes in comparatives.

(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 and these values are reflected in the consolidated balance sheet. 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 interest is measured at the minorities' share of the post acquisition fair values of the identifiable assets and liabilities of the acquiree.

(ii) Associates

The Group treats as associated companies those companies in which the Group exercises significant influence over the financial and operating policies.

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.

The Group's share of post-acquisition profits less losses of associated companies is included in the consolidated income statement and the Group's interest in associated companies is stated at cost plus the Group's share of post-acquisition retained profits or accumulated losses and 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.

(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, FRLA, is charged to the clients and is 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(p). 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(p).

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

(g) Currency Conversion and Translation

(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:

	2003	2002
	RM	RM
United States Dollar	3.80	3.80
Singapore Dollar	2.15	2.09
Papua New Guinea Kina	<u>1.01</u>	<u>1.02</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(p).

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.

Depreciation of other property, plant and equipment is provided 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) Deferred Taxation

Deferred taxation is provided under the liability method in respect of material timing differences except where there is reasonable evidence that these timing differences will not reverse. Deferred tax assets are not recognised unless there is a reasonable expectation of their realisation in the near future.

(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) 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 review of all outstanding amounts as at the balance sheet date.

(m) 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.

(n) Retirement Benefits

The Company operates a retirement benefit scheme for eligible employees of the Company under the Company Retirement Benefits Plan. The Company 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.

(o) 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

The Group recognises finance leases as assets and liabilities in the balance sheets at amounts equal at the inception of the lease to the fair value of the leased property or, if lower, at the present value of the minimum lease payments. 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. Initial direct costs incurred are included as part of the asset. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

A finance lease gives rise to depreciation expense for the asset as well as a finance expense 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 charged to the income statement on a straight-line basis over the term of the relevant lease.

(p) 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.

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.

(q) Financial Instruments

Financial assets and financial liabilities carried on the balance sheets include cash in hand and at bank, deposits with financial institutions, receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in their respective accounting policies.

Financial instruments are classified as assets or liabilities in accordance with the substance of the contractual agreement. Interest, gain and loss relating to the financial instruments classified as assets, are reported as income.

4. REVENUE

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

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Continuing operations:				
Production and trading of				
security and confidential documents	100,860	75,332	-	-
Bulking and logistic services	31,353	31,361	-	-
Sales of agrobased products	83,230	74,908	-	-
Rental income	869	541	953	902
Interest income	27	14	1,210	1,180
Management fees	74	76	273	306

4. REVENUE (Contd.)

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Dividend income	-	-	10,062	8,230
Others	4,647	4,379	-	-
	<u>221,060</u>	<u>186,611</u>	<u>12,498</u>	<u>10,618</u>
Discontinued operations:				
Brokerage fees, commission and other stockbroking related income	76	699	-	-
	<u>221,136</u>	<u>187,310</u>	<u>12,498</u>	<u>10,618</u>

5. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Bad debts recovered	3,506	2,967	-	-
Net gain on disposal of property, plant and equipment	140	77	-	-
Interest income	475	744	-	-
Rental income	440	674	-	-
Insurance claims	-	35	-	-
Writeback of provision for doubtful debts	418	1,389	1,068	16
Writeback of interest-in-suspense	-	400	-	-
Gain on disposal of subsidiaries	-	4,898	-	4,413
Amortisation of reserve on consolidation	1,162	1,162	-	-
Waiver of amount due to a subsidiary	-	-	-	52,003
	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,003</u>

6. STAFF COSTS

(a) Aggregate remuneration of Directors categorised into appropriate components:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	832	699	610	699
Bonus	80	-	-	-
Retirement benefits	-	52	-	52
Fees	20	-	-	-
Benefits-in-kind	90	71	89	71
	<u>1,022</u>	<u>822</u>	<u>699</u>	<u>822</u>
Non-Executive:				
Salaries and other emoluments	344	229	58	28
Fees	218	84	205	60
Retirement benefits	11	14	-	12
Benefits-in-kind	7	-	7	-
	<u>580</u>	<u>327</u>	<u>270</u>	<u>100</u>
Directors of the subsidiaries				
Executive:				
Salaries and other emoluments	586	1,161	-	-
Retirement benefits	44	96	-	-
Benefits-in-kind	-	19	-	-
	<u>630</u>	<u>1,276</u>	<u>-</u>	<u>-</u>
Non-Executive:				
Salaries and other emoluments	-	3	-	-
Fees	-	22	-	-
Benefits-in-kind	-	-	-	-
	<u>-</u>	<u>25</u>	<u>-</u>	<u>-</u>

(b) Number of Directors of the Company whose remuneration fall into the following bands:

	Number of Directors	
	2003	2002
Executive Directors:		
RM400,001 - RM450,000	-	1
RM350,001 - RM400,000	-	1
RM300,001 - RM350,000	* 1	-
RM200,001 - RM250,000	** 1	-
RM150,001 - RM200,000	<u>1</u>	<u>-</u>
Non-Executive Directors:		
RM50,001 - RM100,000	2	-
Below RM50,000	<u>6</u>	<u>4</u>

* On 31 January 2003, the Executive Director resigned from his executive position and became a Non-Executive Director on 1 February 2003.

** On 25 September 2002, the Executive Chairman retired.

7. OTHER OPERATING EXPENSES

	Group		Company	
	2003	2002	2003	2002
	RM'000	RM'000	RM'000	RM'000
Professional fees	3,551	1,406	318	216
Cleaning and maintenance expenses	1,089	2,028	112	58
Quit rent assessment	116	590	77	77
Water and utilities expenses	838	1,021	37	48
Amortisation of goodwill on consolidation	1,259	1,259	-	-
Auditors' remuneration				
- statutory audit	283	291	45	42
- other services	80	-	80	-
Provision for doubtful debts	288	60,583	-	-
Bad debts written off	106	90	-	90
Inventories written off	-	295	-	-
Inventories written down	1,990	-	-	-
Property, plant and equipment written off	540	282	-	-
Impairment loss of property, plant and equipment	-	906	-	-
Due from subsidiaries written off	-	-	-	667
Due from former subsidiaries written off	-	-	75	1

7. OTHER OPERATING EXPENSES (Contd.)

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Rental of premises	3,142	3,402	476	475
Rental of equipment	5	114	-	-
Amortisation of plantation development expenditure	2,116	1,979	-	-
Provision for profit and capital guarantee by a subsidiary	179	6,329	-	-
Provision for impairment losses in other investments	-	19	-	-
Provision for retirement benefits	287	577	-	89
Provision for impairment losses in investment in subsidiaries	-	-	-	44,225
Provision for amount due from subsidiaries	-	-	1,149	39,629
Loss on disposal of an associated company	196	-	-	-

8. FINANCE COSTS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Interest expense on borrowings	10,899	12,432	7,701	7,540
Foreign exchange (gain)/loss:				
- Realised	(1,926)	(233)	-	-
- Unrealised	(2,463)	8,231	95	4,374
Other finance costs	1,247	1,372	1,157	1,283
	<u>7,757</u>	<u>21,802</u>	<u>8,953</u>	<u>13,197</u>

Foreign exchange (gains)/losses relates 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 28(b).

9. TAXATION

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Subsidiaries				
In Malaysia:				
Charge for the year	8,176	8,685	-	-
(Over)/under provision in prior years	(4,031)	2,946	-	-
Transfer to deferred taxation (Note 30)	1,050	475	-	-
Associated companies				
In Malaysia:				
Charge for the year	1,421	850	-	-
	<u>6,616</u>	<u>12,956</u>	<u>-</u>	<u>-</u>

There is no taxation charge during the financial year as the Company is in a tax loss position.

The disproportionate taxation charge of the Group is principally due to the net gain arising from the surrender of the stockbroking licence not being subject to tax.

In the previous financial year, tax savings for the Company arising as a result of the utilisation of unabsorbed tax losses and unutilised capital allowances brought forward amounted to RM942,000. As at 31 March 2003, the Company has an unabsorbed tax loss amounting to approximately RM16,987,000 (2002 : RM12,540,000) available to be set off against the Company's future taxable income, subject to agreement with the Inland Revenue Board.

