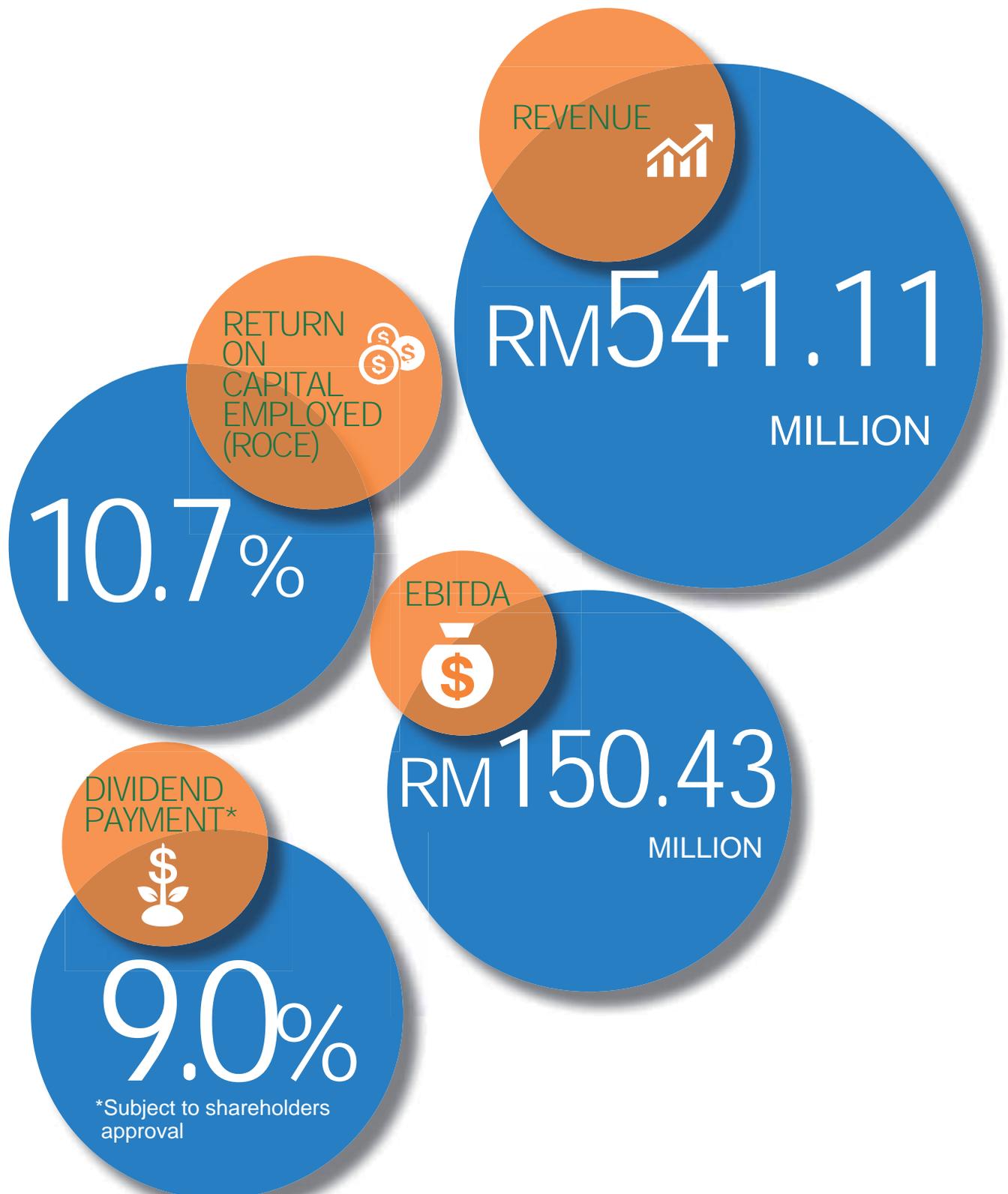




2016
ANNUAL
REPORT

STRATEGIC HIGHLIGHTS

FYE 31 MARCH 2016



STRATEGIC HIGHLIGHTS
cont'd

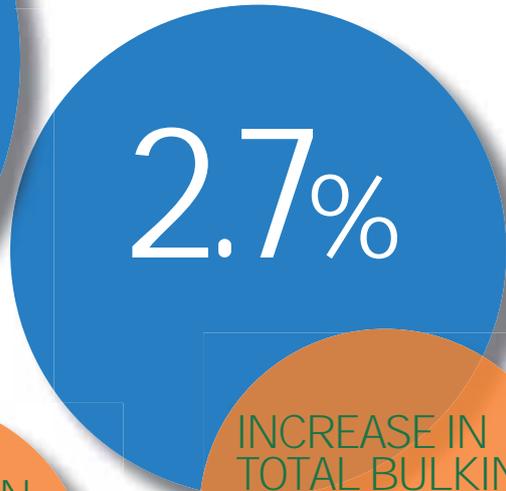
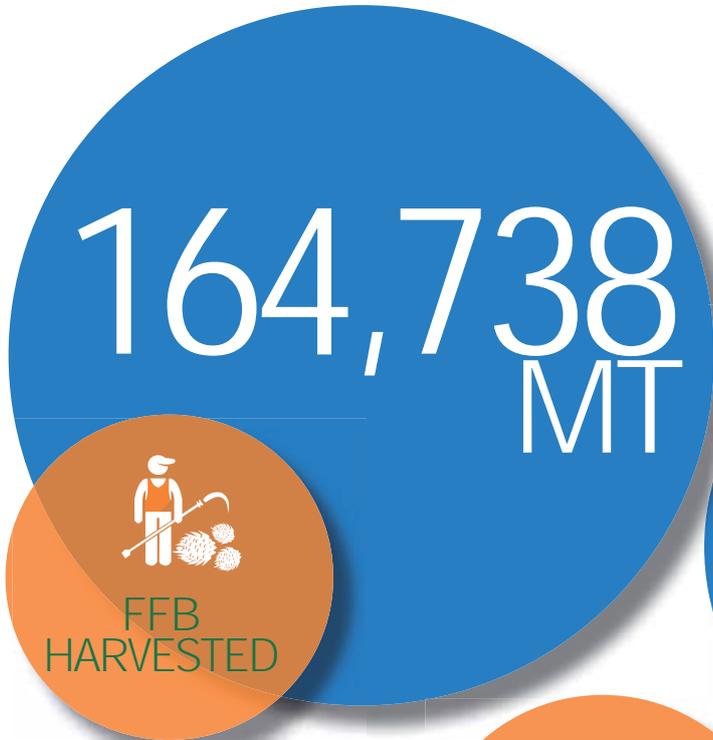


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Annual General Meeting of Kumpulan Fima Berhad

Dewan Berjaya, Bukit Kiara Equestrian & Country Resort,
Jalan Bukit Kiara Off Jalan Damansara, 60000 Kuala Lumpur
Wednesday, 24 August 2016
3.00 p.m.

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NOTICE OF 44th ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Forty-Fourth (44th) Annual General Meeting (“44th AGM”) of **KUMPULAN FIMA BERHAD** will be held at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 24 August 2016 at 3.00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:-

ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2016 and the Directors’ and Auditors’ Reports thereon. **Please refer to Note A**
2. To declare a single-tier final dividend of 9.0% in respect of the financial year ended 31 March 2016 as recommended by the Directors. **Ordinary Resolution 1**
3. To re-appoint Tan Sri Dato’ Ir. Muhammad Radzi bin Haji Mansor as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965. **Ordinary Resolution 2**
4. To re-appoint Encik Azizan bin Mohd Noor as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965. **Ordinary Resolution 3**
5. To re-elect the following Directors who retire by rotation pursuant to Article 114 of the Company’s Articles of Association and who, being eligible, offer themselves for re-election:-
 - (i) Dato’ Rosman bin Abdullah **Ordinary Resolution 4**
 - (ii) Cik Rozilawati binti Haji Basir **Ordinary Resolution 5**
6. To approve the payment of Directors’ fees for the ensuing financial year. **Ordinary Resolution 6**
7. To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

SPECIAL BUSINESS

8. **ORDINARY RESOLUTION - PROPOSED SHAREHOLDERS’ MANDATE** **Ordinary Resolution 8**

“THAT pursuant to Paragraph 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), a mandate be and is hereby granted to allow recurrent related party transactions of a revenue or trading nature, which are necessary for the day-to-day operations of the Company and/or its subsidiaries, entered into or to be entered into by the Company and/or its subsidiaries, provided that such transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public, particulars of which are set out in Section 2.4 of the Circular to Shareholders dated 29 July 2016 AND THAT such approval conferred by the mandate shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company following this 44th AGM, at which time the mandate will lapse, unless by an ordinary resolution passed at general meeting, the mandate is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting of the Company after that date is required to be held pursuant to Section 143(1) of the Companies Act, 1965 (“Act”) (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
- (c) revoked or varied by ordinary resolution passed by the shareholders in a general meeting;

NOTICE OF 44th ANNUAL GENERAL MEETING cont'd

whichever is earlier,

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

9. ORDINARY RESOLUTION – PROPOSED SHARE BUY-BACK

Ordinary Resolution 9

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

- (i) the number of ordinary shares of RM1.00 each in the Company (“Shares”) which may be purchased or held by the Company shall not exceed 10% of the issued and paid-up share capital of the Company;
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the total retained profits, and/or share premium account, if any, of the Company. The audited retained profits of the Company as at 31 March 2016 amounted to RM59,384,100;
- (iii) the authority conferred by this resolution will be effective immediately upon passing of this ordinary resolution and shall continue to be in force until:
 - (a) the conclusion of the next Annual General Meeting of the Company following the general meeting in which the authorisation is obtained, at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (b) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting;

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

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

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

NOTICE OF 44th ANNUAL GENERAL MEETING cont'd

10. **ORDINARY RESOLUTION – AUTHORITY FOR ENCIK AZIZAN BIN MOHD NOOR TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR** **Ordinary Resolution 10**

“THAT Encik Azizan bin Mohd Noor who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby authorised to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2012.”

11. **ORDINARY RESOLUTION – AUTHORITY FOR DATO’ ROSMAN BIN ABDULLAH TO CONTINUE IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR** **Ordinary Resolution 11**

“THAT Dato’ Rosman bin Abdullah who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, be and is hereby authorised to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance 2012.”

12. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965 and the Company’s Articles of Association.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that subject to the approval of the shareholders at the 44th AGM to be held on 24 August 2016, a single-tier final dividend of 9.0% for the financial year ended 31 March 2016 will be paid on 30 September 2016 to Depositors whose names appear in the Record of Depositors on 8 September 2016.

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

- (a) Securities transferred into the Depositor’s Securities Account before 4.00 p.m. on 8 September 2016 in respect of transfers; and
- (b) Securities bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

BY ORDER OF THE BOARD

MOHD YUSOF BIN PANDAK YATIM (MIA 4110)

JASMIN BT HOOD (LS 0009071)

Company Secretaries

Kuala Lumpur
29 July 2016

Note A:

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

NOTICE OF 44th ANNUAL GENERAL MEETING cont'd

Explanatory Notes on Special Business:

(I) ORDINARY RESOLUTION 8

The proposed Ordinary Resolution 8, if passed, will empower the Company and/or its subsidiaries (“the Group”) to enter into recurrent related party transactions of a revenue or trading nature which are necessary for the Group’s day-to-day operations, subject to the transactions being carried out in the ordinary course of business on terms not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company.

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

(II) ORDINARY RESOLUTION 9

The proposed Ordinary Resolution 9, if passed, will empower the Directors to purchase the Company’s shares up to 10% of the issued and paid-up share capital of the Company by utilizing the funds allocated out of the retained profits and the share premium of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Based on the Company’s audited financial statements for the financial year ended 31 March 2016, the Company’s retained profits stood at RM59,384,100.

Further information on the proposal are set out in the Circular to Shareholders dated 29 July 2016 accompanying the Company’s 2016 Annual Report.

(III) ORDINARY RESOLUTIONS 10 AND 11

The following Directors were appointed as Independent Non-Executive Directors of the Company and have reached the cumulative nine (9) years term limit as recommended by Malaysian Code on Corporate Governance 2012:-

<u>Directors</u>	<u>Appointed on</u>
(i) Encik Azizan bin Mohd Noor	2 April 2003
(ii) Dato’ Rosman bin Abdullah	5 May 2004

The Nomination Committee and the Board, through the annual assessment carried out for the financial year ended 31 March 2016, concluded that the above Directors remain independent and recommended them to continue to act as Independent Non-Executive Directors based on the following justifications:-

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

Notes:

- A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may not be a member of the Company and a member may appoint more than two (2) proxies by specifying the proportion of his shareholding to be represented by each proxy.
- Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy must be completed and deposited at the registered office of the Company not less than forty-eight (48) hours before the time of holding the Meeting or any adjournment thereof.
- Only members registered in the General Meeting Record of Depositors as at 17 August 2016 shall be eligible to attend the Annual General Meeting or appoint proxy(ies) to attend and/or vote on their behalf.
- The voting at the 44th AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the results of the poll.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. The Directors who are standing for re-appointment under Section 129(6) of the Companies Act, 1965, are:
 - a. Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor
 - b. Encik Azizan bin Mohd Noor

2. The Directors who are retiring pursuant to Article 114 of the Company's Articles of Association and seeking re-election are:
 - a. Dato' Rosman bin Abdullah
 - b. Cik Rozilawati binti Haji Basir

3. The Directors who are continuing to act as Independent Non-Executive Director are:
 - a. Encik Azizan bin Mohd Noor
 - b. Dato' Rosman bin Abdullah

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor
Chairman/Independent Non-Executive Director

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

Azizan bin Mohd Noor
Senior Independent Non-Executive Director

Rozana Zeti binti Basir
Non-Independent Non-Executive Director

Dato' Rosman bin Abdullah
Independent Non-Executive Director

Rozilawati binti Haji Basir
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Azizan bin Mohd Noor
Chairman
Dato' Rosman bin Abdullah
Member
Rozana Zeti binti Basir
Member

NOMINATION COMMITTEE

Dato' Rosman bin Abdullah
Chairman
Azizan bin Mohd Noor
Member
Rozana Zeti binti Basir
Member

REMUNERATION COMMITTEE

Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor
Chairman
Azizan bin Mohd Noor
Member
Dato' Rosman bin Abdullah
Member
Rozilawati binti Haji Basir
Member

OPTIONS COMMITTEE

Dato' Rosman bin Abdullah
Chairman
Dato' Roslan bin Hamir
Member
Rozilawati binti Haji Basir
Member

COMPANY SECRETARIES

Mohd Yusof bin Pandak Yatim
MIA 4110
Jasmin binti Hood
LS 0009071

REGISTERED OFFICE

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

SHARE REGISTRAR

Symphony Share Registrars Sdn. Bhd.
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya Selangor
Telephone No. : +603-7849 0777
Facsimile No. : +603-7841 8151/52

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name : KFIMA
Stock Code : 6491

AUDITORS

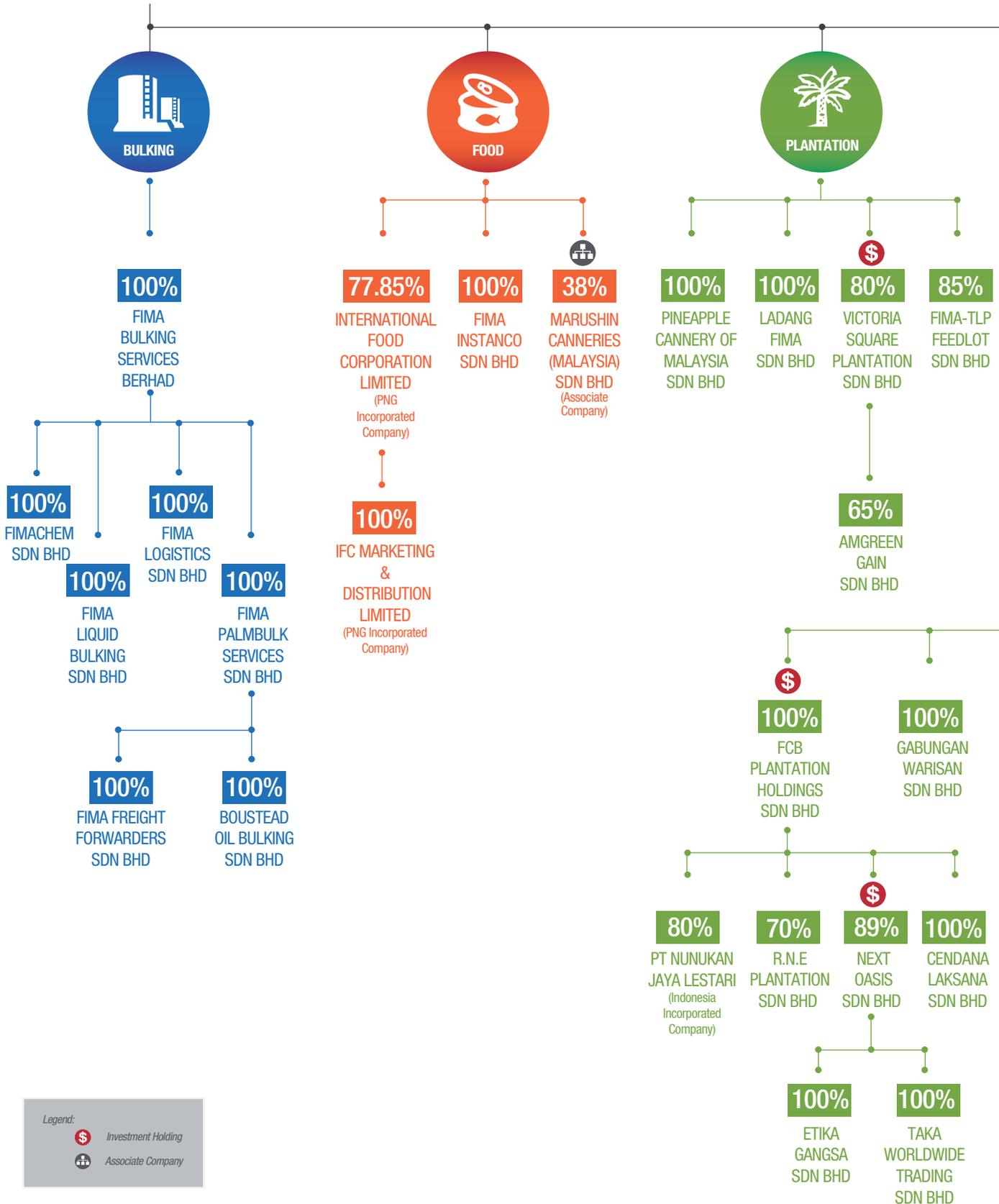
Messrs. Hanafiah Raslan
& Mohamad

PRINCIPAL BANKERS

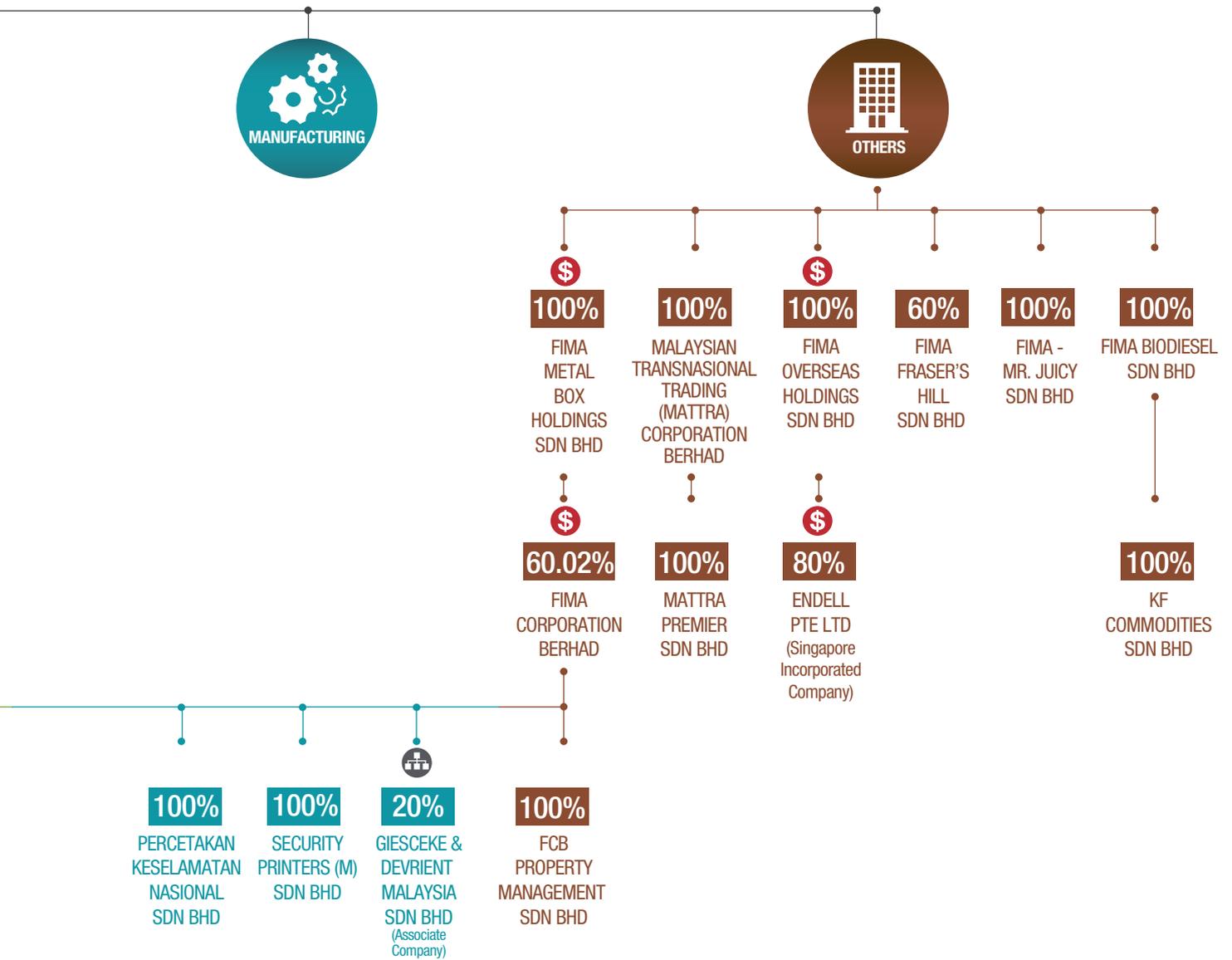
Malayan Banking Berhad
Public Bank Berhad

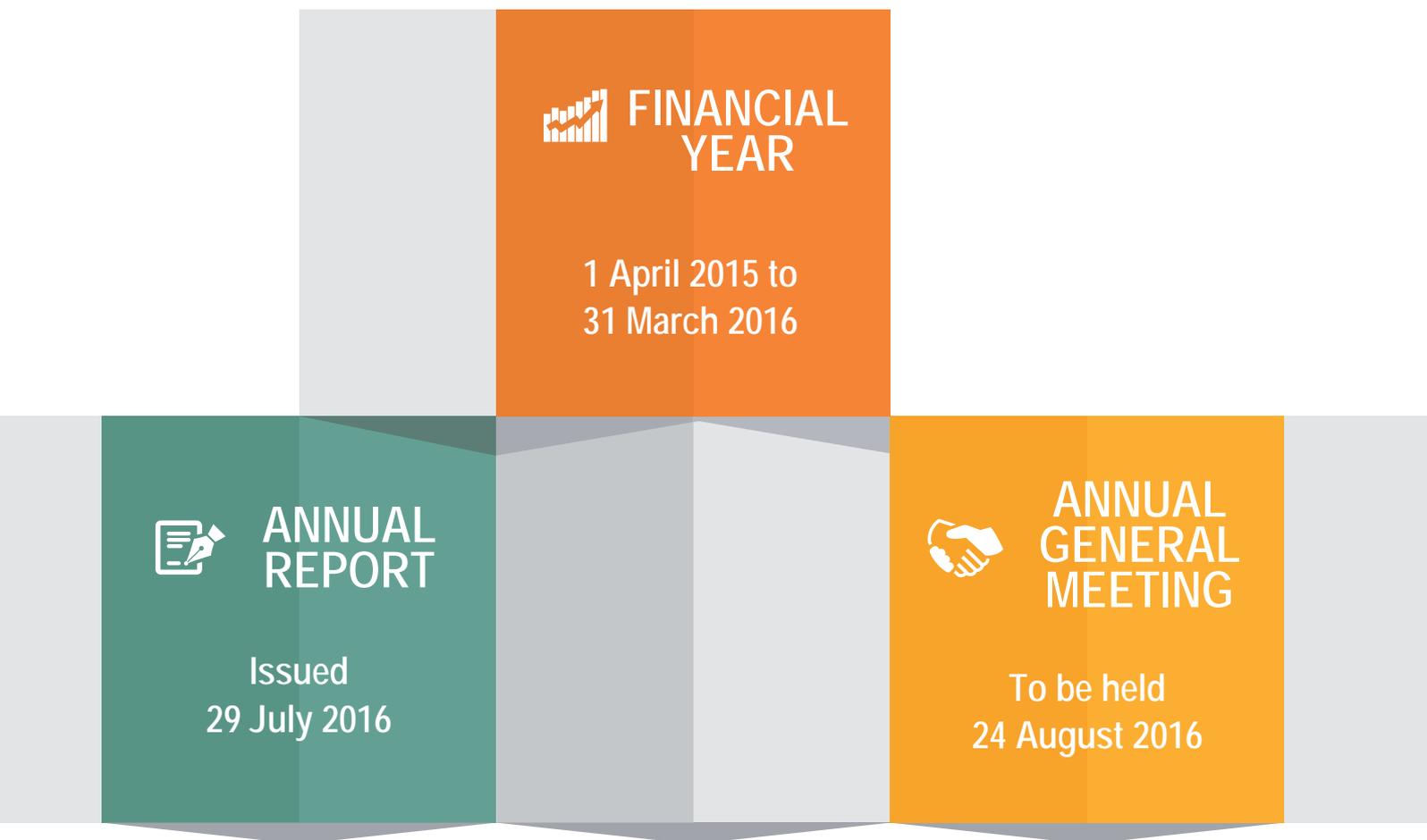
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KUMPULAN FIMA BERHAD
(11817-V)



GROUP CORPORATE STRUCTURE





FINANCIAL CALENDAR

RESULT	FINAL DIVIDEND
<p>First Quarter Announced</p> <ul style="list-style-type: none"> • 27 August 2015 	<p><i>(Subject to the approval of the shareholders at the 44th Annual General Meeting)</i></p> <p>Announced</p> <ul style="list-style-type: none"> • 28 July 2016 <p>Entitlement date</p> <ul style="list-style-type: none"> • 8 September 2016 <p>Payment date</p> <ul style="list-style-type: none"> • 30 September 2016
<p>Second Quarter Announced</p> <ul style="list-style-type: none"> • 26 November 2015 	
<p>Third Quarter Announced</p> <ul style="list-style-type: none"> • 24 February 2016 	
<p>Fourth Quarter Announced</p> <ul style="list-style-type: none"> • 26 May 2016 	

PROFILE OF DIRECTORS



TAN SRI DATO' IR. MUHAMMAD RADZI BIN HAJI MANSOR
Chairman / Independent Non-Executive Director

Nationality / Age:	Malaysian/ 75
Gender:	Male
Date of Appointment:	10 April 2008
Date of Last Re-appointment:	22 September 2015 (pursuant to Section 129(6) of the Companies Act, 1965)

Academic/ Professional Qualification(s):

- Diploma in Electrical Engineering, Faraday House Engineering College, London
- Masters in Science (Technological Economics), University of Stirling, Scotland
- Chartered Professional Engineer, Board of Engineers, Malaysia
- Chartered Professional Engineer, Engineering Council, United Kingdom
- Member, Institution of Engineers, Malaysia, Institution of Engineering and Technology, United Kingdom and Chartered Management Institute, United Kingdom

Past Appointment(s):

- Served in various engineering and management capacities in Government with Ministry of Energy, Telecommunications and Post (1976-1979) and Jabatan Telekom Malaysia now known as Telekom Malaysia Berhad ("TM") (1965-1996)
- Independent Consultant for Multimedia Development Corporation Sdn Bhd (1997-1999)
- Chairman and Director, TM (1999-2009) and Menara Kuala Lumpur Sdn Bhd (1999-2012)
- Director, Multimedia Development Corporation Sdn Bhd (2005-2011)
- Director, Pos Malaysia Berhad (2009-2011)

Present Directorship(s) of Public and Listed Companies:

- President Commissioner, PT XL Axiata Tbk, Indonesia (listed on the Indonesia Stock Exchange)
- Independent Non-Executive Director, Mewah International Inc. (listed on the Singapore Stock Exchange)
- Pro-Chancellor, Multimedia University, Cyberjaya

Membership of Board Committee(s):

- Remuneration Committee (Chairman)

Securities holdings in the Company:

Please refer to Disclosure of Directors' interests on page 86 of Financial Statements.

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

NIL

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

NIL

No. of Board Meetings attended during the financial year:

6/6



DATO' ROSLAN BIN HAMIR
Group Managing Director / Non-Independent Executive Director

Nationality / Age:	Malaysian/ 49
Gender:	Male
Date of Appointment:	11 October 2002
Date of Last Re-election:	22 September 2015

Academic/ Professional Qualification(s):

- ACCA with Bachelor of Arts (Honours) in Accounting and Finance

Past Appointment(s):

- Auditor, Messrs. Ernst & Young (1993-1998)
- Senior Vice President, Corporate Services, Kumpulan Fima Berhad (1998-1999)
- Chairman and Director, Riverview Rubber Estate Berhad (2008-2015)

Present Directorship(s) of Public and Listed Companies:

- Managing Director, Fima Corporation Berhad
- Chairman and Director, Narborough Plantations Plc
- Director, Fima Bulking Services Berhad (non-listed)
- Director, Malaysian Transnational Trading (MATTRA) Corporation Berhad (non-listed)

Membership of Board Committee(s):

- Options Committee

Securities holdings in the Company:

Please refer to Disclosure of Directors' interests on page 86 of Financial Statements.

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

NIL

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

NIL

No. of Board Meetings attended during the financial year:

6/6

PROFILE OF DIRECTORS

cont'd



AZIZAN BIN MOHD NOOR

Senior Independent Non-Executive Director

Nationality / Age:	Malaysian/ 75
Gender:	Male
Date of Appointment:	2 April 2003
Date of Last Re-appointment:	22 September 2015 (pursuant to Section 129(6) of the Companies Act, 1965)

Academic/ Professional Qualification(s):

- Member, Institute of Chartered Accountants, England & Wales (ICAEW)
- Member, Malaysian Institute of Accountants (MIA)
- Member, Malaysian Institute of Certified Public Accountants (MICPA)

Past Appointment(s):

- Senior Auditor, Azman, Wong, Salleh & Co., Chartered Accountants (1972-1973)
- Chief Internal Auditor, Bank Bumiputra Malaysia Berhad (1973-1976)
- Senior Partner, Anuarul, Azizan, Chew & Co., Chartered Accountants (1976-2000)

Present Directorship(s) of Public and Listed Companies:

- Chairman, Fima Bulking Services Berhad (non-listed)

Membership of Board Committee(s):

- Audit Committee (*Chairman*)
- Remuneration Committee
- Nomination Committee

Securities holdings in the Company:

NIL

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

NIL

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

NIL

No. of Board Meetings attended during the financial year:

6/6



ROZANA ZETI BINTI BASIR

Non-Independent Non-Executive Director

Nationality / Age:	Malaysian/ 41
Gender:	Female
Date of Appointment:	30 March 2004
Date of Last Re-election:	22 September 2015

Academic/ Professional Qualification(s):

- Bachelor of Arts in Fashion Marketing, American College, London

Past Appointment(s):

- Visual Merchandising Executive, Metro Jaya Bhd (1998-2000)
- Corporate Services Executive, Kumpulan Fima Berhad (2000-2001)

Present Directorship(s) of Public and Listed Companies:

- NIL

Membership of Board Committee(s):

- Audit Committee
- Nomination Committee

Securities holdings in the Company:

Please refer to Disclosure of Directors' interests on page 86 of Financial Statements.

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

- Sister of Rozilawati binti Haji Basir, a Non-Independent Non-Executive Director of the Company.
- Rozana Zeti binti Basir is also a Director of BHR Enterprise Sdn Bhd, a major shareholder of the Company.

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

NIL

No. of Board Meetings attended during the financial year:

6/6

PROFILE OF DIRECTORS

cont'd



DATO' ROSMAN BIN ABDULLAH

Independent Non-Executive Director

Nationality / Age:	Malaysian/ 49
Gender:	Male
Date of Appointment:	5 May 2004
Date of Last Re-election:	24 September 2014

Academic/ Professional Qualification(s):

- Bachelor of Commerce (Accounting) Degree, Australian National University
- Advanced Management Programme, Oxford University
- Member, Malaysian Institute of Accountants (MIA)
- Member, Australian Society of Certified Practising Accountants

Past Appointment(s):

- Auditor and Financial Advisors, Arthur Andersen & Co. (1989-1997)
- Executive Director, Malaysia Airports Holdings Berhad (1997-2003)
- Corporate Affairs Director, PECD Berhad (2003-2006)
- Non-Independent Non-Executive Director, Cuscap Berhad (2003-2013)
- Non-Independent Non-Executive Director, KUB Malaysia Berhad (2006-2011)
- Group Chief Executive Officer, PECD Berhad (2006-2009)
- Chief Executive Officer, Syarikat Air Negeri Sembilan Sdn Bhd (2009-2012)
- Independent Non-Executive Director, Cliq Energy Berhad (2012-2015)

Present Directorship(s) of Public and Listed Companies:

- Group Managing Director, Putrajaya Perdana Berhad (non-listed)
- Independent Non-Executive Director, Hume Industries Berhad

Membership of Board Committee(s):

- Nomination Committee (*Chairman*)
- Options Committee (*Chairman*)
- Audit Committee
- Remuneration Committee

Securities holdings in the Company:

NIL

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

NIL

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

NIL

No. of Board Meetings attended during the financial year:

6/6



ROZILAWATI BINTI HAJI BASIR

Non-Independent Non-Executive Director

Nationality / Age:	Malaysian / 45
Gender:	Female
Date of Appointment:	26 November 2009
Date of Last Re-election:	24 September 2014

Academic/ Professional Qualification(s):

- B.A (Hons) Degree Social Sciences majoring in Law, University of Hertfordshire, United Kingdom
- Masters in Business Administration in International Business, University of Bristol, United Kingdom

Past Appointment(s):

- Research & Analyst Assistant, Capitalcorp Securities Malaysia Sdn Bhd (1994-1995)
- Corporate Services Executive, Kumpulan Fima Berhad (1996-1997)
- Executive Director, Business Development, Nationwide Express Courier Services Berhad ("NECSB") (2000-2003)
- Chief Executive Officer, NECSB (2003-2010)
- Chairman and Director, NECSB (2010-2014)

Present Directorship(s) of Public and Listed Companies:

- Managing Director, NECSB (Since April, 2014)

Membership of Board Committee(s):

- Remuneration Committee
- Options Committee

Securities holdings in the Company:

Please refer to Disclosure of Directors' interests on page 86 of Financial Statements.

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

- Sister of Rozana Zeti binti Basir, a Non-Independent Non-Executive Director of the Company.
- Rozilawati binti Haji Basir is also a Director of BHR Enterprise Sdn Bhd, a major shareholder of the Company.

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

NIL

No. of Board Meetings attended during the financial year:

6/6

PROFILE OF SENIOR MANAGEMENT



MOHD YUSOF BIN PANDAK YATIM

Group Chief Financial Officer/Company Secretary
(62 years of age, male, Malaysian)
Bachelor in Accounting, University of Malaya
MSc in Finance, University of Strathclyde
Member, Malaysian Institute of Accountants

He joined Kumpulan Fima Berhad's ("KFima") Group on 1 July 1996 as an Executive Director of Capitalcorp Securities Sdn Bhd, from Kuala Lumpur Stock Exchange where he was formerly an Inspectorate Manager. He then appointed as KFima's Group Chief Financial Officer/Company Secretary on 1 June 2001.