10. EARNINGS/(LOSS) PER SHARE

	Group	
	2003	2002
Net profit/(loss) attributable to shareholders (RM'000)	53,029	(78,668)
Number of ordinary shares in issue ('000)	263,160	263,160
Earnings/(loss) per share (sen)	<u>20.2</u>	<u>(29.9)</u>

11. 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 2002	115,458	4,104	102,250	200,767	2,401	424,980
Additions	38	-	-	6,385	8,285	14,708
Disposals	-	-	-	(3,474)	-	(3,474)
Write off	-	-	-	(1,335)	-	(1,335)
Transfer	-	-	-	10,465	(10,465)	-
Revaluation	(3,500)	-	-	-	-	(3,500)
Translation difference	(37)	(25)	(98)	(88)	-	(248)
At 31 March 2003	111,959	4,079	102,152	212,720	221	431,131

Accumulated Depreciation and Impairment Losses

At 1 April 2002	3,544	103	20,137	127,855	-	151,639
- accumulated depreciation	-	-	-	965	-	965
- accumulated impairment losses	1,731	21	2,372	10,531	-	14,655
Charge for the year	1,700	-	-	-	-	1,700
Impairment loss	-	-	-	(1,008)	-	(1,008)
Disposals	(745)	-	-	-	-	(745)
Revaluation	-	-	-	(795)	-	(795)
Write off	(6)	(1)	(13)	(30)	-	(50)
Translation difference	6,224	123	22,496	137,518	-	166,361
At 31 March 2003						

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

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 31 March 2003	105,735	3,956	79,656	75,202	221	264,770
At 31 March 2002	111,914	4,001	82,113	71,947	2,401	272,376
Depreciation charge for 2002	1,914	111	2,277	10,957	-	15,259

Net Book Value

At 31 March 2003

At 31 March 2002

Depreciation charge for 2002

11. 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 2002	31,242	62,798	6,000	15,418	115,458
Additions	-	-	-	38	38
Revaluation	-	(3,500)	-	-	(3,500)
Translation difference	-	(9)	-	(28)	(37)
At 31 March 2003	<u>31,242</u>	<u>59,289</u>	<u>6,000</u>	<u>15,428</u>	<u>111,959</u>
Accumulated Depreciation and Impairment Losses					
At 1 April 2002	-	1,728	800	1,016	3,544
Charge for the year	-	853	400	478	1,731
Impairment losses	1,700	-	-	-	1,700
Revaluation	-	(745)	-	-	(745)
Translation difference	-	-	-	(6)	(6)
At 31 March 2003	<u>1,700</u>	<u>1,836</u>	<u>1,200</u>	<u>1,488</u>	<u>6,224</u>
Net Book Value					
At 31 March 2003	<u>29,542</u>	<u>57,453</u>	<u>4,800</u>	<u>13,940</u>	<u>105,735</u>
At 31 March 2002	<u>31,242</u>	<u>61,070</u>	<u>5,200</u>	<u>14,402</u>	<u>111,914</u>
Depreciation charge for 2002	<u>-</u>	<u>950</u>	<u>401</u>	<u>563</u>	<u>1,914</u>

11. 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 2002	79	2,121	100,050	102,250
Translation difference	(1)	-	(97)	(98)
At 31 March 2003	<u>78</u>	<u>2,121</u>	<u>99,953</u>	<u>102,152</u>
Accumulated Depreciation				
At 1 April 2002	-	1,495	18,642	20,137
Charge for the year	29	85	2,258	2,372
Translation difference	-	-	(13)	(13)
At 31 March 2003	<u>29</u>	<u>1,580</u>	<u>20,887</u>	<u>22,496</u>
Net Book Value				
At 31 March 2003	<u>49</u>	<u>541</u>	<u>79,066</u>	<u>79,656</u>
At 31 March 2002	<u>79</u>	<u>626</u>	<u>81,408</u>	<u>82,113</u>
Depreciation charge for 2002	<u>-</u>	<u>85</u>	<u>2,192</u>	<u>2,277</u>

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

+ Other Assets

Group

	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 Cost								
At 1 April 2002	83,965	92,099	11,041	3,480	3,660	5,685	837	200,767
Additions	1,742	1,677	2,638	137	14	133	44	6,385
Disposals	(2,628)	-	(836)	-	-	(10)	-	(3,474)
Write off	-	-	(427)	-	(905)	(3)	-	(1,335)
Reclassification	10,079	194	100	-	-	92	-	10,465
Translation difference	-	(84)	(4)	-	-	-	-	(88)
At 31 March 2003	93,158	93,886	12,512	3,617	2,769	5,897	881	212,720

11. 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 2002	46,118	63,983	8,284	2,037	1,338	5,372	723	127,855
- accumulated depreciation	-	-	-	965	-	-	-	965
- accumulated impairment losses	3,049	5,662	1,110	229	231	210	40	10,531
Charge for the year	140	(140)	-	-	-	-	-	-
Reclassification	(572)	-	(426)	-	-	(10)	-	(1,008)
Disposals	-	-	(249)	-	(545)	(1)	-	(795)
Write off	-	(27)	(3)	-	-	-	-	(30)
Translation difference	-	-	-	-	-	-	-	-
At 31 March 2003	48,735	69,478	8,716	3,231	1,024	5,571	763	137,518
Net Book Value								
At 31 March 2003	44,423	24,408	3,796	386	1,745	326	118	75,202
At 31 March 2002	37,847	28,116	2,757	478	2,322	313	114	71,947
Depreciation charge for 2002								
	2,131	6,730	927	60	411	659	39	10,957

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

Company

	At Valuation		At Cost		Total RM'000
	Land and buildings@ 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 2002	80,082	2,414		3,874	86,370
Additions	-	77		144	221
Revaluation	(3,500)	-		-	(3,500)
At 31 March 2003	<u>76,582</u>	<u>2,491</u>		<u>4,018</u>	<u>83,091</u>
Accumulated Depreciation					
At 1 April 2002	2,625	2,343		3,438	8,406
Charge for the year	1,302	-		223	1,525
Revaluation	(745)	-		-	(745)
At 31 March 2003	<u>3,182</u>	<u>2,343</u>		<u>3,661</u>	<u>9,186</u>
Net Book Value					
At 31 March 2003	<u>73,400</u>	<u>148</u>		<u>357</u>	<u>73,905</u>
At 31 March 2002	<u>77,457</u>	<u>71</u>		<u>436</u>	<u>77,964</u>
Depreciation charge for 2002	<u>1,313</u>	<u>-</u>		<u>544</u>	<u>1,857</u>

@ 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 2002	12,300	61,182	4,200	2,400	80,082
Revaluation	-	(3,500)	-	-	(3,500)
At 31 March 2003	<u>12,300</u>	<u>57,682</u>	<u>4,200</u>	<u>2,400</u>	<u>76,582</u>

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

@ 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
Accumulated Depreciation					
At 1 April 2002	-	1,711	700	214	2,625
Charge for the year	-	845	350	107	1,302
Revaluation	-	(745)	-	-	(745)
At 31 March 2003	-	1,811	1,050	321	3,182
Net Book Value					
At 31 March 2003	12,300	55,871	3,150	2,079	73,400
At 31 March 2002	12,300	59,471	3,500	2,186	77,457
Depreciation charge for 2002					
	-	856	350	107	1,313

^ 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 2002	1,108	656	2,110	3,874
Additions	-	17	127	144
At 31 March 2003	1,108	673	2,237	4,018
Accumulated Depreciation				
At 1 April 2002	1,098	648	1,692	3,438
Charge for the year	10	9	204	223
At 31 March 2003	1,108	657	1,896	3,661

11. 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 2003	-	16	341	357
At 31 March 2002	10	8	418	436
Depreciation charge for 2002				
	232	25	287	544

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

	Group	
	2003	2002
	RM'000	RM'000
Finance lease agreements	260	260
Hire purchase agreements	290	219
	<u>550</u>	<u>479</u>

- (a) Property, plant and equipment of the Group and the Company with a net book value of approximately RM115,453,000 (2002 : RM121,084,000) and RM73,905,000 (2002 : RM77,964,000) respectively, have been pledged to financial institutions for banking facilities granted to the Group and the Company as referred to in Notes 22(a) and 28.
- (b) Buildings and machinery of the subsidiaries carrying out bulking activities with a net book value of approximately RM35,626,000 (2002 : RM33,287,000) are situated on land which are leased from Lembaga Pelabuhan Kelang ("LPK") by the Company. The lease expired in June 2001. The Company had obtained an approval from LPK to enter into a new lease term upon the expiry of the existing lease for a term of 21 years commencing 15 July 2001 at rates which have yet to be determined.
- (c) The land title of a freehold land and building of a subsidiary, Fima Corporation Berhad ("FCB") with a net book value of approximately RM1,072,000 (2002 : RM1,103,000) 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 RM62,562,000 (2002 : RM63,944,000) 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 RM1,620,000 (2002 : RM1,694,000) was constructed on a piece of land belonging to a third party. The lease will expire in the year 2020.