He started his career as an Accountant with the Accountant General's ("AG") Office, Kuala Lumpur from February 1979 to March 1993. During his 14 years tenure as a Government Accountant, he held various senior positions in Federal and State governments including as an Assistant Registrar of Registrar of Companies, Chief Accountant of Selangor Waterworks, Deputy Director of Kumpulan Wang Amanah Pencen and Deputy Director of Corporate and IT Department of AG's Office. He is presently a Board member of Fima Bulking Services Berhad (non-listed) and Malaysian Transnational Trading (MATTRA) Corporation Berhad (non-listed).

NAZARUDDIN BIN MOHD HADRI

Chief Operating Officer, Fima Corporation Berhad
Executive Director, Operations, Percetakan Keselamatan Nasional Sdn Bhd
(49 years of age, male, Malaysian)
Bachelor of Commerce majoring in Accounting, St.Mary's University, Canada

He joined Fima Corporation Berhad ("FimaCorp"), the Group's listed subsidiary in 2003 as a Vice President. He was subsequently seconded to an associate company, Giesecke & Devrient Malaysia Sdn Bhd as an Executive Director. In 2005, he was transferred to Percetakan Keselamatan Nasional Sdn Bhd, another Group's subsidiary, as Director of Operations and subsequently appointed as Executive Director, Operations on 25 August 2014. He was appointed as Chief Operating Officer of FimaCorp on 23 November 2009.

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



DZAKWAN BIN MANSORI

Executive Director, Sales, Percetakan Keselamatan Nasional Sdn Bhd
(54 years of age, male, Malaysian)
Advanced Diploma in Accountancy, Mara University of Technology



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

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

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

KAMALANATHAN A/L SABAPATHY

Chief Executive Officer, Bulking Group
(59 years of age, male, Malaysian)
Business Administration, University of Central Lancashire (UCLAN)
Qualified Trained Quality Management Practitioner, Overseas Technical Scholarship (AOTS)
Exco member, Chemical Industries Council of Malaysia

He assumed the role of Chief Executive Officer of Bulking Group on 1 October 2015. He was one of the pioneer members of Bulking Group when the Bulking Group commenced its terminal operations in 1981. He has 35 years of experience in bulk liquid terminal management handling of edible oils, petroleum products and chemicals. Prior to assuming his current role, he was a General Manager in Fimachem Sdn Bhd, a subsidiary of Bulking Group in which he was also involved in the commissioning of Fimachem Sdn Bhd's Terminal 2 when it was acquired from Petronas Dagangan in 2001.



PROFILE OF SENIOR MANAGEMENT

cont'd



AHMAD ZAKRI BIN ABU BAKAR

Director, Food Division

(58 years of age, male, Malaysian)

MBA (Finance, International Business, Transportation & Distribution Management), Syracuse University
Bachelor of Science (Magna cum Laude) (Finance & Marketing), Syracuse University
Diploma in Accounting, Mara University of Technology

He joined KFima as Vice President of Group Corporate Services in 1991 and was promoted to Director, Food Division on 1 December 2007. His primary areas of responsibility include overseeing the overall business operations of the Group's Papua New Guinea subsidiary, International Food Corporation Limited.

Prior to joining KFima, he was with Malaysian International Merchant Bankers Berhad, specializing in corporate finance from 1987 until 1991. He started his career with MBF Finance Berhad in 1981.

JASMIN BT HOOD

General Manager, Group Secretarial, Legal & Corporate Services/Company Secretary

(43 years of age, female, Malaysian)

Bachelor of Laws (LL.B) Hons, University of Southampton
Certificate of Legal Practice, University of Malaya

Licensed Company Secretary, Companies Commission of Malaysia



She joined KFima on 2 January 2008 and was appointed as Company Secretary in the same year. She is currently Company Secretary to KFima's Group subsidiaries including its listed subsidiary FimaCorp and for all Board Committees of KFima and FimaCorp. She has had over 17 years' experience in legal, corporate secretarial and compliance matters having served in various positions in organisations including Golden Hope Plantations Berhad, Bursa Malaysia and Hong Leong Finance Berhad. She sits on the Board of four (4) Group subsidiaries and is also a Trustee of the Employees Share Scheme.

MOHD RIZAL BIN MAT NOR

General Manager, Plantation Division

(48 years of age, male, Malaysian)

B.A (Hons) in Accounting, Polytechnic of North London



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

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

SUSAN LEE MO LENG

Senior Financial Controller/Company Secretary

Fima Corporation Berhad

(56 years of age, female, Malaysian)

ACCA



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

Note:

- (i) None of the key senior management has any family relationship with any director and/or major shareholders of the Company.
- (ii) None of the key senior management has any conflict of interest with the Company.
- (iii) Other than traffic offences, none of the key senior management has been convicted of any offences within the past five (5) years.
- (iv) None of the key senior management has been imposed any public sanction or penalty by regulatory bodies during the financial year.

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

Financial Year Ended 31 March (RM Million)	2016	2015	2014	2013	2012
REVENUE	541.11	544.79	504.59	486.52	470.75
PROFIT					
Profit before taxation	111.67	122.30	129.36	142.02	153.81
Income tax expense	31.67	38.29	39.33	37.77	37.27
Non-controlling interests	23.27	25.44	29.73	26.53	35.68
Profit after taxation and non-controlling interests	56.73	58.58	60.30	77.72	80.86
ASSETS AND LIABILITIES					
Total assets	1,185.66	1,189.50	991.78	970.64	906.55
Total liabilities	186.38	211.49	128.55	138.90	153.74
Non-controlling interests	250.99	245.72	224.94	218.44	203.64
Shareholders' funds	748.30	732.29	638.28	613.30	549.17
EARNINGS AND DIVIDEND					
Earnings per share (sen):					
Basic	20.51	21.26	22.16	29.05	30.70
Diluted	20.31	21.10	22.03	28.80	30.63
Gross dividend per share (sen)	9.00	8.50	8.00	8.00	8.00
Net dividend per share (sen)	9.00	8.50	8.00	7.13	6.00
SHARE PRICES					
Transacted price per share (RM)					
Highest	2.04	2.43	2.38	2.50	2.10
Lowest	1.72	1.75	1.87	1.73	1.45

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

cont'd

REVENUE (RM MILLION)



PROFIT BEFORE TAXATION (RM MILLION)



EBITDA (RM MILLION)



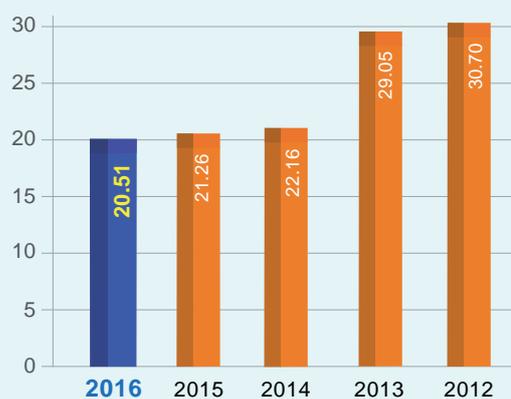
TOTAL ASSETS (RM MILLION)



SHAREHOLDERS' FUNDS (RM MILLION)



EARNINGS PER SHARE (BASIC) (RM SEN)



REVENUE

RM541.11
MILLION

- 0.7% Decrease Y-o-Y

EBITDA

RM150.43
MILLION

- 5.7% Decrease Y-o-Y

SHAREHOLDERS'
FUNDS

RM748.30
MILLION

+ 2.2% Increase Y-o-Y

EARNINGS
PER SHARE

RM20.51

- 3.5% Decrease Y-o-Y

NET ASSETS
PER SHARE

RM2.70

+ 1.9% Increase Y-o-Y

CHAIRMAN'S STATEMENT



CHAIRMAN'S STATEMENT

cont'd

Dear Shareholders,

FINANCIAL RESULTS AND PERFORMANCE

In presenting our financial results and performance for the financial year ended 31 March 2016 ("FYE2016"), the Group reported consolidated revenue of RM541.11 million, representing a marginal decline of 0.7% over last year. Profit before tax ("PBT") also decreased to RM111.67 million compared to RM122.30 million recorded last year. The Group's earnings before interest, taxation, depreciation and amortisation ("EBITDA") was RM150.43 million, lower than the EBITDA of RM 159.44 million recorded last year.

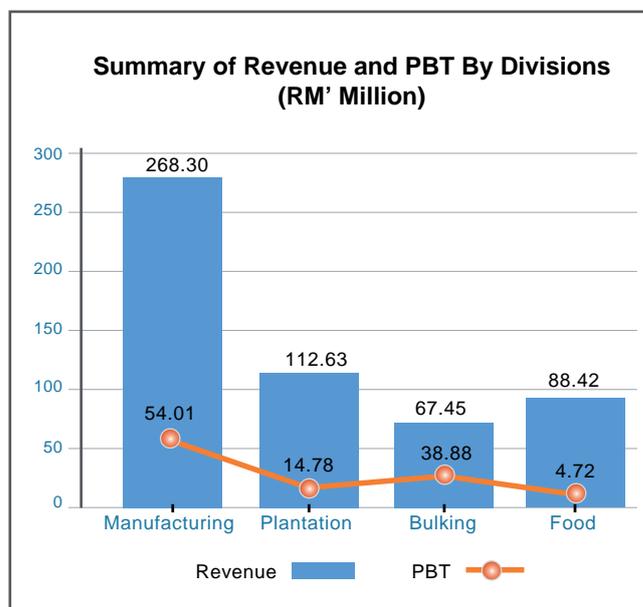
The Group's FYE2016 results reflect the challenging market conditions across all our businesses. Despite the higher fresh fruit bunch ("FFB") production, the lower average Crude Palm Oil ("CPO") price realized during the year had weighed down the earnings contribution of the Plantation Division. We are however encouraged by the improved profit contributions from the Food Division, giving us cause for cautious optimism that we can return this business to positive levels of growth. Contributions from the Manufacturing and Bulking Divisions have also remained steady with modest year-on-year increase in revenue and PBT respectively.

Earnings per share and net assets per share stood at 20.51 sen and RM2.70, respectively, from 21.26 sen and RM2.65, respectively, the year before.

A more detailed review of the results and the operating performance for the year of each of the Group's business divisions is set out on pages 25 to 35 of this Annual Report.

DIVIDEND

Reflecting on the Group's performance, the Board of Directors is pleased to recommend for shareholders' approval a final single-tier dividend of 9.0% for the financial year ended 31 March 2016 at the forthcoming Annual General Meeting.



The Group will continue to pursue a dividend practice that recognises the need to achieve a balance between providing reasonable returns to shareholders whilst conserving funds for new investment opportunities critical to long term growth.

ACQUISITION

On 4 December 2015, the Group's subsidiary, FCB Plantation Holdings Sdn Bhd had completed the acquisition of 140,000 ordinary shares of RM1.00 each in R.N.E. Plantation Sdn Bhd ("R.N.E. Plantation"), representing 70% of the total issued and paid up share capital of R.N.E. Plantation for a total purchase consideration of RM4.20 million. R.N.E. Plantation has been granted a sub-lease over a parcel of land measuring approximately 2,000 hectares / 4,940 acres situated in Mukim Sungai Siput, Daerah Kuala Kangsar, Perak Darul Ridzuan for a term of 60 years with an option to renew for a further period of 30 years. The acquisition of R.N.E. Plantation is in line with the Group's aspirations to expand its plantation business, particularly in Malaysia, and capitalise on the long-term fundamentals of the palm oil sector.

CHAIRMAN'S STATEMENT

cont'd

SUSTAINABILITY AND CORPORATE RESPONSIBILITY

We recognise that we have a responsibility to all our stakeholders – our employees, our investors, the community and the environment in which we all work and live, and so we endeavour to integrate sustainable value into everything we do. Hence, our aim is to ensure that sustainable and profitable growth continues, while managing our businesses in a way that is supportive to communities, respectful to the environment and ensures a safe and conducive workplace.

Key highlights of the Group's sustainability measures and corporate responsibility initiatives undertaken during the year under review are set out in the Sustainability Report on pages 37 to 53 of the Annual Report. This year, you will find a more detailed report of our progress and priorities in FYE2016 as we strive to fulfil our responsibilities to all our stakeholders. We share with you our achievements thus far, and we welcome your feedback.

GOVERNANCE

In October 2015, the Board, together with the Board of its listed subsidiary, Fima Corporation Berhad and the Group's management team, held a Joint Board Retreat to take stock of our current position and discuss the commercial strategy and strategic directions for the Group. We made important strides at the Retreat towards identifying priorities and developing actionable goals for each of the Group's key businesses; and being able to interact with the team face-to-face over the course of a weekend was essential to making such progress. On a personal level, the Retreat sessions exceeded my expectations in terms of the level of engagement from the participants and the amount of informative discussions and ideas that emerged. I would like to thank everyone who attended the Retreat for their participation and insights, as well as their taking the time out of their schedules to join us.

Statements on corporate governance, and risk management and internal control are covered in separate sections in the Annual Report.

PROSPECTS AND CHALLENGES

The economic environment presented significant challenges for the Group during FYE2016 and this is likely to persist in this current year. BNM has forecasted

that the Malaysian economy is expected to grow at a slower pace of 4% to 4.5% in 2016 (2015:5%) due to slower growth in all sectors. At the industry level, factors such as extreme weather conditions, labour shortages, soft consumer sentiments and heightened competition will continue to pose challenges to the Group's businesses. Our outlook for the Group therefore remains positive, but guarded, given these challenges.

Coincidentally, 2016 marks our 20th anniversary of being publicly listed on Bursa Malaysia. During these 20 years, we have been through down cycles and have emerged as a stronger, agile company. These times call for agile leadership and organization but they also require stability and strength. The priorities for the Group in this current year are to fully realize the potential of acquisitions made in recent years and deepen our involvement in focus areas while at the same time evaluate further growth opportunities. It is also important, now more than ever, for us to intensify our efforts to enhance efficiency and exercise firm control over costs and the use of capital in order to remain competitive and continue to deliver long-term returns to our shareholders.

APPRECIATION AND ACKNOWLEDGEMENT

I wish to express my deepest gratitude to our Board members for their dedication and guidance in ensuring the Group's success. I also want to thank the Group's senior management, our employees, in all parts of the Group, for their dedication: those who serve our customers and who work tirelessly to improve our services to them, those in the estates working to bring in the harvest, those on the shop floors of our production and manufacturing plants, the teams at our bulking terminals, all the administrative, finance, technical, planning and support teams that work in offices and job sites. These are the people who draw our assets together into a cohesive whole and we could achieve nothing without their enthusiasm for the Group.

Last but not least, on behalf of the Board, I would like to convey our deepest appreciation to our stakeholders for continuing to partner with us and you, our valued shareholders for your continuous support and confidence.

**TAN SRI DATO' IR. MUHAMMAD RADZI
BIN HAJI MANSOR**
Chairman

MANAGEMENT'S DISCUSSION & ANALYSIS

Key Performance Indicators



INTRODUCTION

The Group's principal activities remain unchanged throughout the financial year. The purpose of this review is to highlight and provide brief insights on key financial and operating information at Group level. A more detailed commentary on operating performance is covered under the respective business segment reports.

KEY FINANCIAL INDICATORS

		FYE2016	FYE2015	Change %
Revenue	<i>RM million</i>	541.11	544.79	(0.7)
Earnings Before Interest And Taxation (EBIT)	<i>RM million</i>	112.19	122.65	(8.5)
Profit Before Tax (PBT)	<i>RM million</i>	111.67	122.30	(8.7)
Profit After Tax (PAT)	<i>RM million</i>	80.00	84.02	(4.8)
Return On Average Shareholders' Equity (ROE)	%	8.1	9.1	(11.3)
Return On Average Capital Employed (ROCE)	%	10.7	12.8	(16.4)
Total returns to shareholders				
- Gross dividend (per RM1.00 share)	<i>sen</i>	9.00	8.50	5.9
Net gearing	<i>times</i>	0.19	0.22	13.6

FINANCIAL HIGHLIGHTS AND INSIGHTS

At Group level, the results for FYE2016 versus FYE2015 are best compared and explained at three levels, mainly, Revenue, PBT and PAT.

Revenue decreased by approximately RM3.68 million or 0.7% from RM544.79 million in the previous corresponding year against RM541.11 million in FYE2016. The overall decline in revenue was largely attributed to the lower revenue contributions from Plantation and Food Divisions.

Profit Before Tax decreased by 8.7% to RM111.67 million from last financial year. The decrease is due to lower contributions from Plantation Division and associate companies. In addition, higher provision of doubtful debts and increase in operating costs in the Others segment have also contributed to the decrease in PBT.

KFIMA MANAGEMENT'S DISCUSSION & ANALYSIS

cont'd

PBT contributions from the segments are as follows:

	FYE2016 RM million	% Contribution (from Group PBT)	FYE2015 RM million	% Contribution (from Group PBT)
Manufacturing	54.01	48.4	50.54	41.3
Plantation	14.78	13.2	24.73	20.2
Bulking	38.88	34.8	38.08	31.1
Food	4.72	4.2	0.28	0.3
Others *	(2.39)	(2.1)	4.53	3.7
Associate Companies	1.67	1.5	4.14	3.4
Group PBT	111.67	100.0	122.30	100.0

* rental income and property management services

- The Manufacturing Division's PBT increased by 6.9% to RM54.01 million mainly on the back of the higher revenue generated and lower depreciation costs.
- Plantation Division's PBT decreased by 40.2% to RM14.78 million, impacted by higher manuring costs of RM3.6 million following the implementation of an improved fertilizer application programme by PTNJL. In addition, withholding tax on foreign dividend income increased by RM1.7 million while interest income decreased by RM1.1 million.
- Bulking Division's PBT improved 2.1% due to higher contributions from the edible oil and technical fats product segments.
- Food Division's PBT improved from RM0.28 million recorded in the year before to RM4.72 million largely due to lower overheads as well as implementation of a number of operational efficiency projects.
- Share of profits from associate companies registered a y-o-y decline in PBT of 59.7%

Profit After Tax declined by 4.8% to RM80.00 million in line with the decrease in PBT.

ROE of 8.1% recorded in FYE2016 based on an average shareholders' equity of RM988.65 million (FYE2015 – RM685.28 million) was in line with the decrease in net earnings, as compared to 12.26% recorded in the previous financial year.

ROCE decreased to 10.7% for FYE2016, down from 12.8% recorded last year. This is due to higher percentage decrease in EBIT as compared to the percentage increase in average capital employed.

The Group will endeavour to enhance ROE and ROCE by continuous improvement in operating performance and by active management of its capital structure.

For FYE2016, the Group spent a total of RM53.11 million for **Capital Expenditure ("CAPEX")** comprising of biological assets expenditure (RM28.84 million) and property, plant & equipment (RM24.27 million). The Group retains strong discipline in respect of CAPEX, with generally conservative business cases and appropriate benchmarks applied to commensurate with the nature and/or risks of the activity or project.

The Group's **Shareholders' Equity** as at FYE2016 stood at RM999.29 million, an increase of RM21.28 million or 2.2% over the previous financial year due to improvements in the Group's retained earnings.

The Group also continues to maintain a healthy cash and bank balance, which stood at RM247.59 million.

MANUFACTURING DIVISION

BUSINESS OVERVIEW

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

REVENUE

RM **268.30**
MILLION
+ 0.7% INCREASE
Y-o-Y

PROFIT BEFORE TAX (PBT)

RM **54.01**
MILLION
+ 6.9% INCREASE
Y-o-Y

TRAVEL DOCUMENTS SEGMENT CONTRIBUTION

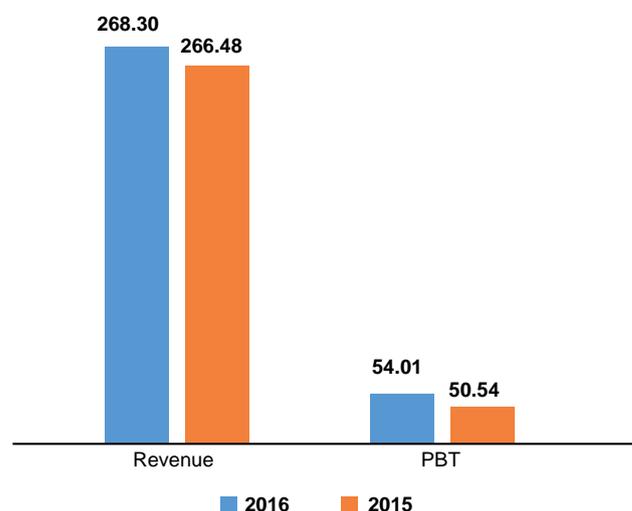
RM **152.30**
MILLION
+ 2.1% INCREASE
Y-o-Y

CAPITAL EXPENDITURE (CAPEX)

RM **7.18**
MILLION
FYE2016

The Division posted revenue and PBT of RM268.30 million and RM54.01 million respectively, representing an increase of 0.7% and 6.9% respectively. Cash flow from operations increased to RM68.6 million in FYE2016 from RM65.4 million recorded last year. On the operational front, the Division was able to maintain satisfactory profit margins despite depreciation of the Ringgit via prudent management and efficient administration of operational cost. The Division remains the leading contributor to the Group's PBT at 48.4%.

(RM' Million)



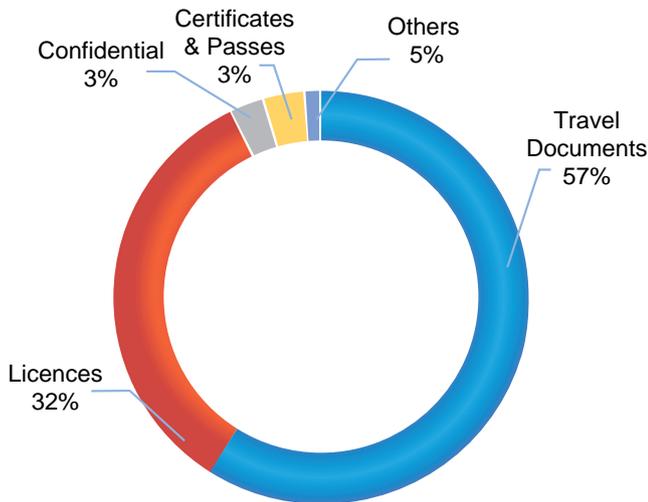
MANUFACTURING DIVISION cont'd



Printing of postage stamps



PKN Technical Support



Revenue Contribution by Products (%)

The markets in which the Division operates are characterised by rapidly changing technologies and customer requirements. The security and identity documents markets, in particular, are increasingly seeking complete integrated solutions to facilitate faster time-to-market personalization and issuance processes. Another set of challenges relate to the highly competitive landscape of these markets. Emerging and traditional competitors are exerting pressure in particular segments and compressing margins.

We expect the current financial year to be a challenging one for the Division in view of the expiration of the contract to supply certain travel documents in Q3 of FYE2017. The Division intends to address these business model shifts and challenges by developing new revenue streams, product innovation to ensure we are able to meet our clients' evolving requirements; as well as expanding into new sectors with our strategic

partners. Our differentiation lies in our strong track record of collaboration with customers and partners, our expertise in project management as well as superior support service.



Printing services provided by PKN

PLANTATION DIVISION

BUSINESS OVERVIEW

The Group owns and operates 13 estates in Malaysia and Indonesia with a land bank totalling 29,544.58 hectares, of which 12,545.70 hectares have been planted with oil palm.

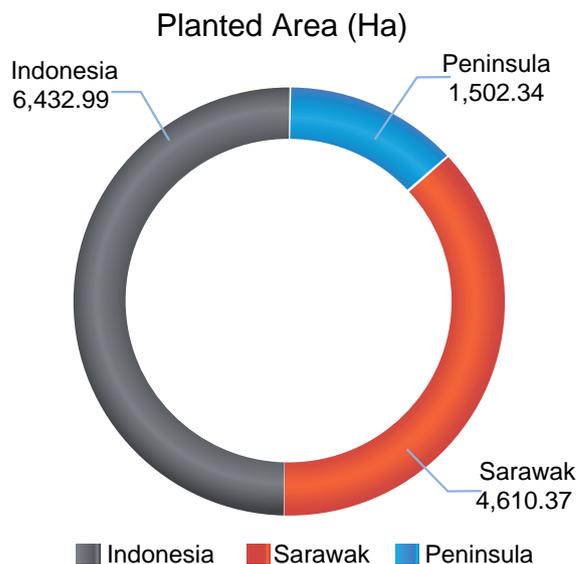


REVENUE | RM **112.63** MILLION
- 2.6% DECREASE Y-O-Y

PROFIT BEFORE TAX (PBT) | RM **14.78** MILLION
- 40.2% DECREASE Y-O-Y

NEW LAND BANK ACQUIRED | **2,000** ha

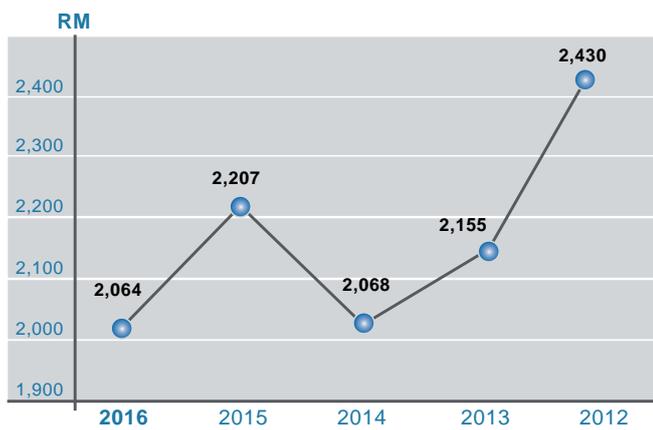
Revenue fell 2.6% to RM112.63 million on the back of lower average price for Crude Palm Oil (“CPO”). In tandem, PBT declined 40.2% to RM14.78 million. During the year under review, fresh fruit bunch (“FFB”) production reached 164,738MT compared to the 162,526MT harvested last year, with an average yield of 21.26MT per mature hectare. Production of CPO and Crude Palm Kernel Oil (“CPKO”) by the Company’s Indonesian subsidiary, PT Nunukan Jaya Lestari (“PTNJL”) during the year under review totalled 45,387MT (2015: 47,649MT) and 3,363MT (2015: 1,191MT) respectively.



PLANTATION DIVISION cont'd



Average CPO Price Realised (RM)



Status of Greenfield Developments as at 31 March 2016

	Ladang Cendana		Ladang Dabong	Ladang Aring 1	Ladang Aring 2	Ladang Sg. Siput
	Kemaman		Kuala Krai	Gua Musang	Gua Musang	Sg. Siput
	Phase 1 380.38 ha	Phase 2 388.69 ha	250.00 ha	202.34 ha	202.34 ha	2,000 ha
Authorities Approval	●	●	●	●	●	●
Land Clearing	●	●	●	●	●	●
Road	●	●	●	●	●	●
Terracing	●	●	●	●	●	●
Main Drain	●	●	●	●	●	●
Field Drain	●	●	●	●	●	●
Chambering	●	●	●	●	●	●
Holing	●	●	●	●	●	●
Mucuna Bracteata Planting	●	●	●	●	●	●
Palm Planting	●	●	●	●	●	●

Legend:

- Completed
- In progress
- Not Started

PLANTATION DIVISION cont'd



Ladang Ayer Baloi



Ladang Amgreen



Ladang Ayer Hitam

The average oil extraction rate of 22.42% is lower than last year's rate of 22.71% due to higher crops from external smallholders. The kernel extraction rate recorded at 4.23% is higher than the previous year's rate of 4.01%.

The average CPO price (CIF, net of duty) achieved during the year was RM2,064 (2015: RM2,207). The decline was largely due to the lower average CPO price realized in Indonesia arising from the impact of the USD50/MT export levy on CPO by the Indonesian government which took effect 16 July 2015. The average CPKO price during the year was RM2,850.

During FYE2016, the Division spent approximately RM38.46 million on capital expenditure ("CAPEX"). The capex was largely expended towards plantation development works, construction and refurbishment of workers quarters as well as purchase of estate equipment.

The Group's estate in Miri, Sarawak project is approaching the end of its planting programme. As at 31 March 2016, 4,610.37 hectares have been planted. The prolonged dry weather had caused a delay in the estate's planting activities but we expect to complete planting at the remaining plantable areas during the current year.

The estate's palm oil mill project is progressing well. The relevant tender and selection processes have already commenced with some of the contracts awarded. Ground works however will only commence once all official clearances and permissions from the authorities have been obtained.



PTNJL

PLANTATION DIVISION cont'd

The planting programme at the Group's Ladang Cendana estate in Kemaman, Terengganu is proceeding well. As at 31 March 2016, approximately 489.09 hectares have been planted. The acute dry weather had to some extent disrupted the estate's planting activities but we anticipate the planting will be completed before the end of this current year.

Planting and development in recently acquired green fields in Kelantan has also gained momentum. Site clearing works on 249.82 hectares in Ladang Dabong, Gua Musang, Kelantan together with the establishment of oil palm nursery sites were completed during the year.

Site clearing and terracing works on the two other estates in Kuala Krai, Kelantan measuring 404.68 hectares in total are ongoing and is expected to be completed during this current year. Barring a reoccurrence of extreme weather conditions, field plantings at these properties are also expected to be completed during this current year.



Palm oil mill at PTNJL

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

Overall, the Group expects the continued upward trend of the Group's crops over the coming years given the improving age profile resulting from the sizeable area of new plantings and more areas moving into the productive age. Palm oil prices weakened significantly in 2015 but due to the El Niño effect since the second half of 2015, prices have improved in the first quarter of 2016.

The Board is of the view that palm oil, because of its high yield and low cost of production, is well placed to continue to benefit from increasing demand for vegetable oil from a growing world population and the outlook, therefore, remains positive.

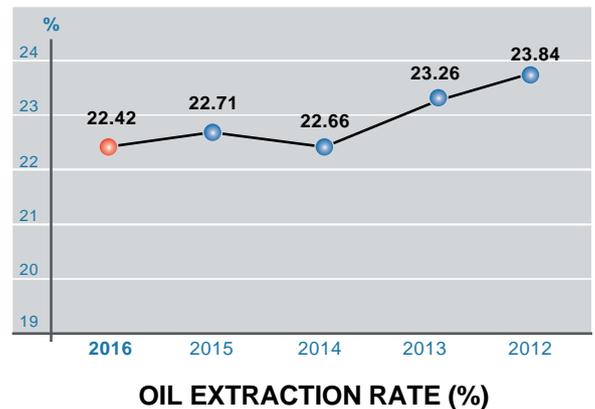
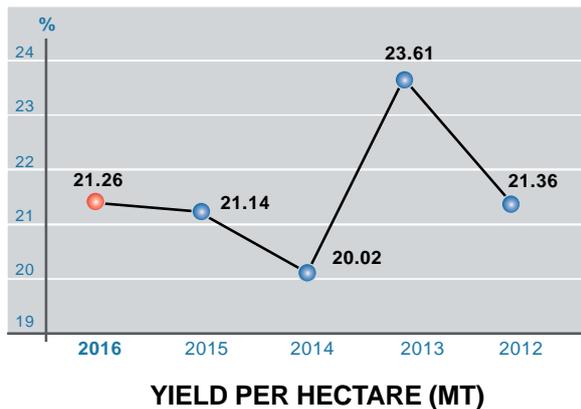
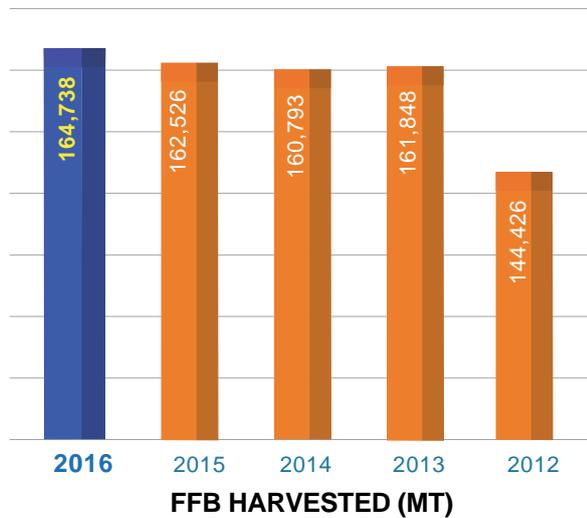
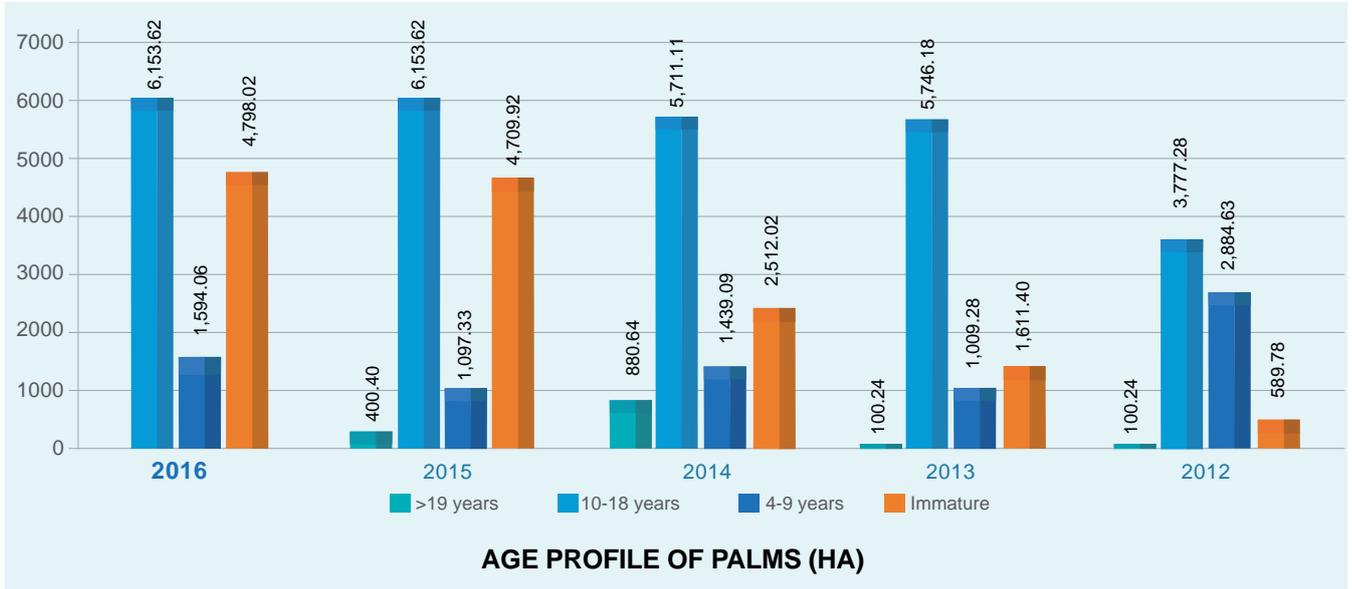


Terracing at Phase 2, Ladang Cendana



PLANTATION DIVISION cont'd

PLANTATION STATISTICS



BULKING DIVISION

BUSINESS OVERVIEW

The Bulking Division operates five liquid bulk terminals of which three are located in North Port in Port Klang and two in Butterworth. Presently, these terminals have 271 tanks with a combined storage tank capacity of 275,190mt and can handle a wide range of liquid cargoes ranging from palm oil products to latex concentrates, oleochemicals to specialty oils, as well as industrial chemicals and technical fats.

These terminals also provide storage facilities for import and export, transshipment, containerization, local dispatch, nitrogen blanketing and drumming of liquid products. Other services provided by the Bulking Division include customs declaration, freight forwarding, break-bulking, trucking and related logistics businesses.



REVENUE | RM **67.45** MILLION
+1.0% INCREASE Y-0-Y

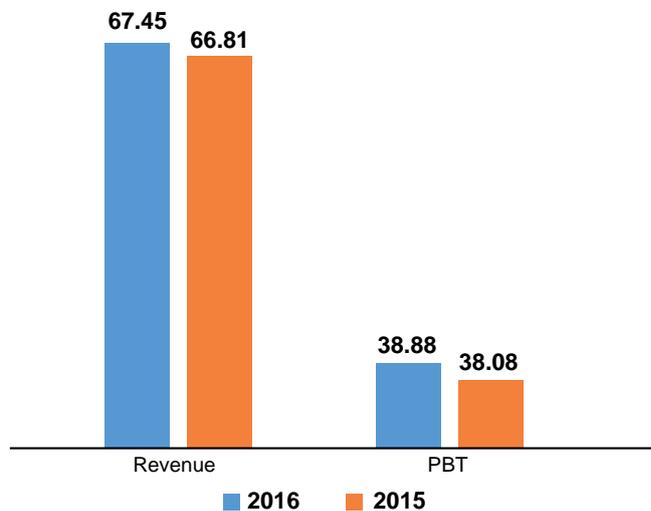
PROFIT BEFORE TAX (PBT) | RM **38.88** MILLION
+ 2.1% INCREASE Y-0-Y

THROUGHPUT VOLUME | **1.12** MILLION MT
+2.7% INCREASE Y-0-Y

EDIBLE OIL VOLUME | **710,000** MT
+37.5% INCREASE Y-0-Y

Bulking Division reported revenue of RM67.45 million, up 1.0% compared to last year on account of higher contributions from the edible oil and technical fats segments. PBT also improved 2.1% to RM38.88 million from RM38.08 million recorded last year. Occupancy rates remained strong, reaching an average of 83.2% during the year. Throughput volumes were also 2.7% higher compared to last year.