11. PROPERTY, PLANT AND EQUIPMENT (Contd.)

- (f) Included in the property, plant and equipment of the Group and the Company are cost of fully depreciated assets which are still in use amounting to approximately RM68,877,000 (2002 : RM64,220,000) and RM5,557,000 (2002 : RM4,495,000) respectively.
- (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 as at 31 March 2003 would be as follows:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Freehold land and buildings	10,050	15,053	10,050	15,053
Leasehold land and buildings	47,967	49,134	34,530	35,327
Plant and machinery	<u>8,431</u>	<u>9,562</u>	<u>-</u>	<u>-</u>

12. PLANTATION DEVELOPMENT EXPENDITURE

	Group	
	2003 RM'000	2002 RM'000
At 1 April 2002/2001	8,172	8,220
Additions	<u>1,602</u>	<u>1,931</u>
	9,774	10,151
Transfer to income statement	<u>(2,116)</u>	<u>(1,979)</u>
At 31 March	<u>7,658</u>	<u>8,172</u>

13. INVESTMENT IN SUBSIDIARIES

	Company	
	2003 RM'000	2002 RM'000
In Malaysia:		
Unquoted ordinary shares, at cost	233,813	233,813
Redeemable convertible preference shares "B" of RM1.00 each, at cost	<u>14,343</u>	<u>14,343</u>
	248,156	248,156
Less: Accumulated impairment losses	<u>(163,145)</u>	<u>(163,145)</u>
	<u>85,011</u>	<u>85,011</u>

- (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 (2002 : RM48,366,000) have been pledged to a financial institution for a revolving credit facility granted to the Company as referred to in Note 28(a).
- (b) The preference shares were obtained as part settlement for an amount due from a subsidiary, FRLA pursuant to a Danaharta Workout Proposal dated 30 June 1999. Full provision for impairment losses in value has been made for this investment.

The details of the subsidiaries are disclosed in Note 38.

14. INVESTMENT IN ASSOCIATED COMPANIES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
In Malaysia:				
Ordinary shares, at cost				
- Quoted	17,643	17,643	17,643	17,643
- Unquoted	<u>12,001</u>	<u>3,296</u>	<u>2,251</u>	<u>3,296</u>
	29,644	20,939	19,894	20,939
Share of post-acquisition profits	<u>30,248</u>	<u>28,168</u>	<u>-</u>	<u>-</u>
	<u>59,892</u>	<u>49,107</u>	<u>19,894</u>	<u>20,939</u>
Market value of quoted investments	<u>66,240</u>	<u>85,317</u>	<u>66,240</u>	<u>85,317</u>
Represented by:				
Share of net tangible assets	<u>59,892</u>	<u>49,107</u>		

14. INVESTMENT IN ASSOCIATED COMPANIES (Contd.)

Quoted shares of an associated company, Ladang Perbadanan-Fima Bhd. with a carrying value of approximately RM15,222,000 (2002: RM15,222,000) have been pledged to a financial institution for a revolving credit facility granted to the Company as referred to in Note 28(a).

The details of the associated companies are disclosed in Note 39.

15. OTHER INVESTMENTS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
In Malaysia:				
Ordinary shares, at cost				
- Quoted	23	73	1	1
- Unquoted	1,547	1,547	-	-
	<u>1,570</u>	<u>1,620</u>	<u>1</u>	<u>1</u>
Less: Accumulated impairment losses	(1,516)	(1,553)	-	-
	<u>54</u>	<u>67</u>	<u>1</u>	<u>1</u>
Market value of quoted investments	<u>37</u>	<u>75</u>	<u>13</u>	<u>13</u>

16. NET GOODWILL ON CONSOLIDATION

	Group	
	2003 RM'000	2002 RM'000
Goodwill on consolidation		
At 1 April 2002/2001	15,261	16,520
Amortisation	<u>(1,259)</u>	<u>(1,259)</u>
At 31 March	<u>14,002</u>	<u>15,261</u>
Reserve on consolidation		
At 1 April 2002/2001	14,556	15,718
Amortisation	<u>(1,162)</u>	<u>(1,162)</u>
At 31 March	<u>13,394</u>	<u>14,556</u>
	<u>608</u>	<u>705</u>

17. INVENTORIES

	Group	
	2003 RM'000	2002 RM'000
At cost:		
Raw materials	4,968	6,603
Work-in-progress	18,110	18,942
Finished goods	4,951	3,954
Consumable stores	1,350	1,669
Livestocks	4,073	1,074
	<u>33,452</u>	<u>32,242</u>
At net realisable value:		
Raw materials	6,544	7,624
Finished goods	2,448	267
	<u>8,992</u>	<u>7,891</u>
	<u>42,444</u>	<u>40,133</u>

The cost of inventories of the Group recognised as an expense during the financial year in the Group income statement amounts to approximately RM141,246,000 (2002 : RM110,746,000).

18. TRADE RECEIVABLES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade receivables:				
- normal	39,122	29,282	129	-
- due from brokers	1,086	1,064	-	-
- due from clients	92,970	91,037	-	-
	<u>133,178</u>	<u>121,383</u>	<u>129</u>	<u>-</u>
Less: Interest-in-suspense	(13,994)	(11,821)	-	-
Provision for doubtful debts	(76,566)	(78,034)	-	-
	<u>42,618</u>	<u>31,528</u>	<u>129</u>	<u>-</u>

The amount due from the clients represents amount receivable by a 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.

19. OTHER RECEIVABLES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Tax recoverable	7,008	6,098	8,737	7,646
Dividend receivable	-	1,569	4,611	5,824
Sundry receivables	14,626	13,922	637	785
	<u>21,634</u>	<u>21,589</u>	<u>13,985</u>	<u>14,255</u>
Less: Provision for doubtful debts	<u>(10,313)</u>	<u>(10,836)</u>	<u>(71)</u>	<u>(71)</u>
	<u>11,321</u>	<u>10,753</u>	<u>13,914</u>	<u>14,184</u>

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

20. DUE FROM/(TO) RELATED COMPANIES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Due from ultimate holding company	6	6	5	5
Due from fellow subsidiaries	1,083	1,693	17	676
Due from subsidiaries	-	-	171,280	170,199
	<u>1,089</u>	<u>1,699</u>	<u>171,302</u>	<u>170,880</u>
Less: Provision for doubtful debts	<u>-</u>	<u>-</u>	<u>(161,687)</u>	<u>(161,606)</u>
	<u>1,089</u>	<u>1,699</u>	<u>9,615</u>	<u>9,274</u>
Due to ultimate holding company	(50)	(1,052)	-	-
Due to fellow subsidiaries	(3)	(236)	(42)	(166)
Due to subsidiaries	-	-	(13,891)	(14,413)
	<u>(53)</u>	<u>(1,288)</u>	<u>(13,933)</u>	<u>(14,579)</u>

All the amounts due from/(to) related companies are unsecured, interest free and have no fixed terms of repayment except for an amount of approximately RM21,882,000 (2002 : RM21,882,000) due from a subsidiary which is subject to interest from 5.35% to 5.6% (2002 : 5.35%) per annum and an amount of approximately RM6,800,000 (2002 : RM7,800,000) due to a subsidiary which is subject to interest ranging from 4.2% to 4.45% (2002 : 4.2% to 4.45%) per annum.

21. CASH AND BANK BALANCES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cash in hand and at bank	15,917	13,499	1,529	1,304
Deposits with licensed banks	16,718	15,642	-	-
Deposits with licensed finance companies	-	6,173	-	-
	<u>32,635</u>	<u>35,314</u>	<u>1,529</u>	<u>1,304</u>
Included in the above are:				

(a) Deposits of approximately RM3,216,000 (2002 : RM3,812,000) on lien for banking facilities granted to certain subsidiaries as disclosed in Note 22(c).

(b) Short term funds of approximately RM256,000 (2002 : RM503,000) held in trust for clients and remisers.