(RM' Million)

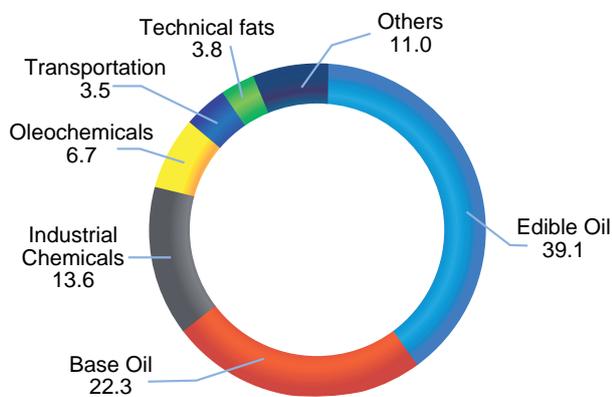


Fima Bulking Services Berhad

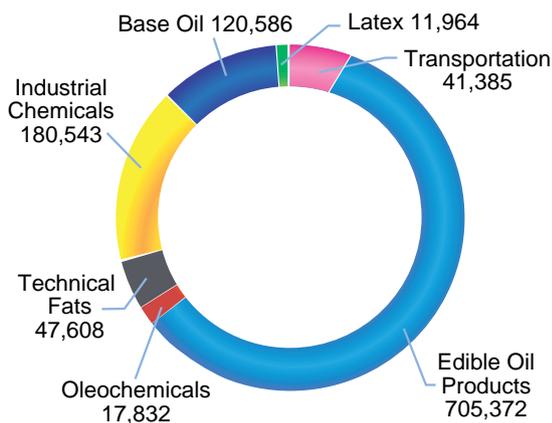
BULKING DIVISION cont'd

Sudden and sizeable fluctuations in global oil prices have caused some of the Division's customers in the oil and chemical based segments to maintain a cautious approach which in turn resulted in a sharp decline in trading volumes as well as reduction in the average duration of storage and related services contracts. However, the high inventory levels of palm oil recorded during the second half of 2015 due to the low export demand gave rise to a favourable increase in demand for storage tanks particularly at our terminals in Penang, thereby tempering the effects of declining oil prices.

Revenue Contribution by Products (%)



Product Throughput (MT)



Fimachem terminal

While we do not foresee the macroeconomic conditions to change significantly in the current year, we believe our diversified portfolio of storage assets and facilities is well positioned to weather the market environment.

In terms of capacity, we continued to refurbish and upgrade our terminal infrastructure as part of an ongoing commitment to improve the efficiency of our facilities, enhance our product handling equipment and continue to meet customers' needs. We also continuously evaluate opportunities to add storage capacity, services and increase access to our terminals to capture new revenue streams and maintain our competitive edge.



Fima Bulking Services Berhad



Freight forwarding



Fima Bulking Services Berhad

FOOD DIVISION

BUSINESS OVERVIEW

The Division is involved in manufacturing & distribution of canned fish as well food packaging. Presently, the division operates in Papua New Guinea (“PNG”) and Malaysia via its subsidiaries namely International Food Corporation Limited (“IFC”) and Fima Instanco Sdn Bhd (“FISB”) respectively.



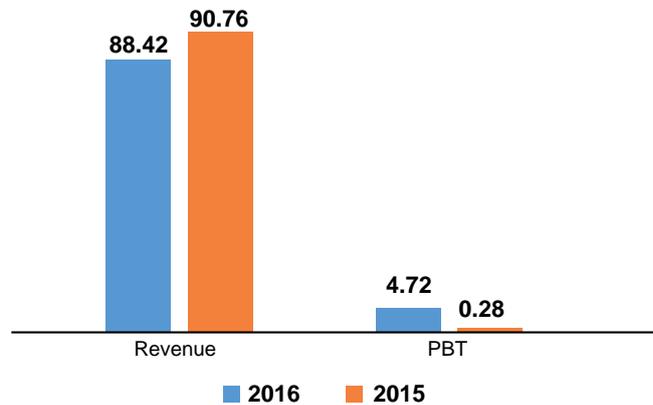
REVENUE | RM **88.42** MILLION
- 2.6% DECREASE Y-o-Y

PROFIT BEFORE TAX (PBT) | RM **4.72** MILLION
> 100% INCREASE

TUNA SALES REVENUE | RM **16.45** MILLION
+14.8% INCREASE Y-o-Y

For the year under review, the Food Division’s revenue decreased 2.8% to RM88.42 million compared to last year. However, PBT improved markedly from RM0.28 million recorded in the year before to RM4.72 million largely due to lower overheads as well as implementation of a number of efficiency projects to reduce the fixed and variable costs of our operations.

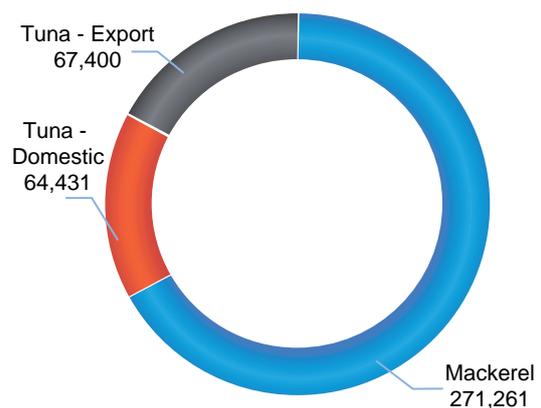
(RM' Million)



The domestic business environment in PNG remains tough and IFC continues to be impacted by weak consumer markets and heightened competition. While export of tuna products remained relatively stable in our major markets in the European Union, volumes of canned mackerel and canned tuna sold in the local PNG market overall were respectively 1.1% and 18.0% lower than last year.

Canned Fish

Product Volume by Cartons



FOOD DIVISION cont'd



Looking beyond the current challenges and economic uncertainty, the long-term outlook for the Division remains positive. Given the strength of our "Besta" brands and the fact that canned fish remains a main staple protein choice of PNG consumers, we believe that the Division is well positioned to deliver sustained positive results moving forward.

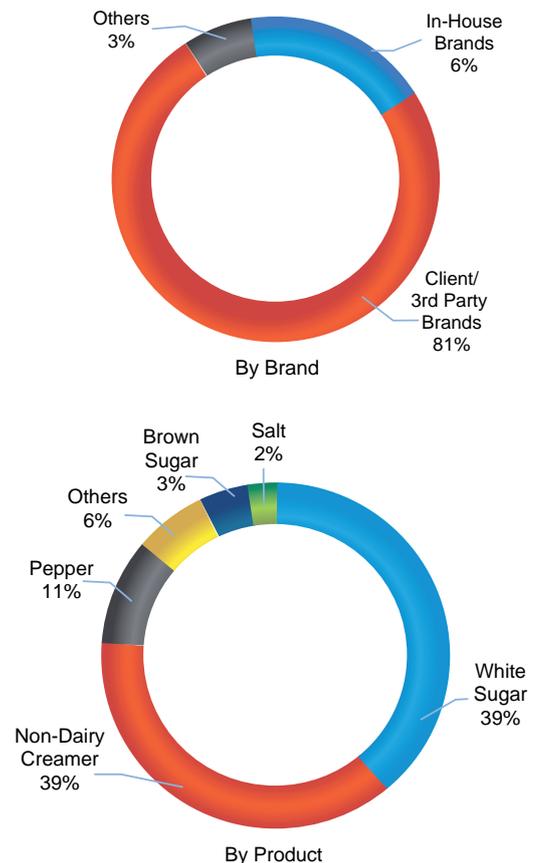


Key focus areas for the current year would be to further improve internal efficiencies and reduce the costs of capital through additional improvements to our stock management and procurement practices. We are also identifying opportunities to enhance our sales and distribution performance along with planned expansion into new markets and segments that can serve as the next engines of growth. In PNG, we also actively participate and respond to any trade measures on fish, particularly tuna, and support the PNG government's initiatives to protect local PNG businesses from export-dumping activities.



Food Packaging

Revenue Contribution By Categories (%)





SUSTAINABILITY REPORT

2016

SUSTAINABILITY REPORT

We define sustainability in a way that brings responsibility and accountability into every business activity and process. Doing business with sustainability in mind is not only a matter of balanced corporate responsibility, but is also sensible from a business perspective. We can only retain our competitive edge if we fully dedicate ourselves to our customers, our employees, our services, the environment and the local communities where we operate.

As our sustainability practices evolve, we know we must focus on what's right for our business. We

care deeply about issues such as the health and safety of our employees, environmental protection, product quality and safety, resource conservation, support for the communities we operate in and returning profits to our shareholders. Towards this end, we will continue to work with our stakeholders and others on common-ground sustainability efforts. We acknowledge that not every effort works well for every company, but by carefully selecting opportunities, we can share ideas and leverage resources as we continue to learn and progress as a corporation.



MARKET PLACE



MARKET PLACE

ENGAGING STAKEHOLDERS



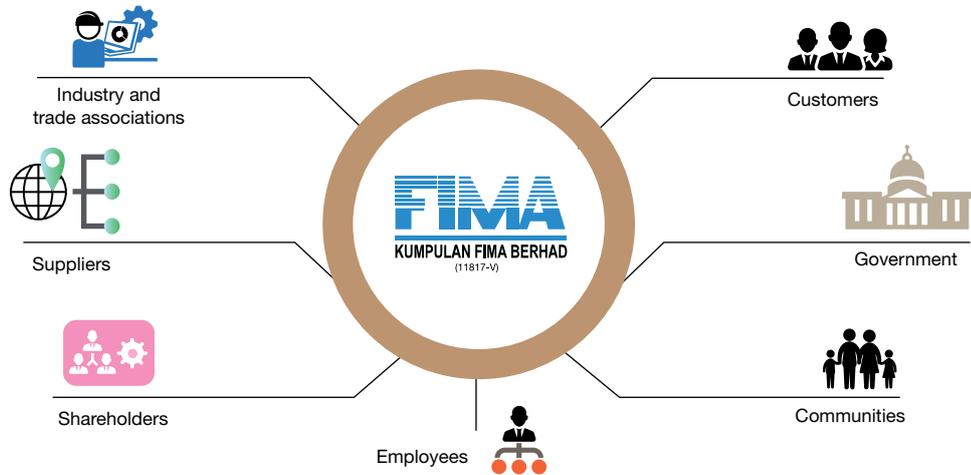
Our stakeholders' expectations revolve around good returns, sustainable profits, growth, regulatory compliances, transparency and accountability. We respond to our stakeholders' expectations through improvements in our business strategy, governance and corporate reporting framework. Stakeholders are provided with timely updates of the Group's financial performance through announcements to Bursa Malaysia Securities Berhad, which are posted on our corporate website at www.fima.com.my, along with other relevant updates.

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



Visit by Malaysian Palm Oil Board representatives to Ladang Amgreen, Miri

OUR STAKEHOLDERS



MARKET PLACE

cont'd

QUALITY & STANDARDS



To maintain safety and quality, the Group stays current with new regulations, industry best practices and marketplace conditions and the Group's businesses consistently strive to improve and refine their requirements and standards throughout the entire supply chain.

Each of our businesses have also developed and documented policies and procedures that the business should exercise over specified processes.

The **Food Division's** production facilities, suppliers of ingredients and packaging materials are required to comply with stringent international standards and regulations, government regulations and company policies, procedures, controls and good manufacturing practices applicable to their operations. To ensure compliance with these requirements, we are subject to a number of audits and inspections. This includes (but not limited to) audits conducted by government and regulatory authorities such the National Fisheries Authority of Papua New Guinea and annual audits performed by independent third-party organizations for the British Retail Consortium, International Food Standard, Dolphin Safe, HACCP, GMP, Marine Stewardship Council ("MSC") and Halal (JAKIM) accreditations.

What Does MSC mean?

MSC stands for the Marine Stewardship Council. They are the world's leading certification and ecolabelling programme for environmental sustainability of wild caught seafood. The iconic blue logo identifies all seafood products that come from well-managed, sustainable fisheries.

What's behind the label?

Before any seafood product can carry the MSC ecolabel it must first adhere to three core principles. These include:

1. Sustainable fish stocks.
2. Impact in the eco-system reduced to a minimum
3. The fishery is well managed.

Also, seafood that has an MSC label is fully traceable back to the certified fishery where it was caught.

IFC CERTIFICATIONS



FIMA INSTANCO CERTIFICATIONS



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

The following companies within the **Bulking Division** adhere to globally recognized quality management systems for the handling, storage and shipment of various product categories to help maintain objective oversight of the quality of its operations:

MARKET PLACE

cont'd

COMPANY	ACCREDITATION	TYPE
Fima Bulking Services Berhad	ISO 9001:2008	Handling, storage & shipment oleochemicals, oils and fats
Fimachem Sdn Bhd	ISO 9001:2008	Transferring from ships, handling, filling of drums and transport of hazardous & non-hazardous liquids
	OHSAS18001:2007	Transferring from ships, handling, filling of drums and transport of hazardous & non-hazardous liquids
Fima Freight Forwarders Sdn Bhd	ISO 9001:2008	Freight forwarding and bulk transportation
Fima Palmbulk Services Sdn Bhd	ISO 9001:2008	Handling, storage & shipment of oleochemicals, edible oils, molasses and latex



ENVIRONMENT



ENVIRONMENT

The Group’s businesses range from manufacturing to plantation operations. In each business segment, we are constantly looking at ways to reduce our environmental footprint. The Group’s priorities within this include:

SUSTAINABLE AGRICULTURAL PRACTICES



Conservation areas: Within our estates, areas alongside river banks (riparian reserves) are set aside as conservation areas wildlife corridors which include, among others, sanctuaries for migratory birds and habitat for jungle flora and fauna.

Soil Management: We follow best industry practices e.g. application of empty fruit bunches (“EFB”) to new plantings, establishing cover crops such as *Mucuna Bracteata* and planting of vetiver grass along the ponds, bunds and field drains. Such processes are recognised to improve soil properties, lower carbon dioxide emissions, reduce erosion and prevent landslips.

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



Riparian reserves at Ladang Amgreen, Miri



Migratory birds at PTNJL



Antigonon Leptopus serves as host to predatory insects



Ground crop cover (*Mucuna bracteata*)



Ducks at PTNJL

ENVIRONMENT

cont'd

WASTE MANAGEMENT



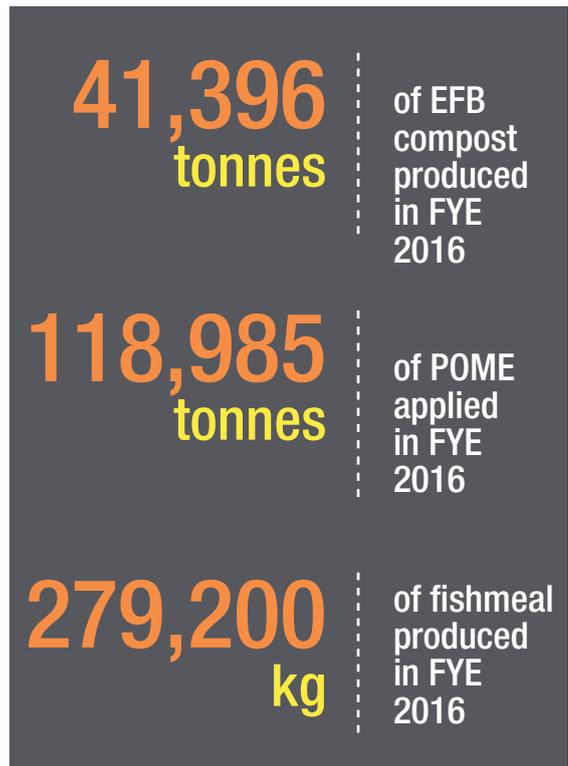
The **Plantation Division** adheres to a “zero waste” policy by recycling waste and by-products. At our palm oil mill in Indonesia, oil mill wastes comprising POME and EFB are converted into organic fertilizer or compost which is then applied directly at oil palm fields as a source of nutrients and to supplement fertilizer application. We monitor and treat all effluent and wastewater before discharging into the natural waterways. At PTNJL, the organic materials in the wastewater are broken down by natural activities of anaerobic and aerobic bacteria. This process eliminates the need to add chemicals before the water is discharged and this has resulted in successful fish breeding at the final effluent pond. The new palm oil mill complex proposed to be built in Miri will also include a zero-discharge composting plant.



Fish breeding at the final effluent pond at PTNJL

Fish waste generated by fish processing activities at International Food Corporation Ltd (“IFC”), the **Food Division’s** processing plant in Papua New Guinea are converted into fishmeal which is then sold to companies involved in the livestock industry.

Elsewhere, hazardous wastes and residual products recovered from the **Bulking and Manufacturing Divisions’** terminal and manufacturing operations respectively are disposed of in accordance with stringent industry standards and statutory requirements.



ENVIRONMENT cont'd

WATER MANAGEMENT



The Group's businesses are also focused on efficient water management through, inter alia, reusing water throughout their operations and rainwater harvesting. For example, **Food Division's** PNG subsidiary identified opportunities to reduce its water consumption using a variety of approaches including recycling water, recirculating cooling water, replacing faulty equipment, and eliminating water leaks. In addition, the **Plantation Division** has installed rainwater tanks at workers' quarters at our Miri and PTNJL estates to harvest rainwater to be used for non-drinking purposes, namely washing and sanitation. Weirs have also been constructed across the field drains at our Miri estate to facilitate water retention and maintain the groundwater table at optimal levels.

Further, the Group's Indonesian subsidiary, PTNJL has set aside areas within its plantation as water catchment zones. Chemical applications are strictly prohibited at the water catchment zones to facilitate natural re-vegetation of the areas and preservation thereof.