The weighted average interest rates and the average maturity of deposits as at 31 March 2003 were as follows:

	Group		Company	
	Weighted Average Interest Rates % (per annum)	Average Maturity Days	Weighted Average Interest Rates % (per annum)	Average Maturity Days
Licensed banks	<u>2.81</u>	<u>42</u>	<u>-</u>	<u>-</u>

22. SHORT TERM BORROWINGS

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Secured					
Bank overdrafts	(a)	7,914	7,299	-	-
Bankers acceptance	(a)	1,693	1,036	-	-
Revolving credit facility	(b)	-	26,824	-	-
Bills payable	(c)	2,267	4,819	-	-
Hire purchase and lease payables (Note 27)		112	144	-	-
		<u>11,986</u>	<u>40,122</u>	<u>-</u>	<u>-</u>

22. SHORT TERM BORROWINGS (Contd.)

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Unsecured					
Bank overdrafts	(d)	288	322	-	-
Bankers acceptance	(d)	225	-	-	-
Revolving credit facilities	(e)	3,000	3,500	-	-
		<u>3,513</u>	<u>3,822</u>	<u>-</u>	<u>-</u>
Secured loans, repayable within					
next twelve months (Note 28)		<u>2,053</u>	<u>86,830</u>	<u>-</u>	<u>83,500</u>
		<u>17,552</u>	<u>130,774</u>	<u>-</u>	<u>83,500</u>

- (a) The secured bank overdrafts and bankers acceptance of the Group amounting to approximately RM1,817,000 (2002 : RM1,962,000) is secured by way of a charge over the property, plant and equipment of a subsidiary, Pineapple Cannery of Malaysia Sdn. Bhd. ("PCM") with net book value of approximately RM9,476,000 (2002 : RM9,484,000). The secured bank overdrafts of the Group of approximately RM6,690,000 (2002 : RM6,373,000) is secured by a corporate guarantee from the Company. These facilities bear interest ranging from 3.35% to 17.25% (2002 : 3.65% to 17.25%) per annum.
- (b) The secured revolving credit facility of the Group in the prior year is secured against quoted securities belonging to clients, related companies and third parties, which have been deposited with lender financial institutions of a subsidiary, FRLA. This borrowing bears interest at 1.0% to 2.5% (2002 : 1.0% to 2.5%) per annum above the bank's base lending rate ("BLR"). The amount was fully settled during the year.
- (c) The bills payable is secured by deposits under lien as disclosed in Note 21(a) and bears interest ranging from 8.15% to 8.55% (2002 : 8.15% to 8.55%) per annum.
- (d) The unsecured short term borrowings bear interest ranging from 3.35% to 7.65% (2002 : 3.65% to 8.05%) per annum and are repayable on demand.
- (e) The unsecured Islamic borrowing had been restructured pursuant to FRLA's Proposed Debt Settlement Plan dated 4 December 2001. The borrowing does not attract any interest and is repayable on demand.

23. TRADE PAYABLES

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade payables:				
- normal	17,048	15,351	121	102
- due to brokers	213	129	-	-
- due to clients	942	939	-	-
	<u>18,203</u>	<u>16,419</u>	<u>121</u>	<u>102</u>

23. TRADE PAYABLES (Contd.)

The amounts due to brokers and clients represent contra gains owing by a subsidiary, FRLA 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.

24. OTHER PAYABLES

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trust accounts	(a)	51	176	-	-
Accruals		11,740	10,807	280	130
Provision for capital and profit guarantee		7,788	7,608	-	-
Equipment suppliers		1,890	3,825	-	-
Deposits		2,321	2,563	-	-
Interest payable		21	150	-	-
Sundry payables	(b)	<u>7,822</u>	<u>3,219</u>	<u>1,460</u>	<u>303</u>
		<u>31,633</u>	<u>28,348</u>	<u>1,740</u>	<u>433</u>

(a) Trust accounts represent clients' and remisiers' trust monies of a subsidiary, FRLA.

(b) Included in the Group's prior year sundry payables is an amount of approximately RM183,000 due to Malaysia Airports Sdn. Bhd., a company in which a former Director, Tan Sri Dato' Haji Basir bin Ismail has interest.

25. SHARE CAPITAL

	Number of Ordinary Shares of RM1 Each		Amount	
	2003 '000	2002 '000	2003 RM'000	2002 RM'000
Authorised:				
At 1 April 2002/2001/31 March	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
Issued and fully paid:				
At 1 April 2002/2001/31 March	<u>263,160</u>	<u>263,160</u>	<u>263,160</u>	<u>263,160</u>

26. MINORITY INTERESTS

	Group	
	2003 RM'000	2002 RM'000
At 1 April 2002/2001	48,130	45,196
Dividend paid	(1,020)	(610)
Disposal of a subsidiary	-	(184)
Transfer from income statement	3,927	3,728
At 31 March	<u>51,037</u>	<u>48,130</u>
Unquoted shares, at cost:		
Redeemable convertible preference shares "A" of RM0.40 each	53,954	53,954
Redeemable convertible preference shares "A1" of RM1.00 each	16,183	16,183
Redeemable non-convertible preference shares of RM1.00 each	37,758	37,758
	<u>107,895</u>	<u>107,895</u>
	<u>158,932</u>	<u>156,025</u>

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

Redeemable Convertible Preference shares "A" of RM0.40 each carry a cumulative preferential dividends of 12.5% per annum for the period from 30 June 1999 to 31 March 2004 and of 20% per annum for periods thereafter.

Redeemable Preference shares net cumulative dividends of approximately RM7,282,000 is payable for the period from 30 June 1999 to 31 March 2003. No dividend has been recommended by the Directors of FRLA as FRLA is not in a financial situation to do so and accordingly no provision has been made in the financial statements for the period from 30 June 1999 to 31 March 2003.

27. HIRE PURCHASE AND LEASE PAYABLES

	Group	
	2003 RM'000	2002 RM'000
Minimum lease payments:		
Payable within one year	132	180
Payable between one and five years	152	212
	<u>284</u>	<u>392</u>
Less: Finance charges	(66)	(66)
	<u>218</u>	<u>326</u>
Present value of finance lease liabilities:		
Within one year	112	144
Within one to five years	106	182
	<u>218</u>	<u>326</u>

27. HIRE PURCHASE AND LEASE PAYABLES (Contd.)

	Group	
	2003 RM'000	2002 RM'000
Analysed as:		
Due within 12 months (Note 22)	112	144
Due after 12 months (Note 28)	106	182
	<u>218</u>	<u>326</u>

The hire purchase and lease bear interests of between 3.8% to 8.4% (2002 : 5.5% to 8.4%) per annum.

28. LONG TERM BORROWINGS

		Group		Company	
	Note	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Secured					
5.0 % to 5.25% (2002 : 5.2% to 8.8%) revolving credit facility	(a)	163,500	163,500	163,500	163,500
6.85% term loan repayable by 19 semi-annual instalments commencing September 1999	(b)	25,177	26,930	-	-
Hire purchase and lease payables (Note 27)		106	182	-	-
Unsecured					
6.5% term loan repayable by 96 monthly instalments commencing August 1999, July 2000, July 2001, July 2002, March 2003		863	1,291	-	-
		<u>189,646</u>	<u>191,903</u>	<u>163,500</u>	<u>163,500</u>
Less: Repayable within next twelve months (Note 22)		(2,053)	(86,830)	-	(83,500)
		<u>187,593</u>	<u>105,073</u>	<u>163,500</u>	<u>80,000</u>

28. LONG TERM BORROWINGS (Contd.)

Note	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Maturity of borrowings (excluding hire purchase and lease payables):				
Within one year	2,053	86,830	-	83,500
Between one and two years	40,240	83,775	40,000	80,000
Between two to five years	147,247	10,433	123,500	-
After five years	-	10,683	-	-
	<u>189,540</u>	<u>191,721</u>	<u>163,500</u>	<u>163,500</u>

- (a) A revolving credit facility of the Company amounting to approximately RM163,500,000 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 13(a) and 14. The facility was originally payable in two tranches; RM83,500,000 before 31 December 2002 and the balance by 30 June 2003. Subsequent to the year end, the Company and the bank have agreed on extended repayment dates of the facility, whereby approximately RM40,000,000 is repayable by 30 June 2004, RM43,500,000 is repayable by 30 June 2005 and the balance to be repayable on demand thereafter.
- (b) A secured term loan of a subsidiary, IFC, amounting to approximately RM25,200,000 (2002 : RM26,900,000), 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.

29. RETIREMENT BENEFITS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
At 1 April 2002/2001	1,805	1,228	1,165	1,076
Provision made during the year	287	597	-	89
Disposal of a subsidiary	-	(20)	-	-
At 31 March	<u>2,092</u>	<u>1,805</u>	<u>1,165</u>	<u>1,165</u>

30. DEFERRED TAXATION

	Group	
	2003 RM'000	2002 RM'000
At 1 April 2002/2001	6,838	6,363
Transfer to income statement (Note 9)	1,050	475
At 31 March	<u>7,888</u>	<u>6,838</u>

30. DEFERRED TAXATION (Contd.)

Deferred taxation is in respect of timing differences between depreciation and the corresponding capital allowances.

Deferred taxation is not provided on the surplus arising from the revaluation of freehold land and building amounting to approximately RM9,565,000 (2002 : RM13,065,000) as it is not the intention of the Directors to dispose these properties.

31. PRIOR YEAR ADJUSTMENT

In compliance with MASB 19 - Events after the Balance Sheet Date, the Company discontinued the recognition of dividends declared or proposed after the balance sheet date, as a liability at balance sheet date. This change in accounting policy has been applied retrospectively with the resulting adjustment reported as an adjustment to the opening balance of retained profits. Comparative information has been restated accordingly.

This change in accounting policy has no effect on the current income statement of current and previous financial years. The effects on the opening balance of retained profits are as disclosed in the Statements of Changes in Equity. The corresponding amounts that had previously been shown as current liabilities have been extinguished in the balance sheet.