Water reservoir at Ladang Amgreen



Water catchment zone at PTNJL



Scheduled water quality checking

RESPONSIBLY SOURCED SEAFOOD



The **Food Division** believes ocean sustainability is important. The Division's PNG subsidiary, IFC, responsibly sources their fish supply to support and ensure the long term sustainability and conservation of fish resources. Sustainability and traceability is high on IFC's agenda when making purchase decisions. IFC works closely with their suppliers to ensure that the tuna they procure and process do not contain those which are illegal, unreported and unregulated ("IUU"). During FYE2016, IFC did not incur any IUU-related violations.



Unloading fish from the vessel at PNG



OCCUPATIONAL SAFETY & HEALTH



Bulking Division

We regard safeguarding of our employees, neighbours, visitors and assets as a core indicator of our business success.

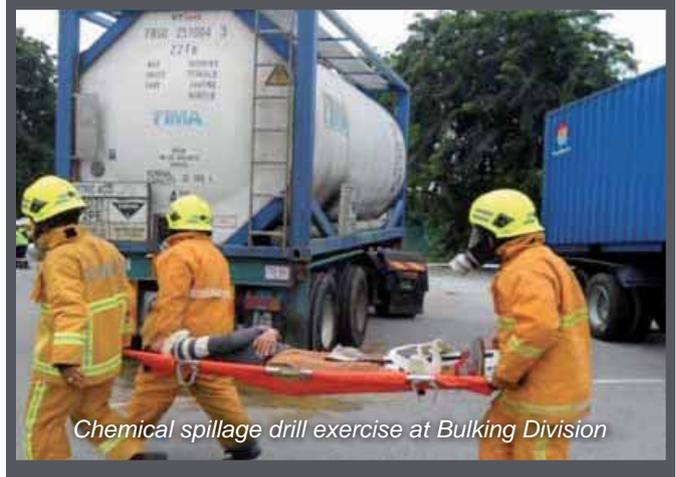
Towards this end, we comply with all the relevant national laws, regulations and other requirements relating to best practices in occupational safety and health; and constantly carry out activities aimed at preventing work injuries. Preventive and scheduled maintenance are regularly performed on all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



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



During the year under review, Fimachem Sdn Bhd was presented with Merit Awards in the Employee Health and Safety Code and Distribution Code categories at the Chemical Industries Council of Malaysia Responsible Care Awards 2014/2015. We are indeed very proud of this achievement, as it is a testament of our continuous efforts to improve our safety practices and procedures.



Chemical spillage drill exercise at Bulking Division

SOCIAL



SOCIAL

OUR PEOPLE



The Group's continuing success and in particular its ability to meet the frequent and varied challenges it faces is due to the caliber and commitment of its employees. We support them by providing a work environment that is positive and build an inclusive culture in which all employees can thrive. We also believe that diversity in the experiences, backgrounds and perspectives of our workforce enables us as a company to have a better understanding of our stakeholders and a greater ability to engage in the communities in which we operate.



Global Workforce
3,232

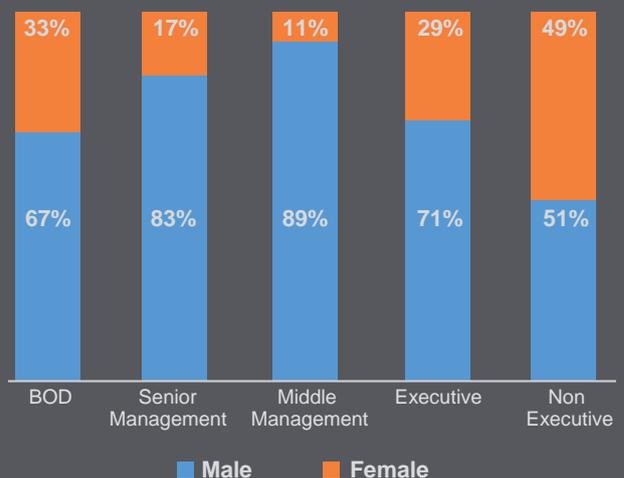


people employed as of FYE 2016 by KFima Group

Number of Employees by Region

Malaysia **834**
Indonesia **1,368**
Papua New Guinea **1,030**

Employee Breakdown By Gender and Position



SOCIAL
cont'd

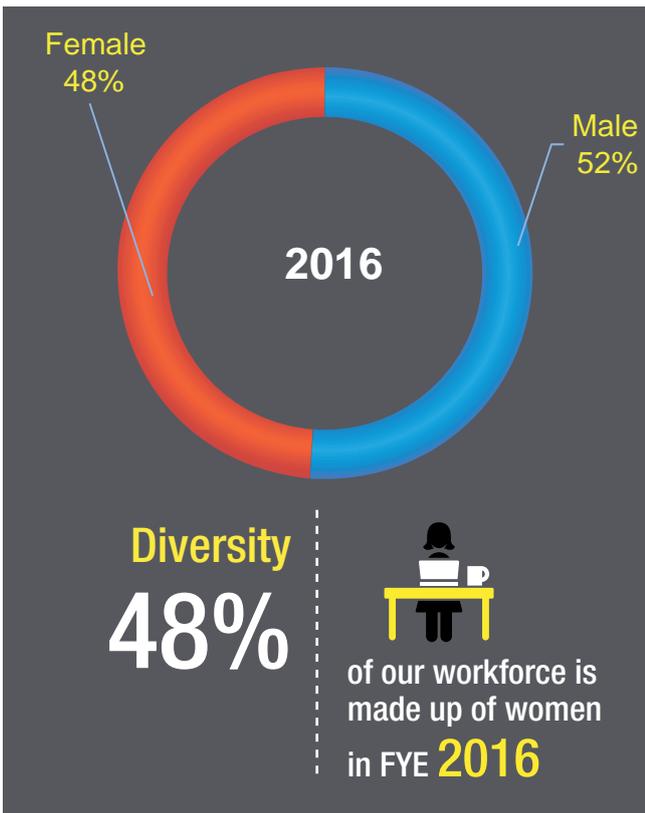
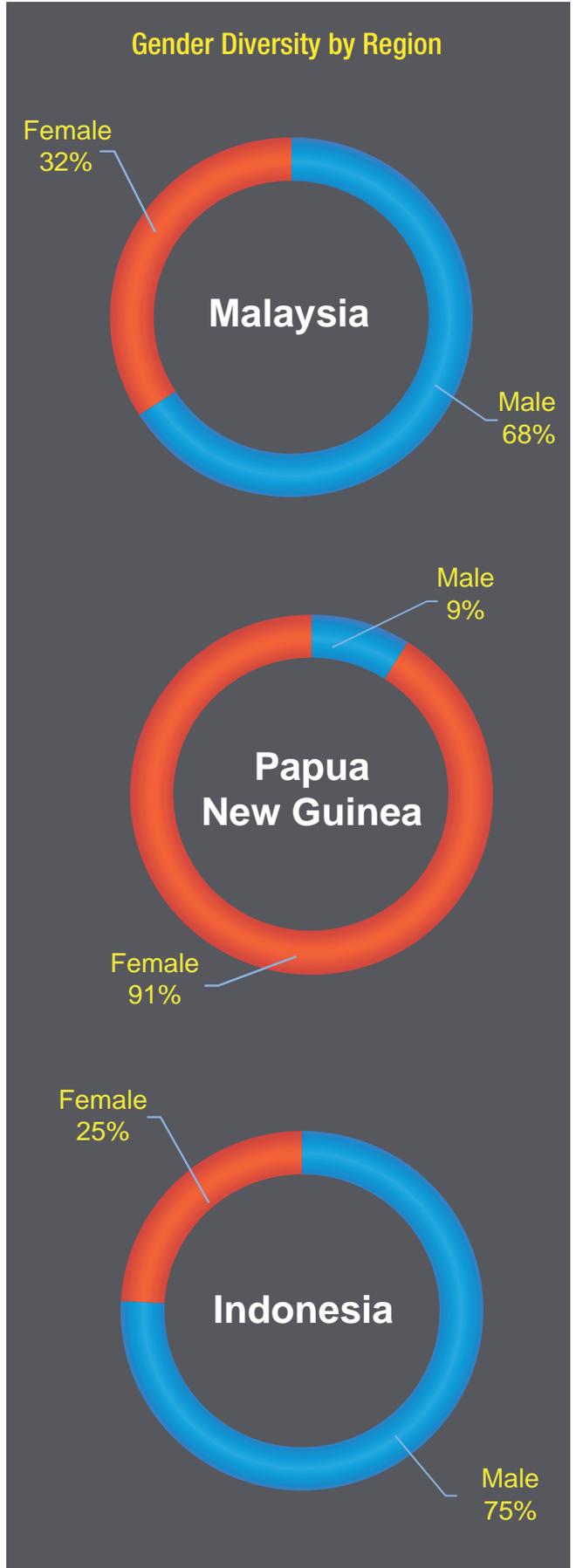
DIVERSITY AND GENDER BALANCE



As at 31 March 2016, the Group's workforce stood strong at 3,232 employees. Overall, the Group has a gender balanced workforce, made up of 48% women and 52% men.

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

	Head Office	Manufacturing	Plantation	Food	Bulking
Total Workforce	63	352	1,608	1,063	146
Senior Management	6	2	1	1	2
Middle Management	10	13	6	9	9
Executive	23	30	46	9	21
Non Executive	24	307	1,555	1,044	114



SOCIAL cont'd

EMPLOYEE DEVELOPMENT AND ENGAGEMENT



We view career development as part of our commitment to build a more efficient, highly motivated and talented team to ensure that the Group can remain agile and responsive in competitive environments. Every year, training allocation is available for our employees to participate in internal or external workshops and seminars. We believe that a mixture of both internal and external training develops targeted skills and knowledge for a specific role. We also encourage our people to look beyond their experiences and current practices by undertaking job rotation and overseas assignments for exposure in different markets.

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



Training session at PTNJL

The performance appraisal of our employees is conducted annually based on the objective set for the review period. Based on performance and contribution, they are rewarded through increments, bonuses or promotions. The annual performance appraisal is also an effective communication platform between employer and employee for feedback, sharing ideas, review areas for improvement and to recognize individual training and development needs.



In-house training at Head Office

Training

8,526
hours



of employee time were devoted to training and development in FYE **2016**



SOCIAL cont'd

BENEFITS AND WELFARE



The Group's compensation structure includes fixed and variable components depending on the employee's job grade. Each location within the Group has its own locally defined employee benefit schemes. For eligible employees, these include:

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

During the year, a review of the Group's Scheme of Service was undertaken to address identified gaps in our HR policies, practices and benefits.



Worker's quarters at PTNJL

KFima's Employees' Share Scheme which has had a very strong take-up rate since its launch in 2011 are helping our employees to relate directly to the overall performance of the Group and to eventually realize gains from the appreciation on the value of KFima's shares.



IFC expatriate housing complex in PNG

During the year, the **Manufacturing and Bulking Divisions** continued to provide financial aid to children of employees to help them pursue their tertiary education in institutes of higher learning in Malaysia. The Bulking Division had also maintained its long-standing tradition of rewarding cash incentives to children of employees who have excelled in the UPSR, PT3 and SPM examinations.



Schools at PTNJL



Employee Engagement

> RM500,000

spent on employee activities

In our effort to strengthen the spirit of camaraderie within the extended KFima family, we encourage our employees to take part in numerous activities organized by Kelab Fima such as “Tazkirah” Ramadhan, Ramadhan Iftar function, Hari Raya Open House and mini bowling tournament. We also participated in the “Reach Out Run: Run For A Cause” organized by iM4U, where 40 employees of KFima had taken up in the run held in Putrajaya. Funds raised therefrom will go towards supporting Dyslexia Association of Malaysia, SVM Welfare Association, Langkawi Animal Shelter & Sanctuary Foundation and Yayasan Jantung Negara. Family days, weekend retreats and festive gatherings were also regularly organized at the divisional level.



COMMUNITY

We are cognizant of our responsibility to care for the communities in which we operate by supporting various sporting and community programmes through contributions in cash and kind. During the year, the main focus areas for our community investment activities are education, sports, youth and social welfare.

The **Food Division** continued its partnership with the PNG Football Association and sponsorship of the Besta FA Cup, a yearly football tournament in PNG, to help promote and popularize football as the number one sport throughout the country whilst at the same time facilitate the development of a soccer programme for youths through its affiliation with the Besta FA Cup.

The **Manufacturing Division** supported Persatuan Al-Hunafa, a non-profit organization via sponsorship of its Titian Samara Programme aimed at helping secondary students with academic and social problems. The programme currently focuses on 5 schools in the Klang area namely, SMK Raja Lumu, SMK Pandamaran Jaya, SMK Tengku Ampuan Jemaah, SMK Telok Gadong and SMK Kampung Jawa.



SOCIAL
cont'd



Rumah Anak-anak Yatim YAPIN Banting



Educational visit by PNG school students



Training session for estate workers



Hari Raya Celebration at Head Office

As part of our effort to ease the burden of the less fortunate during the holy month of Ramadhan, we made contributions in the form of donations and support in kind to Komuniti Perwani 1Malaysia Gombak and Rumah Anak-anak Yatim YAPIN Banting.

The Group offers placements to university students to undergo on-the-job programmes in various functions within the Group to gain the skills and experience they need to access entry-level job opportunities. During the year, 7 students from the Printing Faculty of Institut Latihan Perindustrian, a government vocational education training centre, underwent a 6-month work-based training programme at our **Manufacturing Division**. PTNJL also received 45 students from various universities in Indonesia to undergo a 3-month internship programme during the year. At the end of the programme, selected students were absorbed as permanent employees of the Manufacturing Division's production unit and PTNJL's oil mill, respectively.

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

Community Engagement

>RM300,000



spent on community activities

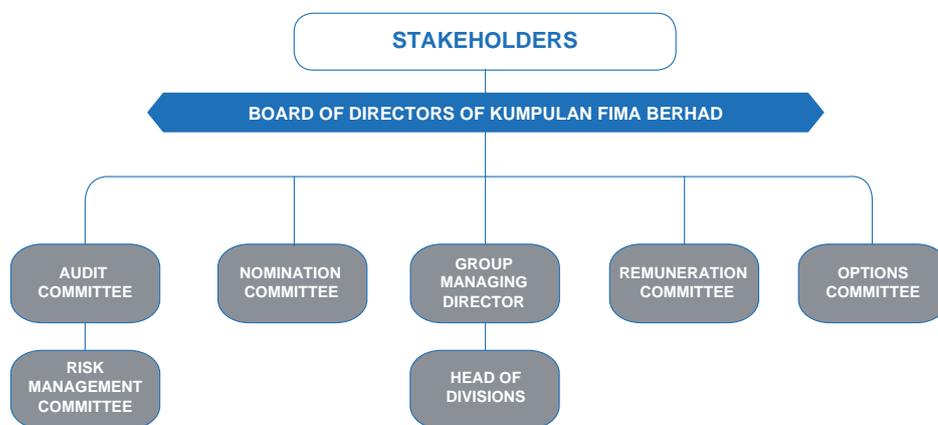
STATEMENT ON CORPORATE GOVERNANCE

The Board takes cognisance of the Malaysian Code on Corporate Governance 2012 (“MCCG 2012”), and is committed, where possible, having regard to the size and ownership of the Company, to achieving and sustaining high standards of corporate governance and compliance with the MCCG 2012 best practice recommendations.

This statement describes how best the Company and its subsidiaries have applied the principles and adopted the best practices as laid down in the MCCG 2012 throughout the financial year.

GOVERNANCE FRAMEWORK

The governance framework provides an overview of the corporate governance processes and responsibilities within the Group.



1. BOARD OF DIRECTORS

1.1 Roles and Responsibilities

The Board is generally entrusted with the overall governance of the Company, the responsibility to exercise reasonable and proper care of the Company’s resources for the best interests of its shareholders as well as to safeguard the Company’s assets. It meets regularly to set the Group’s overall strategic direction, to review the financial and operational performance and to provide oversight to ensure that the Group is effectively controlled and resourced. The Board has adopted a schedule of matters specifically reserved for its approval, which include among others:

- annual financial statements and quarterly financial results;
- the Company’s strategic and operating plans;
- annual budget;
- new appointments to the Board;
- dividend recommendation;
- larger capital expenditure, restructuring, acquisitions and disposals of significant assets and investment proposals;
- related party transactions; and
- the overall system of internal control and risk management.

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

- reviewed and approved the Group’s budget for the financial year 2016/17 and business strategies/ plans for financial years 2017/18 to 2020/21.

STATEMENT ON CORPORATE GOVERNANCE

cont'd

- reviewed and approved the quarterly results and the audited financial statements for the financial year ended 31 March 2016.
- received the quarterly group performance report from the Group Managing Director on significant changes/development in the business and the external environment, which affects the operations.
- reviewed and assessed the annual assessment of the effectiveness of the Board, Board Committees, and External and Internal Auditors by the Audit Committee.
- reviewed the current compositions of the Board and Independent Directors and the time commitment given by the Directors in fulfilling their responsibilities as Directors and members of the Board Committees.
- reviewed the tenure of the Independent Director's time in office.
- reviewed the Audit Planning Memorandum for the year ending 31 March 2016.
- reviewed and approved the revised authority limits for the operating expenditures (OPEX) of the Group and formation of the tender committee and its member.
- reviewed and approved the terms of reference of the Bulking Group's Executive Committee and the composition of the committee's members.
- reviewed and approved the statements for insertion in the Company's Annual Report for the financial year ended 31 March 2015.
- reviewed the draft Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for recurrent related party transactions of revenue or trading nature.
- recommended the final dividend for financial year ended 31 March 2015.
- noted the minutes of Board Committees and Head of Divisions meetings on a quarterly basis.
- noted the reports on dealings by Directors and Principal Officers in the Company's securities.