The effects of the change in accounting policy are as follows:

	Previously stated RM'000	Adjustment RM'000	Restated RM'000
Group			
For the year ended 31 March 2001:			
Proposed dividend included under other payables	1,456	(1,456)	-
Dividend included under shareholders' equity	1,456	(1,456)	-
Accumulated losses as at 31 March 2001	<u>308,441</u>	<u>(1,456)</u>	<u>306,985</u>
For the year ended 31 March 2002:			
Proposed dividend included under other payables	1,456	(1,456)	-
Dividend included under shareholders' equity	1,456	(1,456)	-
Accumulated losses as at 31 March 2002	<u>413,597</u>	<u>(1,456)</u>	<u>412,141</u>

32. COMMITMENTS

	Group	
	2003 RM'000	2002 RM'000
Capital expenditure:		
Approved and contracted for	6,534	228
Approved but not contracted for	<u>20,709</u>	<u>2,327</u>
	<u>27,243</u>	<u>2,555</u>

32. COMMITMENTS (Contd.)

	Group	
	2003 RM'000	2002 RM'000
Lease commitments:		
Within one year	-	30
Investment commitment	5,250	12,000

33. CONTINGENT LIABILITIES/ASSET

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Unsecured:				
(a) Guarantees provided in respect of borrowings by a subsidiary (Notes 22(a) and 28(b))	31,867	33,303	31,867	33,303

(b) In the previous financial year, a subsidiary, Fima Corporation Berhad ("FCB"), was served a Writ of Summons claiming for a compensation sum of approximately RM2,120,000 being the renovation costs and general damages arising from the early termination of the tenancy agreement at Airtel Complex, in Subang. The Board of FCB sought the advice of the solicitors and was of the opinion that there should be no compensation payable to the plaintiff as the demised premises was acquired by a relevant authority, Malaysia Airports Holding Bhd., which was provided in the Tenancy Agreement between FCB and the tenant.

(c) 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 for arrears of rental income and other expenses incurred amounting to approximately RM1,700,000. The third party 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 third party's 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. The Plaintiffs' solicitors are preparing a draft judgement to be filed in court.

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 Plaintiffs in the current financial year.

(d) A claim of RM6,910,000 was made by a client against a subsidiary, FRLA, for breach of contract or alternatively specific performance as the client alleged that FRLA had failed to purchase/redeem certain shares. FRLA has filed a defence indicating that no contract existed between FRLA and the client, and the arrangement was purely between third parties. The matter is fixed for case management on 16 September 2003. After consultation with FRLA's solicitors, the Directors of FRLA are of the opinion that FRLA has adequate defence for the claim and accordingly no provision has been made in the financial statements of FRLA.

33. CONTINGENT LIABILITIES/ASSET (Contd.)

- (e) A client of FRLA has taken legal action to nullify three purchase contracts amounting to approximately RM10,600,000. However, FRLA is counter-claiming for settlement of outstanding margin transactions of approximately RM31,400,000 from the said clients and remisier concerned. The client's application to strike out FRLA's amended defence and counterclaim was dismissed. However, the second application, in the counterclaim, made by the client to strike out the counterclaim was allowed. FRLA has appealed against the said decision which is fixed for hearing on 7 November 2003. After consultation with FRLA's solicitors, the Directors are of the opinion that they have adequate defence for this claim as the trading losses arose from share transactions that were duly authorised by the said client. Accordingly, no provision has been made in the financial statements.
- (f) A client has taken legal action against FRLA for return of shares deposited into trust account and damages to be assessed. The suit has been consolidated with (e) above. After consultation with FRLA's solicitors, the Directors are of the opinion that FRLA has adequate defence for this claim and accordingly, no provision has been made in the financial statements.
- (g) A former remisier has made a claim against FRLA and its six Directors for a total sum of RM5,900,000. An application has been filed to strike out the claim against the Directors of FRLA, and is awaiting notice in writing from the court on the transfer of the file to the Civil Division. After consultation with FRLA's solicitors, the Directors of FRLA are of the opinion that FRLA has adequate defence for this claim and accordingly no provision has been made in the financial statements.
- (h) FRLA had made a claim for contra losses for the sum of approximately RM83,000,000 against 2 former remisiers of FRLA for indemnity and fraud. One of the former remisiers has made a counter claim for the return of 3,000,000 units of Ayer Hitam Planting Syndicate Bhd shares pledged as collateral. The court has fixed the matter for further case management. After consultation with FRLA's solicitors, the Directors of FRLA are of the opinion that FRLA has adequate defence for this claim and accordingly, no provision has been made in the financial statements.

34. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Fima Corporation Berhad, a subsidiary				
- Interest expense	-	-	312	366
- Rental expense	-	-	367	367
- Management fees	-	-	(16)	(53)
Purchases made from fellow subsidiaries				
- Nationwide Express Courier Services Bhd.	98	152	-	-
- Nationwide Express Freight Forwarders Sdn. Bhd.	51	-	-	-
Management fees from a fellow subsidiary				
- Nationwide Express Courier Services Bhd.	(71)	(53)	(71)	(53)
Management fees from a subsidiary				
- Fima Bulking Services Bhd.	-	-	(113)	(112)

34. SIGNIFICANT RELATED PARTY TRANSACTIONS (Contd.)

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Interest income from a subsidiary				
- International Food Corporation Ltd.	-	-	(1,171)	(1,136)
Purchase of feeds from Lee Pineapple Co. Pte. Ltd., a shareholder of a subsidiary, Fima-TLP Feedlot Sdn. Bhd.	222	216	-	-
Dividend income from associated companies				
- Ladang Perbadanan-Fima Bhd	-	-	(1,325)	(1,590)
- Marushin Canneries (Malaysia) Sdn. Bhd.	-	-	(304)	(730)
	<u>-</u>	<u>-</u>	<u>(304)</u>	<u>(730)</u>

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.

35. SIGNIFICANT EVENTS

- (a) On 25 June 2002, the Company disposed of its 35% equity interest in an associated company, Perbadanan Perak Fimaly Plantations Sdn. Bhd. comprising 1,044,683 ordinary shares of RM1.00 each for a total cash consideration of approximately RM1,045,000.
- (b) On 19 September 2002, the Company's holding company, Fima Makmur Sdn. Bhd. (In Members' Voluntary Liquidation) disposed its 100% equity interest in Fima Contracts Sdn. Bhd. to the Company's wholly-owned subsidiary, Fima Bulking Services Bhd. As a result, Fima Contracts Sdn. Bhd. became a wholly-owned subsidiary of the Company via Fima Bulking Services Bhd. The transaction has no material effect on the Group's results and financial position.
- (c) On 28 October 2002, FRLA 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 is currently principally involved in debt recoveries. The transaction resulted in a net gain of approximately RM43,870,000.
- (d) 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 RM11,690,000. The proposed disposal was approved by the shareholders of the Company at an Extraordinary General Meeting held on 22 July 2003.
- (e) On 10 January 2003, FRLA entered into an agreement to sell the entire issued and paid-up share capital of a wholly-owned subsidiary, FAM to a third party for a cash consideration of RM1.00. The sale was approved by the Securities Commission on 19 June 2003. Accordingly, the disposal will be recognised in the financial statements of the Company for the year ending 31 March 2004. The sale was subsequently completed on 27 June 2003.
- (f) On 29 January 2003, FCB subscribed for an additional 9,750,000 ordinary shares of RM1.00 each in Giesecke & Devrient Malaysia Sdn. Bhd. ("G&D") for a cash consideration of RM9,750,000. FCB's equity interest in G&D remains at 30%.

- (g) On 27 March 2003, a subsidiary, Fima Freight Forwarders Sdn. Bhd. ("Freight") increased its issued and paid-up share capital from RM50,002 to RM500,000 by way of the issuance of 449,998 ordinary shares of RM1.00 each via a bonus issue, on the basis of ten (10) new ordinary shares of RM1.00 each for every one (1) existing ordinary share. The bonus issue was capitalised from the retained profits of Freight.

36. SUBSEQUENT EVENTS

- (a) On 9 April 2003, a total sum of approximately RM4,800,000 was disbursed towards the partial redemption of approximately 4,800,000 units of preferential shares at RM1.00 each of FRLA as part of its Proposed Debt Settlement Plan dated 4 January 2001.
- (b) 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 RM1.00 each in G&D. FCB's equity interest in G&D remains at 30%.
- (c) On 22 July 2003, the shareholders of the Company approved the proposed capitalisation of amount owing to the Company by its subsidiary, IFC. The amount owing as at 31 March 2003 was approximately RM44,400,000. The capitalisation exercise will be finalised upon approval by relevant authorities.
- (d) 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.

37. 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; and
- (iv) Stockbroking - Stockbroking and dealing in securities. On 28 October 2002, the Group has ceased operations in this segment and is now principally involved in debt recoveries; and
- (v) 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.

37. SEGMENT INFORMATION (Contd.)

	Manufacturing		Agrobased		Bulking		Stockbroking		Others		Eliminations		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	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	100,860	75,332	83,250	74,908	31,353	31,361	76	699	5,617	5,010	-	-	221,136	187,310
Inter-segment sales	-	-	133	413	-	3,974	-	-	33,322	30,688	(33,455)	(35,075)	-	-
Total revenue	100,860	75,332	83,383	75,321	31,353	35,335	76	699	38,939	35,698	(33,455)	(35,075)	221,136	187,310
Results														
Segment results	13,618	10,726	28	(6,225)	16,961	15,320	(1,130)	(111,792)	7,593	(67,682)	(14,481)	116,105	22,589	(43,548)
Income from surrender of dealers' licence	-	-	-	-	-	-	43,870	-	-	-	-	-	43,870	-
Profit/(loss) from operations	-	-	-	-	-	-	-	-	-	-	-	-	66,459	(43,548)
Finance costs, net	-	-	-	-	-	-	-	-	-	-	-	-	(7,757)	(21,802)
Share of results of associates	(542)	-	5,412	-	-	-	-	-	-	-	-	-	4,870	3,366
Taxation	-	-	-	-	-	-	-	-	-	-	-	-	(6,616)	(12,956)
Profit after taxation	-	-	-	-	-	-	-	-	-	-	-	-	56,956	(74,940)
Minority interests	-	-	-	-	-	-	-	-	-	-	-	-	(3,927)	(3,728)
Net profit/(loss) for the year	-	-	-	-	-	-	-	-	-	-	-	-	53,029	(78,668)
Assets														
Segment assets	151,190	146,625	94,268	91,466	135,899	126,530	15,493	9,094	256,140	276,531	(189,901)	(200,392)	463,089	449,854
Consolidated total assets													463,089	449,854
Liabilities														
Segment liabilities	22,272	28,090	107,951	103,690	42,352	38,902	134,841	169,264	202,528	217,110	(237,759)	(247,419)	272,185	309,637
Consolidated total liabilities													272,185	309,637
Other Information														
Capital expenditure	10,450	2,987	604	387	13,037	7,365	121	-	246	410	-	-	24,458	11,149
Depreciation	5,652	5,632	2,369	2,242	4,950	4,711	62	626	1,622	2,048	-	-	14,655	15,259
Amortisation of plantation development expenditure	-	-	2,116	1,979	-	-	-	-	-	-	-	-	2,116	1,979
Amortisation of goodwill on consolidation	-	-	-	-	-	-	-	-	-	-	1,259	1,259	1,259	1,259
Amortisation of reserve on consolidation	-	-	-	-	-	-	-	-	-	-	1,162	1,162	1,162	1,162

37. SEGMENTAL INFORMATION (Contd.)

(b) Geographical Segments

	Total Revenue from External Customers RM'000	Segment Assets RM'000	Capital Expenditure RM'000
31 March 2003			
Malaysia	206,939	609,381	24,436
Singapore	-	175	-
Papua New Guinea	47,652	43,434	22
Eliminations	<u>(33,455)</u>	<u>(189,901)</u>	<u>-</u>
Consolidated	<u>221,136</u>	<u>463,089</u>	<u>24,458</u>
31 March 2002			
Malaysia	180,171	606,036	11,093
Singapore	-	170	-
Papua New Guinea	42,214	44,040	56
Eliminations	<u>(35,075)</u>	<u>(200,392)</u>	<u>-</u>
Consolidated	<u>187,310</u>	<u>449,854</u>	<u>11,149</u>

38. SUBSIDIARIES AND ACTIVITIES

(a) Set out below is a list of the subsidiaries of the Company as at 31 March 2003, all of which are incorporated in Malaysia, unless otherwise indicated:

Name of Company	Effective Interest		Principal Activities
	2003 %	2002 %	
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 products
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

38. SUBSIDIARIES AND ACTIVITIES (Contd.)

Name of Company	Effective Interest		Principal Activities
	2003 %	2002 %	
Fima Contracts Sdn. Bhd. (240960-H)	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
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

38. SUBSIDIARIES AND ACTIVITIES (Contd.)

Name of Company	Effective Interest		Principal Activities
	2003 %	2002 %	
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 Securities Holdings Sdn. Bhd. (222326-P)	100.0	100.0	Investment holding
Fima RLA Sdn. Bhd. ("FRLA") (formerly known as Fima Securities Sdn. Bhd.) (210959-K)	100.0	100.0	Debt recoveries
Fima Nominees (Tempatan) Sdn. Bhd. (218232-H)	100.0	100.0	Inactive
Fima Asset Management Sdn. Bhd. ("FAM") (218285-U)	100.0	100.0	Inactive
Fima CDS Nominees (Tempatan) Sdn. Bhd. ("CDS") (266463-W)	100.0	100.0	Inactive
Fima Nominees (Asing) Sdn. Bhd. (266462-X)	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*+	80.0	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
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

38. SUBSIDIARIES AND ACTIVITIES (Contd.)

Name of Company	Effective Interest		Principal Activities
	2003 %	2002 %	
Fima Hotel & Resort Management Sdn. Bhd. (265160-A)	100.0	100.0	Inactive
Fima Properties Sdn. Bhd. (221414-U)	100.0	100.0	Inactive

* Subsidiaries not audited by Hanafiah Raslan & Mohamad

Incorporated in Singapore

+ Incorporated in Papua New Guinea

(b) The financial statements and auditors' reports of the following subsidiaries have highlighted the following matters:

(i) FRLA Sdn. Bhd. ("FRLA")

During the financial year, FRLA surrendered its dealer's licence and accordingly, FRLA has ceased its stockbroking operations. The financial statements of FRLA have been prepared on a break-up basis whereby adjustments have been made to the value of all assets so as to reduce their carrying values to their estimated realisable amounts, and to provide for any further estimated liabilities whereby its outcome is certain. The financial statements comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(ii) Fima Asset Management Sdn. Bhd. ("FAM")

As at 31 March 2003, FAM has an excess of current liabilities over current assets and a shareholder's deficit of approximately RM7,912,000. FAM is unable to continue as a going concern and as such, the financial statements of FAM have been prepared on a break-up basis whereby adjustments have been made to reduce the carrying values of all assets to their estimated realisable amounts and to provide for any further estimated liabilities whereby its outcome is certain. The financial statements comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(iii) Fima CDS Nominees (Tempatan) Sdn. Bhd. ("CDS")

As at 31 March 2003, CDS has a shareholder's deficit of approximately RM38,000. The financial statements of CDS have been prepared on a break-up basis whereby adjustments have been made to the value of all assets so as to reduce their carrying values to their estimated realisable amounts, and to provide for any further estimated liabilities whereby its outcome is certain. The financial statements comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(iv) Fima Nominees (Asing) Sdn. Bhd. ("Asing")

As at 31 March 2003, Asing has a shareholder's deficit of approximately RM7,000. The financial statements of Asing have been prepared on a break-up basis whereby adjustments have been made to the value of all assets so as to reduce their carrying values to their estimated realisable amounts, and to provide for any further estimated liabilities whereby its outcome is certain. The financial statements comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

38. SUBSIDIARIES AND ACTIVITIES (Contd.)

(v) Fima Nominees (Tempatan) Sdn. Bhd. ("Tempatan")

As at 31 March 2003, Tempatan has a shareholder's deficit of approximately RM1,056,000. The financial statements of Tempatan have been prepared on a break-up basis whereby adjustments have been made to the value of all assets so as to reduce their carrying values to their estimated realisable amounts, and to provide for any further estimated liabilities whereby its outcome is certain. The financial statements comply with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(vi) International Food Corporation Limited ("IFC")

The auditors have drawn attention to the following:

- The Balance Sheet of IFC has an excess of liabilities over assets which gives concern on IFC's ability to continue trading and pay its debts when they fall due.
- The penultimate holding company, Kumpulan Fima Berhad ("KFB") has given its support not to recall the advances as at 31 March 2003 until third party creditors are satisfied.
- 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 RM25,177,000 (2002 : RM26,930,000) when the Papua New Guinea Kina value was PNG K1=US\$0.2660 (2002 : PNG K1 : US\$0.2585).
- Notwithstanding the excess of liabilities over assets and potential breaches of the loan agreement by the company, Maybank International (L) Ltd advised in writing on 24 April 2003, that they 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.

(vii) Endell Pte. Ltd. ("Endell")

The auditors have drawn attention to the fact that as at 31 March 2003 Endell Company's and Group's total liabilities exceeded its total assets by approximately RM3,428,000 and RM45,585,000 respectively. The financial statements have been prepared on a going concern basis based on the assumption that the penultimate holding company, KFB, will continue to provide financial support.