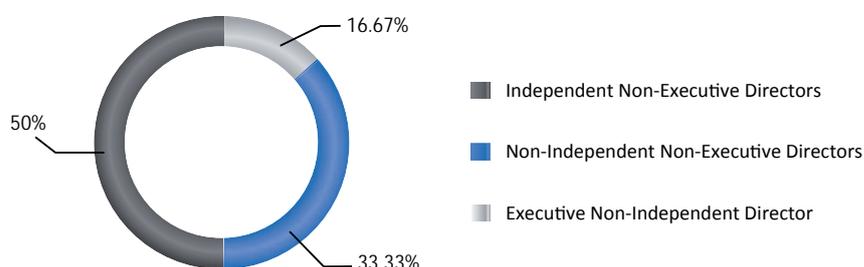
The Board has established Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Options Committee to assist the Board in the discharge of its stewardship role. The Board Committees have the authority to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

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

The Board is also guided by company laws and the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia in discharging its responsibilities. The foregoing provides guidance for proper standards of conduct, sound and prudent business practices as well as standards of ethical behaviour for Directors, based on principles of integrity, responsibility, sincerity and corporate social responsibility.

1.2 Composition and Board Balance

The Board currently comprises one (1) Independent and Non-Executive Chairman, one (1) Group Managing Director (Executive and Non-Independent), one (1) Senior Independent Non-Executive Director, one (1) Independent Non-Executive Director and two (2) Non-Executive and Non-Independent Directors.



STATEMENT ON CORPORATE GOVERNANCE cont'd

The composition of the Board is in compliance with Paragraph 15.02 of the Bursa Malaysia's Main Market Listing Requirements ("MMLR") as more than one third of its members are independent directors. A balanced composition of independent directors enables an effective and objective check and balance on the Board's deliberation and decision making. The composition of the Board is further enhanced in terms of gender diversity. This is evident where two (2) out of six (6) Directors are women.

The Board is satisfied with the current diversity and is of the view that the size and composition of the Board, given the Company's size and type of operation, is balanced with appropriate mix of knowledge, skills, attributes and core competencies to enable the Board to effectively discharge its responsibilities and perform its functions.

The role of the Chairman and Group Managing Director ("Group MD") are separated with clear distinction of responsibility between them to ensure that there is a balance of power and authority. The Chairman is responsible for the leadership and governance of the Board, ensuring its effectiveness, orderly conduct and working of the Board whilst the Group MD, assisted by the senior management, is overall responsible for the day-to-day management of the Group's operations and business as well as implementation of Board policies and decisions. The Group MD, by virtue of his position as a Board member, also functions as the intermediary between the Board and senior management. The responsibilities and authorities between the Chairman and the Group MD are also clearly outlined in the Company's Board Charter.

Encik Azizan bin Mohd Noor is the Company's Senior Independent Non-Executive Director, to whom any concerns pertaining to the Company may be conveyed. He is also responsible to receive reports from employees or third parties for the purpose of whistleblowing in accordance with the Group's Whistleblowing Policy and Procedures.

The profile of each Director is presented in the Profile of Directors on pages 13 to 15 of the Annual Report.

1.3 Independence of Directors

Currently, three (3) Board members are Independent Directors who are able to exercise independent judgement on issues of strategy, performance and resources of the Group. They provide unbiased and independent views and the presence of these Independent Directors fulfil a pivotal role of corporate accountability.

For the financial year under review, all the Independent Non-Executive Directors have provided written declaration to the Nomination Committee and the Board confirming that they continue to fulfil the criteria of independence as set out in the MMLR. The Board, on the recommendation of the Nomination Committee, is satisfied with the level of independence of each of the Company's Independent Non-Executive Directors and their ability to act in the best interests of the Company.

As at the date of this statement, Encik Azizan bin Mohd Noor ("Encik Azizan") and Dato' Rosman bin Abdullah ("Dato' Rosman"), who are the Independent Non-Executive Directors of the Company, have served on the Board for 13 years and 12 years, respectively and they were approved by the shareholders of the Company during the 43rd Annual General Meeting held on 22 September 2015 to continue serving as Independent Non-Executive Directors of the Company.

The Company has not established term limits for the Independent Non-Executive Directors who have served the Company for more than 9 years as the Board believes that term limits does not in any way interfere with their exercise of independent judgement and ability to act in the best interests of the Company. The Nomination Committee and the Board have assessed, reviewed and concurred

STATEMENT ON CORPORATE GOVERNANCE

cont'd

that they have both remain independent in character and judgment and that they are each free from any business or other relationships which could materially impair the exercise of their independent judgement. As such, the Company would be seeking the shareholders' approval at the coming Annual General Meeting ("AGM") for them to continue in office as Independent Directors. The Board also believes that there are notable benefits to be acquired from long serving Directors who possess insightful knowledge of the Company's businesses and proceedings.

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

The justifications on the continuation of Encik Azizan and Dato' Rosman as Independent Non-Executive Directors has been provided in the notice of AGM.

1.4 Foster Commitment of Directors

1.4.1 Time Commitment

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

1.4.2 Board Meetings

The Board is also satisfied that each individual Director is committed to the Board and Board Committees by having a good meeting attendance record for the financial year under review. The attendance of the members for Board and Committees meetings is reflected as follows:

Directors	Board	Audit Committee	Nomination Committee	Remuneration Committee	Options Committee
Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor	6 out of 6	N/A	N/A	1 out of 1	N/A
Dato' Roslan bin Hamir	6 out of 6	N/A	N/A	N/A	1 out of 1
Azizan bin Mohd Noor	6 out of 6	5 out of 5	1 out of 1	1 out of 1	N/A
Rozana Zeti binti Basir	6 out of 6	5 out of 5	1 out of 1	N/A	N/A
Dato' Rosman bin Abdullah	6 out of 6	5 out of 5	1 out of 1	1 out of 1	1 out of 1
Rozilawati binti Haji Basir	6 out of 6	N/A	N/A	1 out of 1	1 out of 1

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

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

During the year, the Board organized an off-site Board retreat with the Management to review the key issues, threats and opportunities facing the Group over the next few years and to set the foundation upon which to build the Group's business plans moving forward. The key takeaways from this session were used by the Management to develop the Group's strategies and business plans for 2016 until 2020.

1.4.3 Directors' Training

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

All members of the Board have attended and successfully completed the Mandatory Accreditation Programme as required under the MMLR. The Directors have also attended and participated in various external training programmes which are useful for them to discharge their responsibilities. Particulars of trainings attended by Directors are set out below:

Director	Training Attended	Date Held
Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor	• Malaysia's Political and Economic Outlook: Key Challenges, Issues and Trends organized by Asian Strategy & Leadership Institute (ASLI)	07/04/2015
	• 12 th ASEAN Leadership Forum organized by Asian Strategy & Leadership Institute (ASLI)	26/04/2015
	• 2 nd National Economic Summit "An Update on the 11 th Malaysia Plan - Addressing Current and Future Challenges" organized by Asian Strategy & Leadership Institute (ASLI)	08/06/2015
	• Board Chairman Series Part 2: Leadership Excellence from the Chair organized by Bursa Malaysia Berhad	27/07/2015
	• Conducting Dato' Ir Prof Dr. Chuah Hean Teik Engineering Education Prestige Lecture Series on "Training of future engineers: Success story of Telecom engineers from training school to university level" organized by the Institution of Engineers Malaysia	01/08/2015
	• Special Dialogue with Prime Minister of Vietnam organized by Kuala Lumpur Business Club	08/08/2015

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Director	Training Attended	Date Held
	<ul style="list-style-type: none"> Bursa Malaysia Asean Cap 10 Sustainability Series:- Sustainability Symposium organized by Bursa Malaysia Berhad 4th ABAC Meeting 2015 and APEC CEO Summit, Manila organized by APEC Business Advisory Council Special Commemorative Seminar on Tun Abdul Razak organized by Asian Strategy & Leadership Institute (ASLI) 1st ABAC Meeting 2016, San Francisco organized by APEC Business Advisory Council Digital Forum, Jakarta organized by XL Axiata Tbk 	<p>08/10/2015</p> <p>13-18/11/2015</p> <p>14/01/2016</p> <p>24-28/02/2016</p> <p>17/03/2016</p>
Dato' Roslan bin Hamir	<ul style="list-style-type: none"> Kursus Pengurusan Syarikat Kawalan Keselamatan organized by Kementerian Dalam Negeri (KDN) 2nd National Economic Summit: "An update on the 11th Malaysian Plan- Addressing Current and Future Challenges" organized by Asian Strategy & Leadership Institute (ASLI) Corporate Governance Breakfast Series: Thought Leadership session for Directors "Improving Board Risk Oversight Effectiveness" organized by Bursa Malaysia Berhad Annual Palm & Lauric Oils Conference & Exhibition: Price Outlook 2016/2017 (POC2016) "Managing Market Uncertainties: Our Global Solution" organized by Bursa Malaysia Derivatives Berhad 	<p>18 - 19/05/2015</p> <p>08/06/2015</p> <p>26/02/2016</p> <p>07-09/03/2016</p>
Azizan bin Mohd Noor	<ul style="list-style-type: none"> Audit, Internal Control and Fraud Detection Seminar for the Public and Private Sectors 2015 organized by Federation of Public Listed Companies Berhad (FPLC) Governance, Director Duties and Listing Requirements Updates for Directors of PLCs 2015 organized by Federation of Public Listed Companies Berhad (FPLC) Corporate Directors Advanced Programme (CDAP) 2016: Financial Language in the Boardroom organized by Malaysia Directors Academy (MINDA) 	<p>29 - 30/07/2015</p> <p>09/09/2015</p> <p>29 - 30/03/2016</p>
Rozana Zeti binti Basir	<ul style="list-style-type: none"> Corporate Governance Breakfast Series: Thought Leadership session for Directors "Improving Board Risk Oversight Effectiveness" organized by Bursa Malaysia Berhad Corporate Governance Breakfast Series: Future of Auditor Reporting – The Game Changer for Boardroom organized by Bursa Malaysia Berhad 	<p>26/02/2016</p> <p>09/03/2016</p>

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Director	Training Attended	Date Held
Dato' Rosman bin Abdullah	• Enterprise Risk Management: Risk Refresher Session for Board of Directors organized by Columbus Advisory	11/05/2015
	• Risk Management and Internal Control Workshop: Is our line of defence adequate and effective? organized by Bursa Malaysia Berhad	08/09/2015
	• Corporate Governance Director's Workshop: The interplay between CG, Non-Financial Information (NFI) and investment decision organized by Bursa Malaysia Berhad	22/09/2015
Rozilawati binti Haji Basir	• World Mail Express Asia Pacific 2015 organized by Triangle Management Services Ltd, UK	19-21/10/2015
	• Post & Parcel Services Asia Pacific- Driving Global Collaboration for the Asia Pacific Post & Parcel Sector organized by Marketforce Business Media Ltd, UK	18 - 19/11/2015
	• AMEC Networking Session organized by Association of Malaysian Express Carriers	03/12/2015
	• 'Internet of Things' Conference and Exhibition organized by Malaysian Communications and Multimedia Commission, University of Malaya (UM) and ICONIX Consulting Sdn Bhd	10/12/2015
	• Cross Border E-Commerce Conference- Driving Export Business Through the Online Market place organized by Ministry of International Trade & Industry	18/01/2016

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

1.5 Board Performance Evaluation

The Company conducts an annual evaluation of the effectiveness of its Board and Board Committees. The purpose of the evaluation is to measure the effectiveness of the performance of the Board and Board Committees as well as to address the areas for improvement as part of discharging his/her role as Director of the Company. For the financial year under review, the annual evaluation also included the assessment of the effectiveness of the performance of Board Committees by the Board. The evaluation process was conducted in-house by the Company Secretaries.

The evaluation is conducted by way of a detailed questionnaire completed by each of the Directors and committee members. There is also a comments section for Directors and members of the Board Committees to provide feedback and suggestions. The results of these evaluations are then discussed and reviewed by the Nomination Committee and together with any recommendations, are presented to the Board.

STATEMENT ON CORPORATE GOVERNANCE cont'd

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

1.6 Access to Information and Independent Advice

The Company Secretaries are always on hand to provide the Directors with the appropriate advice and services and also to ensure that the relevant procedures are followed and rules and regulations are complied with. The Board is, from time to time, updated on the relevant amendments to the MMLR as well as changes in the law, governance and other regulatory requirements.

Prior to the Board Meetings, all Directors will receive a full set of board papers for each agenda item distributed in advance of each Board meeting which include the comprehensive reviews and analysis of major operational, financial, technical, legal and regulatory issues, reports of meetings of all committees of the Board including matters requiring the full Board's deliberation and approval, performance reports of the Group, business developments and updates and on other matters of discussion and/or approval. The board papers are issued in sufficient time to enable the Directors to appreciate the issues to be deliberated and where necessary, be briefed properly before the meeting. The Board also reviews and approves all corporate announcements, including the announcement of the quarterly financial results prior to releasing them to Bursa Malaysia Securities Berhad.

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

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

The Directors also visit locations of operating units and estates to enable them to gain more insight into the business and operations aspects of the Group. The 'hands-on' approach is useful in assisting Directors to have a better understanding of the workings of the Group's business operations, so that they are able to bring insight on matters affecting the business units during Board deliberations and the eventual decision making.

1.7 Board Charter

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

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

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1.8 Board Committees

The Board has delegated certain responsibilities to the Board Committees which operate within defined terms of reference approved by the Board to assist the Board in discharging its fiduciary duties and responsibilities. The Board Committees include the Audit Committee, Nomination Committee, Remuneration Committee and Options Committee. The Board Committee exercise transparency and full disclosure in their proceedings. Where necessary, issues deliberated by the Board Committees are presented to the Board with the appropriate recommendations. The ultimate responsibility for the final decision on all matters however, lies with the Board.

The authority and the functions of these Board Committees are clearly defined in their respective Terms of Reference ("TOR"), which are available on the Company's website at www.fima.com.my.

Details of composition of the Board Committees and a summary of the respective Committees' TOR are as follows:

1.8.1 Audit Committee

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

The Risk Management Committee ("RMC") has been established as a sub-committee of the Audit Committee to support the Audit Committee in providing oversight, direction and counsel to the Group's risk management process. The RMC is composed of senior management of the Group and is chaired by the Group MD. The role of the RMC is documented in a defined terms of reference that has been approved by the Board. The RMC is not authorized to implement its recommendations on behalf of the Audit Committee but shall make the relevant recommendations to the Audit Committee for its consideration and implementation.

1.8.2 Nomination Committee

The Nomination Committee, which was established on 23 November 2001, has been entrusted with the following duties and/or responsibilities:

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

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

- Reviewed the current size and composition of the Board and Board Committees;

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- Assessed and evaluated the effectiveness of the Board as a whole and each Board Committee;
- Assessed the independence of the Independent Non-Executive Directors of the Company;
- Re-election and re-appointment of Directors retiring by rotation and who had attained the age of 70 years, respectively, pursuant to the provision of the Articles of Association and Section 129(6) of the Companies Act, 1965;
- Reviewed the tenure of the Independent Directors who have been with the Company for more than nine (9) years, whereupon the Committee has put forward their recommendation to the Board to seek shareholders' approval to retain the independent status of the Company's Independent Directors; and
- Reviewed the attendance records/time commitment and training of each Director during the year under review.

The Nomination Committee meets as and when necessary and can also make decisions by way of circular resolutions. All recommendations of the Nomination Committee are subject to the endorsement/approval of the Board.

The members of the Nomination Committee as at the date of the Annual Report are:

- Dato' Rosman bin Abdullah
(Chairman, Independent Non-Executive Director)
- Azizan bin Mohd Noor
(Member, Senior Independent Non-Executive Director)
- Rozana Zeti binti Basir
(Member, Non-Independent Non-Executive Director)

All members of the Committee have access to the advice and services of the Company Secretaries.

1.8.3 Remuneration Committee

The role of the Remuneration Committee is to review and make recommendations to the Board in relation to the remuneration paid to non-executive and executive directors. The Committee's terms of reference set out its main responsibilities, and are available to view on the Group's website.

As at the date of this Annual Report, the Remuneration Committee of the Board consists of the following Non-Executive Directors:

- Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor
(Chairman, Independent Non-Executive Director)
- Azizan bin Mohd Noor
(Member, Senior Independent Non-Executive Director)
- Dato' Rosman bin Abdullah
(Member, Independent Non-Executive Director)
- Rozilawati binti Haji Basir
(Member, Non-Independent Non-Executive Director)

STATEMENT ON CORPORATE GOVERNANCE cont'd

The Remuneration Committee met once during the financial year.

Key focus areas of the Remuneration Committee during the financial year included reviewing and making recommendations to the Board in relation to the fixed remuneration, annual incentive and long-term incentive awards for the Group MD.

1.8.4 Options Committee

The Options Committee was established on 23 March 2011 with delegated authority to administer the Company Employees' Share Scheme ("ESS") and to decide on all relevant matters incidental thereto in accordance with the ESS Bye-Laws including, but not limited to, the power to determine the criteria for eligible employees, the entitlement for eligible employees and the granting of options to such eligible employees. The shareholders of the Company had at the Extraordinary General Meeting held on 21 September 2011 approved the establishment of the ESS.

The Options Committee is entrusted with the following responsibilities:

- To administer the ESS in accordance with the ESS Bye-Laws and in such manner as it shall in its discretion deem fit and within such powers and duties as are conferred upon it by the Board;
- To review and amend, at any time and from time to time, any provisions of the ESS Bye-Laws, provided that the amendments are not prejudicial to the eligible employees and with the prior approval of the shareholders of the Company. Such modifications/variations shall be subject to the approval of the Board and the relevant regulatory authorities; and
- Such other authorities as governed by the ESS Bye-Laws and/or are conferred upon the Committee by the Board from time to time.

Members of the Options Committee consist of the following Directors:

- Dato' Rosman bin Abdullah
(Chairman, Independent Non-Executive Director)
- Rozilawati binti Haji Basir
(Member, Non-Independent Non-Executive Director)
- Dato' Roslan bin Hamir
(Member, Non-Independent Executive Director)

The Secretary to the Committee shall be the Company Secretaries. One (1) meeting was held during the financial year. In addition to this scheduled meeting, one (1) resolution was approved by way of circular resolution.

1.8.5 Management Committees

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

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- **Heads of Divisions (“HOD”)**

The HOD, under the chairmanship of the Group MD, deliberates on the performance and conduct of the Group’s operating units including the status of internal audit findings, implementation of Group policies and examining all strategic matters affecting the Group. The HOD met 11 times during the financial year and all minutes of meetings were tabled to the Board for noting.

- **Disclosure Committee**

The Company’s Disclosure Committee is responsible for ensuring the Group’s compliance with its continuous disclosure obligations and for overseeing the Company’s disclosure practices under the Company’s Corporate Disclosure Policy. The Disclosure Committee comprises various members of senior management.