39. 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
	2003	2002	
	%	%	
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

39. ASSOCIATED COMPANIES AND ACTIVITIES (Contd.)

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

Name of Company	Effective Interest		Principal Activities
	2003 %	2002 %	
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.

40. DETAILS OF INDEPENDENT PROFESSIONAL VALUATION

Details of independent professional valuation of landed properties owned by the Company and its subsidiaries at 31 March 2003 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
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

40. DETAILS OF INDEPENDENT PROFESSIONAL VALUATION (Contd.)

Year of Valuation	Description of Property	Amount RM'000	Basis of Valuation
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	1,554	Open market value
2002	Land at Jalan Pencala, Petaling Jaya*	11,500	Open market value

* The land was revalued on 16 December 2002 by Jurunilai Bersekutu.

41. COMPARATIVE FIGURES

The presentation and classification of items in the current year's 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 policy as disclosed in Notes 3(a) (ii) and 31.

Comparatives are not disclosed for certain information relating to financial instruments as permitted by MASB 24 - Financial Instruments: Disclosure and Presentation, upon first application of the standard.

42. 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 31/03/2003 (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	3,750,856	12
2	Lot 26 LN 3294 Section 20 Daerah Petaling Selangor Darul Ehsan	Industrial land / Vacant	19/11/1993	Leasehold expiring 09/08/2055	2.56	-	11,446,866	N/A
3	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	-	35,569	N/A
4	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	162.20	19,637	8,515,796	16
5	Lot 471 PN108170 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	-	6,940,284	N/A
6	HS(D) 1396 PTD 257 Mukim Ulu Sungai Sedili Besar Daerah Kota Tinggi Johor Darul Takzim	Agriculture / Fruit & oil palm plantation	15/12/1982	Leasehold expiring 17/02/2077	1,010.28	-	24,783,887	N/A
7	HS(D) 1397 PTD 258 Mukim Ulu Sungai Sedili Besar Daerah Kota Tinggi Johor Darul Takzim	Agriculture / Fruit & oil palm plantation	15/12/1982	Leasehold expiring 17/02/2077	47.88	-	1,174,578	N/A
8	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	-	461,687	N/A
9	Lot 42 EMR 1 Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	Agriculture / Cattle feedlotting	15/10/1983	Freehold	2.99	-	478,748	N/A
10	Lot 92 EMR 73 Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	Agriculture / Cattle feedlotting, food stores, sheds & cow sheds	15/10/1983	Freehold	8.31	-	1,330,568	N/A

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2003 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
KUMPULAN FIMA BERHAD								
11	Lot 93 EMR 74 Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	Agriculture / Cattle feedlotting	15/10/1983	Freehold	9.31	-	1,490,684	N/A
12	HS(D) 2426 PTD 5230 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple plantation	06/08/1983	Freehold	6.50	-	33,221	N/A
13	HS(D) 2427 PTD 5233 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple plantation	06/08/1983	Freehold	518.77	-	2,651,415	N/A
14	HS(D) 2428 PTD 5871 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple plantation	06/08/1983	Freehold	136.00	-	695,091	N/A
15	HS(D) 2429 PTD 5228 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple plantation	06/08/1983	Freehold	172.00	-	879,086	N/A
16	HS(D) 2430 PTD 5231 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple plantation	06/08/1983	Freehold	230.12	-	1,176,135	N/A
17	HS(D) 2431 PTD 5229 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple plantation	06/08/1983	Freehold	327.15	-	1,672,052	N/A
18	HS(D) 2432 PTD 5232 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple plantation	06/08/1983	Freehold	370.38	-	1,892,999	N/A
19	HS(D) 023800600 PTD 119706 Mukim Plentong Daerah Johor Bahru Johor Darul Takzim	Light Industrial	24/08/1992	Lease expiring 31/08/2052 from Johor Port Authority	4.95	-	3,026,621	N/A
20	PL 066290177 Daerah Ranau Sabah	Agriculture / Vacant	10/09/1983	Leasehold expiring 31/12/2081	100.00	-	965,932	N/A
	Sub-total				3,289.42	36,049	73,402,075	

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2003 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
FIMA CORPORATION BERHAD								
1	Lot 3767 & 3768 (Grant 24531 & 24532) Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Industrial	07/07/1993 Building	Freehold	2.71	66,608	1,071,979.00	35
2	Lot 1176 Mukim Pasir Panjang Port Dickson Negeri Sembilan	Bungalow	07/07/1993	Freehold	0.82	2,464	99,993	54
3	Lot 50575 Grant 12754 Mukim of Kuala Lumpur Wilayah Persekutuan	Office Building	19/08/1995	Freehold	1.45	270,372	62,562,657	5
Sub-total					4.98	339,444	63,734,629	
PINEAPPLE CANNERY MALAYSIA SDN. BHD.								
1	PTD 4431 Mukim Macap Daerah Kluang Johor Darul Takzim	Agriculture / Pineapple plantation	31/03/2000	Note (i)	19.75	-	34,084	N/A
2	PTD 4432 Mukim Macap Daerah Kluang Johor Darul Takzim	Agriculture / Pineapple plantation	31/03/2000	Note (i)	67.25	-	116,058	N/A
3	PTD 4433 Mukim Macap Daerah Kluang Johor Darul Takzim	Agriculture / Pineapple plantation	31/03/2000	Note (i)	50.50	-	87,151	N/A
4	PTD 4434 Mukim Macap Daerah Kluang Johor Darul Takzim	Agriculture / Pineapple plantation	31/03/2000	Note (i)	298.25	-	514,709	N/A
5	PTD 4435 Mukim Macap Daerah Kluang Johor Darul Takzim	Agriculture / Pineapple plantation	31/03/2000	Note (i)	262.93	-	453,755	N/A
6	PTD 4439 Mukim Macap Daerah Kluang Johor Darul Takzim	Agriculture / Pineapple plantation	31/03/2000	Note (i)	23.75	-	40,987	N/A
7	PTD 4440 Mukim Macap Daerah Kluang Johor Darul Takzim	Agriculture / Pineapple plantation	31/03/2000	Note (i)	96.25	-	166,105	N/A
8	PTD 4441 Mukim Macap Daerah Kluang Johor Darul Takzim	Agriculture / Pineapple plantation	31/03/2000	Note (i)	50.50	-	87,151	N/A

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.

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2003 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
PINEAPPLE CANNERY MALAYSIA SDN. BHD.								
9	Lot 1790 EMR 2507 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Rubber plantation	30/03/1963	Freehold	4.39	-	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	-	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	-	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	-	120,000	N/A
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	15.230	197,920	5,605,507	35
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	2,954,898	35
15	Lot 3886 CT 12458 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	14/01/1964	Freehold	9.51	-	1,728,642	N/A
16	Lot 3887 CT 12459 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	14/01/1964	Freehold	9.49	-	1,725,006	N/A
17	Lot 3890 CT 12462 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	14/01/1964	Freehold	6.23	-	1,728,642	N/A
18	Lot 3891 CT 12463 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	14/01/1964	Freehold	10.00	-	1,817,710	N/A

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2003 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
PINEAPPLE CANNERY MALAYSIA SDN. BHD.								
19	Lot 180 Grant 136 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single story 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	1,993,240	30
20	Lot 181 Grant 137 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single story factory building complete with ancillary	25/08/1977	Freehold	6.78	40,175	1,871,768	30
21	Lot 182 HS(D) 1976 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Industrial land / Single story factory building complete with ancillary	25/08/1977	Leasehold expiring 03/10/2079	1.59	9,422	400,191	30
22	Lot 183 Grant 135 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single story factory building complete with ancillary	25/08/1977	Freehold	3.80	22,517	1,049,073	30
23	Lot 184 Grant 134 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single story factory building complete with ancillary	25/08/1977	Freehold	2.79	16,532	770,241	30
24	Lot 185 Grant 85 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Vacant	25/08/1977	Freehold	2.86	-	435,897	N/A
25	Lot 560 Grant 132 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single storey residential buildings and one hostel block	25/08/1977	Freehold	3.34	16,310	922,080	30
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	596,315	30
27	Lot 2945 Grant 138 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single story factory building complete with ancillary	25/08/1977	Freehold	2.31	13,984	651,530	30
	Sub-total				972.49	447,299	26,420,740	

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2003 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
LADANG FIMA SDN. BHD.								
1	HS(D)1396 (PTD 257) & HS(D)1397 (PTD 258) Mukim Ulu Sungai Sedili Besar Daerah Kota Tinggi Johor Darul Takzim	Office, bungalow guest house & quarters	1975 building	Land owned by FIMA	-	12,376	16,552	25
	Sub-total				-	12,376	16,552	
FIMA TLP FEEDLOT SDN. BHD.								
1	Lot 92 (EMR 73) & Lot 93 (EMR 74) Mukim Tebrau Daerah Johor Bahru Johor Darul Takzim	Single storey office & staff/labour quarters	31/03/2000	Land owned by FIMA	-	5,693	17,340	30
	Sub-total				-	5,693	17,340	
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	288,500	19
2	HS(D) 24616 PT 11689 Mukim Kapar Daerah Kelang Selangor Darul Ehsan	Office building	05/01/2002	Sub-Lease expiring 14/07/2022	12.98	12,000	695,494	21
3	HS(D) 24616 PT 11689 Mukim Kapar Daerah Kelang Selangor Darul Ehsan	Office building	05/01/2002	Sub-Lease expiring 14/07/2022	14.02	7,906	430,153	14
4	HS(D) 24616 PT 11689 Mukim Kapar Daerah Kelang Selangor Darul Ehsan	Office building	05/01/2002	Sub-Lease expiring 14/07/2022	3.80	3,098	814,941	11
	Subtotal				35.97	38,870	2,229,088.00	
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 expiring 19/10/2093	35.60	204,999	19,304,156	8
	Sub-total				35.60	204,999	19,304,156.00	

NO.	LOCATION	DESCRIPTION/ EXISTING USE	VALUATION DATE/ PURCHASE DATE	TENURE EXPIRY	LAND AREA (ACRE)	BUILT-UP AREA (SQ. FT)	NBV AS AT 31/03/2003 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
FIMA FRASER'S HILL								
1	PT 881 HS(D) 1077 Mukim Teras Daerah Raub Pahang Darul Makmur	Agriculture / Vacant	16/09/1978	Lease expiring 31/12/2035	90.00	-	1,648,950	N/A
	Sub-total				90.00	-	1,648,950.00	
	GRAND TOTAL				4,427.61	1,039,113	186,773,529.36	

ANALYSIS OF SHAREHOLDINGS

AS AT 8TH AUGUST 2003

LIST OF TOP THIRTY (30) SHAREHOLDERS

NO.	NAMES	NO. OF SHARES	%
1.	BHR Enterprise Sdn Bhd	57,149,070	21.72
2.	Sahamann @ Basir bin Ismail	47,753,830	18.15
3.	Mayban Nominees (Tempatan) Sdn Bhd (A/C For Fima Makmur Sdn Bhd)	38,000,000	14.44
4.	Permodalan Nasional Berhad	13,019,000	4.95
5.	Mohd Fauzy bin Abdullah	11,220,700	4.26
6.	Mohd Noor bin Ismail	11,215,700	4.26
7.	Subur Rahmat Sdn Bhd	11,205,700	4.26
8.	Fima Makmur Sdn Bhd	2,000,000	0.76
9.	UOBM Nominees (Tempatan) Sdn Bhd (A/C For Ahmad Riza Basir)	1,087,000	0.41
10.	Nurhanim binti Abdul Rahim	850,000	0.32
11.	Lembaga Pemegang-Pemegang Amanah Yayasan Negeri Sembilan	520,000	0.20
12.	Bumiputra-Commerce Nominees (Tempatan) Sdn Bhd (A/C For Yayasan Amanah Saham Anak Langkawi Berhad)	500,000	0.19
13.	Yayasan Sarawak	500,000	0.19
14.	Cartaban Nominees (Asing) Sdn Bhd (A/C For Ho Yik Yong)	473,000	0.18
15.	HSBC Nominees (Tempatan) Sdn Bhd (A/C For Amanah Saham Sarawak)	461,000	0.18
16.	Thong & Kay Hian Nominees (Asing) Sdn Bhd (A/C For Goh Kian Soon)	445,000	0.17
17.	Patricia Chung Mee Fong	440,000	0.17
18.	AllianceGroup Nominees (Tempatan) Sdn Bhd (A/C For Noor Azmi bin Jaafar)	414,000	0.16
19.	Hong Leong Finance Berhad (A/C For Koh Kin Lip)	400,000	0.15
20.	Northern Paradise Sdn Bhd	379,800	0.14
21.	SJ Sec Nominees (Tempatan) Sdn Bhd (A/C For Ayushah binti Abdul Jamil)	329,600	0.13
22.	Hasnul bin Hassan	300,000	0.11
23.	Yap Man Chan	283,900	0.11
24.	Cimsec Nominees (Tempatan) Sdn Bhd (A/C For Gan Boon Aun)	270,000	0.10
25.	Kota Bharu Nominees (Tempatan) Sdn Bhd (A/C For Zuraidi bin Che Mustafa)	264,000	0.10
26.	RHB Nominees (Tempatan) Sdn Bhd (A/C For Yayasan Selangor)	250,000	0.09
27.	Cimsec Nominees (Tempatan) Sdn Bhd (A/C For Mohamed Nizam bin Abdul Razak)	230,000	0.09
28.	Lew Hock Fee	228,000	0.09
29.	Ooi Kok Soon	225,000	0.09
30.	RHB Capital Nominees (Tempatan) Sdn Bhd (A/C For Lim Shiok Wah)	220,100	0.08

LIST OF SUBSTANTIAL SHAREHOLDERS (5% AND ABOVE)

NO.	NAMES	NO. OF SHARES	%
1.	BHR Enterprise Sdn Bhd	57,149,070	21.72
2.	Sahamann @ Basir bin Ismail	47,753,830	18.15
3.	Mayban Nominees (Tempatan) Sdn Bhd (A/C For Fima Makmur Sdn Bhd)	38,000,000	14.44

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less Than 100	5	0.04	50	0.00
100 - 1,000	6,088	43.71	6,083,800	2.31
1,001-10,000	6,906	49.58	27,710,650	10.53
10,001-100,000	863	6.20	23,787,800	9.04
100,001 to less than 5% of issued shares	63	0.45	62,674,800	23.82
5% and above of issued shares	3	0.02	142,902,900	54.30
Total	13,928	100.00	263,160,000	100.00

BUMIPUTRA SHAREHOLDINGS

Type of Ownership	Shareholders	%	Shareholdings	%
1. Government Agency	4	0.03	570,010	0.22
2. Bumiputra				
a) Individual	1,772	12.72	77,404,430	29.41
b) Companies	51	0.37	84,618,270	32.15
c) Nominees Company	698	5.01	45,804,700	17.41
Total Bumiputra Shareholdings	2,525	18.12	208,397,410	79.19
3. Non-Bumiputra				
a) Individual	10,775	77.36	44,873,390	17.05
b) Companies	85	0.61	2,430,500	0.92
c) Nominees Company	391	2.81	4,648,700	1.77
Total NonBumiputra Shareholdings	11,251	80.78	51,952,590	19.74
4. Foreign				
a) Individual	91	0.64	863,000	0.32
b) Companies	2	0.01	72,000	0.03
c) Nominees Company	59	0.37	1,875,000	0.72
Total Foreign Shareholdings	152	1.02	2,810,000	1.07
Grand Total	13,928	100.00	263,160,000	100.00

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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-first (31st) Annual General Meeting of the Company to be held at Dewan Berjaya, Bukit
 Kiara Equestrian & Country Club, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Thursday, 25th September
 2003 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.

	For	Against
To receive and adopt the Audited Financial Statements for the year ended 31 st March 2003 and the Reports of the Directors and Auditors thereon. (Resolution 1)		
To re-elect a Director, Encik Ahmad Riza bin Basir who retires in accordance with Article 114 of the Company's Articles of Association. (Resolution 2)		
To accept the retirement of a Director, Datuk Abu Hassan bin Kendut, who retires in accordance with Article 114 of the Company's Articles of Association and does not seek re-election. (Resolution 3)		
To re-elect a Director, Datuk Haji Mohamad bin Haji Hasan, who retires in accordance with Article 118 of the Company's Articles of Association. (Resolution 4)		
To re-elect a Director, Encik Roslan bin Hamir, who retires in accordance with Article 118 of the Company's Articles of Association. (Resolution 5)		
To re-elect a Director, Cik Rozilawati binti Haji Basir, who retires in accordance with Article 118 of the Company's Articles of Association. (Resolution 6)		
To re-elect a Director, Encik Azizan bin Mohd Noor, who retires in accordance with Article 118 of the Company's Articles of Association. (Resolution 7)		
To re-elect a Director, Dato' Dr. Mohd Noor bin Ismail, who retires in accordance with Section 129 of the Companies Acts, 1965. (Resolution 8)		
To approve the payment of Directors' fees. (Resolution 9)		
To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 10)		
To transact any other ordinary business which may properly be transacted at an Annual General Meeting.		

 Signature (If Shareholder is a Corporation, this part should be executed under seal)
Dated this day of 2003

No. of shares held

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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