- **Ad-hoc Committees and Teams**

At divisional and operating levels, there are project committees and teams put in place and which are set up by the respective management. In the discharge of their specific roles and responsibilities, these committees and teams comply with the best practices in good governance, subject always to the counsel of the Board and compliance with any policy and delegated authority limits set by the Board. Progress reports on the respective projects are submitted to the Boards of the subsidiary and KFima, as may be necessary in the circumstances.

1.9 Re-appointment and Re-election of Directors

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

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

The profiles of the Directors who are due for re-election and re-appointment in accordance with Section 114 of the Company’s Articles of Association and Section 129(6) of the Act, respectively, are set out in the Profile of Directors section of this Annual Report.

2. DIRECTORS’ REMUNERATION

All Non-Executive Directors are paid Directors’ fees as approved by the shareholders at the AGM based on the recommendation of the Board. The determination of the level of fees for the Non-Executive Directors is a matter decided by the Board as a whole to ensure that it is sufficient to attract and retain the services of the Non-Executive Directors which are vital to the Company. Meeting attendance allowances are paid to Non-Executive Directors in accordance with the number of meetings attended during the financial year. Individual Directors will abstain from participating in the discussion and decision of their own remuneration. For the Group MD, the Remuneration Committee reviews the remuneration package annually and recommends to the Board on specific adjustments and/or reward package that reflect his respective contributions throughout the year as well as corporate performance and achievement of key performance indicators, taking into consideration the market and industry practice. Details of the remuneration of the Directors of the Company for the financial year ended 31 March 2016 are as follows:

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The aggregate remuneration are as follows:

	Executive Director	Non-Executive Directors				
	Dato' Roslan bin Hamir RM'000	Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor RM'000	Azizan bin Mohd Noor RM'000	Rozana Zeti binti Basir RM'000	Dato' Rosman bin Abdullah RM'000	Rozilawati binti Haji Basir RM'000
Company						
Fees	-	90	75	68	68	60
Meeting Allowance	-	16	28	26	30	18
Salaries	408	-	-	-	-	-
Bonus	240	-	-	-	-	-
Benefits-in-kind	102	-	-	-	-	-
Others	124	-	-	-	-	-
Total	874	106	103	94	98	78
Subsidiaries						
Fees	-	19	16	-	-	-
Salaries	613	-	-	-	-	-
Bonus	362	-	-	-	-	-
Benefits-in-kind	103	-	-	-	-	-
Others	187	-	-	-	-	-
Total	1,265	19	16	-	-	-

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

Bands	Number of Directors (Company)	
	Executive	Non-Executive
RM2,100,000 – RM2,150,000	1	-
RM100,001 – RM150,000	-	2
RM50,001 – RM100,000	-	3

3. COMPANY SECRETARIES

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

STATEMENT ON CORPORATE GOVERNANCE cont'd

The Company Secretaries have oversight on overall corporate secretarial functions of the Group, both in Malaysia and the region where the Group operates. The Company Secretaries also serve and advise the Board on matters relating to compliance with relevant laws, rules and regulation, governance best practices and Directors' duties and responsibilities. These include obligations on Directors relating to disclosure of interests and disclosure of any conflicts of interest in transactions involving the Group, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information in line with the recommendation of the MCCG 2012. The Company Secretaries also facilitate timely communication of decisions made and policies set by the Board at Board meetings to the Management for action, lodgements with the stock exchange and other regulators, management of dividend payments and ESS, and oversight of the relationship with the Company's share registrar.

To render to the advisory roles to the Board, the Company Secretaries possess the necessary qualifications and experience. The Company Secretaries' profiles are available on page 16 and 17 of this Annual Report.

4. COMMUNICATION AND RELATIONSHIP WITH SHAREHOLDERS

The Company recognizes the importance of an effective communication channels between the Board, shareholders and general public.

The Board views the Company's general meetings as a valuable opportunity for shareholders to exchange views and engage in active dialogue with the Board. At the Company's AGM for example, shareholders have the opportunity to ask questions about, or make comments on, the Company's operations and on any resolutions being proposed. Shareholders may also direct questions and comments to the Company's external auditor on the conduct of their audit of the Company's financial statements.

The Company's corporate website at www.fima.com.my provides quick access to information about the Group. The information on the website includes the Company's corporate profile, individual profiles of senior management, financial results, annual reports, corporate governance related policies and the Company's operations and major subsidiaries.

The Company also subscribes to internal guidelines on corporate disclosure policies and procedures. These provide the Group with the appropriate guidance to discharge its disclosure obligations and ensure that all communications to the public by the Company are timely, complete and accurate in accordance with all applicable legal and regulatory requirements. As stated previously, corporate disclosure practices are administered and overseen by a Corporate Disclosure Committee.

5. ACCOUNTABILITY AND AUDIT

5.1 Financial Reporting

For financial reporting through quarterly reports to Bursa Malaysia Securities Berhad and the Annual Report to shareholders, the Directors have a responsibility to ensure the accuracy of the statements of comprehensive income, the statements of financial position, the statements of cash flow and all other financial disclosure based on Malaysian Accounting Standards Board rules and other legislation. The Audit Committee assists the Board to oversee the Group's financial reporting processes and the quality of its financial reporting. The Statement of Responsibility by Directors in respect of preparation of the annual Audited Financial Statements is presented herein.

STATEMENT ON CORPORATE GOVERNANCE cont'd

5.2 Risk Management and Internal Controls

The Board is responsible for overseeing the establishment, implementation and ongoing effectiveness of the Company's risk management and internal control system. The Audit Committee provides advice and assistance to the Board in meeting that responsibility and the role of the former in relation thereto is described in the Statement on Risk Management and Internal Control of this Annual Report.

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

5.3 Related Party Transactions

All related party transactions are reviewed by the Audit Committee on a quarterly basis. The shareholders mandate in respect of existing and new recurrent related party transactions is obtained at the AGM of the Company on an annual basis.

Details of the proposed renewal of shareholders' mandate for recurrent related party transaction is set out in the Circular to Shareholders dated 29 July 2016.

5.4 Relationship with Auditors

Through the Audit Committee, the Board has established transparent and appropriate relationship with the auditors, both internal and external. The role of the Audit Committee in relation to the auditors, including a summary of activities of the Audit Committee is included in the Audit Committee Report stated herein.

- **Internal Auditors**

The Group's internal audit function is independent of the activities they audit and is performed with impartiality, proficiency and due professional care.

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

- **External Auditors**

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

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During the financial year under review, the Audit Committee held 2 meetings with the external auditors without any executive members of the Board or senior management being present on financial and other matters. The external auditors has also presented its written assurance on independence through their Audit Plan and Report to the Audit Committee for the audit of the statutory financial statements for the financial year ended 31 March 2016.

The particulars in relation to the audit and non-audit fees incurred by the Company and its subsidiaries for the financial year under review, are as follows:

	Audit Fees (RM'000)		Non Audit Fees (RM'000)	
	2016	2015	2016	2015
Company	103	148	8	8
Subsidiaries	596	559	8	8
TOTAL	699	707	16	16

STATEMENT OF COMPLIANCE

The Board considers that the Company has complied with the relevant Principles and Recommendations as set out in the MCCG 2012 other than those disclosed within this Statement on Corporate Governance.

This statement is made in accordance with the resolution of the Board of Directors dated 17 June 2016.

TAN SRI DATO' IR. MUHAMMAD RADZI BIN HAJI MANSOR
Chairman

AUDIT COMMITTEE REPORT

1. MEMBERS OF THE AUDIT COMMITTEE

The members of the Audit Committee comprise of:

Azizan bin Mohd Noor

*Chairman, Senior Independent Non-Executive Director
Member of Malaysian Institute of Accountants*

Dato' Rosman bin Abdullah

*Member, Independent Non-Executive Director
Member of Malaysian Institute of Accountants*

Rozana Zeti binti Basir

Member, Non-Independent Non-Executive Director

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

The Audit Committee shall be appointed by the Board amongst the Directors of the Company and shall consist of no less than three (3) members comprising of Non-Executive Directors a majority of whom are Independent Directors. A quorum for a meeting shall be at least two (2) members, both being Independent Directors. The current composition of the Audit Committee and the qualifications of its members comply with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad.

The 2016 review of the Audit Committee in relation to membership composition, performance and effectiveness as well as members' accountability and responsibilities, was conducted by the Nomination Committee via the annual Board and Board Committees evaluation. The Nomination Committee discussed the findings on the evaluation and the results of the evaluation and findings, together with areas of improvement, were presented to the Board for deliberation.

2. TERMS OF REFERENCE

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

3. MEETINGS

The Audit Committee meetings was held 5 times during the financial year ended 2016 and all the members attended those meetings.

Name of Committee Members	No of Meetings Attended
Azizan bin Mohd Noor	5/5
Dato' Rosman bin Abdullah	5/5
Rozana Zeti binti Basir	5/5

AUDIT COMMITTEE REPORT cont'd

The meetings are normally attended by the Group Managing Director (“Group MD”), Chief Financial Officer, Head of Group Internal Audit (“GIA”) and upon invitation, the external auditors. The external auditors attended all of the five (5) meetings and met the Audit Committee twice without the presence of the Management to discuss key issues within their sphere of interest and responsibility. The internal auditors and external auditors, may request additional meetings if and when considered necessary. Other employees shall attend any particular Audit Committee meeting only at the Audit Committee’s invitation and specific to the relevant meeting. In addition to formal meetings, members of the Audit Committee have the opportunity to meet and consult with the Head of GIA at any time without the presence of Management to discuss any issues of concern.

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

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

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 MARCH 2016

4.1 During the financial year, the Audit Committee carried out its duties as set out in its Terms of Reference. A summary of work performed by the Audit Committee are as follows:

Financial Reporting

Reviewed the Group’s quarterly unaudited financial results and audited financial statements with Management and external auditors focusing on the matters set out below, prior to recommending to the Board for approval:

- Any change in accounting policies and practices, and its implementation;
- Any significant change and adjustment in the presentation of financial statements;
- Any significant variation in audit scope and approach in respect of the audited financial statements; and
- Compliance with accounting standards and regulatory requirements.

AUDIT COMMITTEE REPORT

cont'd

External Audit Process

The Audit Committee reviewed:

- the external auditors' Annual Audit Plan for financial year ended 31 March 2016 outlining their scope of work, approach and proposed fees for the statutory audit and review of the Statement on Risk Management and Internal Control.
- the major issues that arose during the course of the audit and their resolution;
- key accounting and audit judgements;
- recommendations made by the external auditors in their management letters and the adequacy of management's response; and
- the performance of the external auditors, including their independence, and provided the recommendation on their re-appointment and remuneration to the Board.

The external auditors have provided written confirmation to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The Audit Committee is satisfied with the auditors' effectiveness and independence and has recommended to the Board that Messrs Hanafiah Raslan & Mohamad be reappointed as the Company's external auditor for the financial year ending 31 March 2017.

Internal Audit

- Reviewed and approved the Annual Internal Audit Plan for financial year ended 31 March 2016 as proposed by GIA, to ensure the adequacy of resources, coverage and inclusion of risk areas in the scope of review.
- Reviewed and deliberated the findings of internal audit reports presented by Head of GIA and the adequacy of management's response/actions to address control deficiencies.
- Reviewed the nature and extent of the non-audit activities performed by GIA;
- Reviewed the structure of GIA and adequacy of its resources and budget.
- Reviewed the Enterprise Risk Management Report on key risk profiles and risk management activities.
- Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control and recommended to the Board for approval prior to the inclusion of the same in the Company's Annual Report.

Recurrent Related Party Transactions ("RRPT")

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

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

1. INTRODUCTION

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

2. RESPONSIBILITY

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

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

The Board has received assurance from the Group Managing Director ("Group MD") and Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the Group's risk management and internal control system.

3. WHISTLEBLOWING POLICY

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

Procedure

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

Name : Dato' Roslan bin Hamir
 Via Email : whistleblowing@fima.com.my
 Via Mail : *Mark: Strictly Confidential*
 Kumpulan Fima Berhad
 Suite 4.1, Level 4, Block C
 Plaza Damansara
 No. 45, Jalan Medan Setia 1
 Bukit Damansara, 50490 Kuala Lumpur
 Attention: Group Managing Director

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

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

Name : Encik Azizan bin Mohd Noor
Via Email : ac_chairman@fima.com.my
Via Mail : *Mark: Strictly Confidential*
Kumpulan Fima Berhad
Suite 4.1, Level 4, Block C
Plaza Damansara
No. 45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Attention: Chairman of Audit Committee

The above mechanism protects employees and stakeholders who contemplate to “blow the whistle” against victimisation or harassment. The confidentiality of all matters raised and the identity of the whistleblower are protected under the policy.

4. INTERNAL CONTROL

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

- 4.1 Operational and follow-up audits are conducted throughout the financial year based on approved annual audit plan to provide reasonable assurance that the systems of internal controls and its framework, and governance processes put in place by Management continue to operate satisfactorily and effectively and to add value and improve the Group’s business operations.
- 4.2 The Heads of Divisions meet on a monthly basis to consider Group’s financial performance, internal audit reports, business development, legal/litigation, operational, and corporate issues.
- 4.3 There is a budgeting and forecasting system. Each line of business submits a business plan annually for approval by the Board. The results of the lines of businesses are reported monthly and variances are analysed against budget and acted on in timely manner. The Group’s strategic directions are also reviewed annually taking into account changes in market conditions and significant business risks.
- 4.4 The periodic and streamlining review of limits of authority and other standard operating procedures within the Group provides a sound framework of authority and accountability within the organisation and to facilitate quality, well informed and timely corporate decision making at the appropriate level in the organisation’s hierarchy.
- 4.5 The compliance function, which includes the Audit Committee and internal audit function, assists the Board to oversee the management of risks and review the effectiveness of internal controls. The Committee reviews reports of the Group Internal Audit (“GIA”) and also conducts annual assessment on the adequacy of the GIA’s scope of work.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL cont'd

- 4.6 The Audit Committee, on behalf of the Board, regularly reviews and holds discussions with the Management on the actions taken on internal control issues identified in reports prepared by the GIA, external auditors and Management. Minutes of the Audit Committee meetings are tabled to the Board.
- 4.7 Review and award of major contracts by the project committees and teams, subject always to the delegated authority limits set by the Board. A minimum of three quotations is called for and tenders are awarded based on criteria such as quality, track record and speed of delivery.
- 4.8 Clearly documented standard operating procedure manuals set out the policies and procedures for day to day operations to be carried out. Regular reviews are performed to ensure that documentation remains current, relevant and aligned with evolving business and operational needs.
- 4.9 The competency of staff is enhanced through rigorous recruitment process and development programmes. A performance appraisal system of staff is in place, with established targets and accountability and is reviewed on an annual basis.

5. INTERNAL AUDIT FUNCTION

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

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

The GIA evaluates the following:

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

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

- Developed an annual audit plan using a risk-based approach, taking into consideration of the key business units of the Group and input from senior management and the Audit Committee members.
- Provided independent assessment and objective assurance over the adequacy and effectiveness of risk management and internal control processes.
- Provided independent and objective reviews of the adequacy and relevance of internal controls enforced to mitigate risk exposures.
- Ascertained the level of compliance with established policies and procedures of the Group.
- Performed risk-based audits based on the annual audit plan, including follow-up of matters from previous internal audit reports.
- Issued internal audit reports to the Management on risk management, control and governance issues together with recommendations for improvements and enhancements to the existing system of internal control and work procedures/processes.
- Undertook ad-hoc reviews and investigations on matters arising from the audits or requested by the Management or Audit Committee and issued reports accordingly. Reviewed the procedures relating to related party transactions entered into by the Group to ensure that the related party transactions have been conducted on the Group’s normal commercial terms and are not to the detriment of the Group’s minority shareholders.
- Preparation of Audit Committee Report and Statement on Risk Management and Internal Control for the Company’s financial year ended 31 March 2015 Annual Report.

During the financial year ended 31 March 2016, a total of 11 reports comprising planned assignments were issued. The areas reviewed included the control environment, risk management, revenue assurance, procurement, finance, human resource, occupational safety and health and regulatory compliance and operations.

The total cost incurred by GIA in discharging its internal audit function in respect of the financial year ended 31 March 2016 was RM377,000 (2015:RM487,000).

6. ENTERPRISE RISK MANAGEMENT (“ERM”)



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL cont'd

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

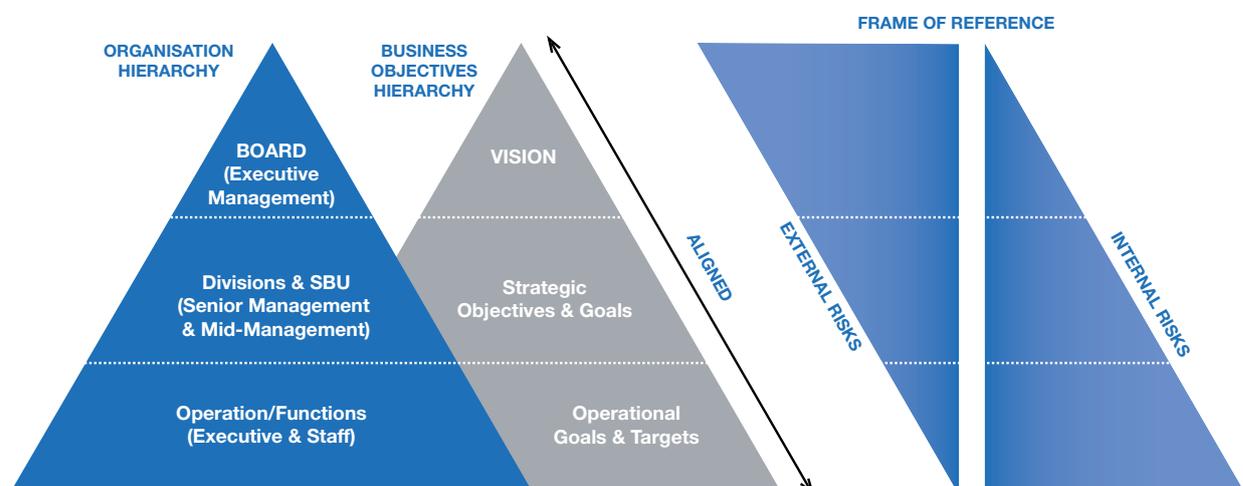
The Audit Committee and the Board is supported by a Risk Management Committee ("RMC"), headed by the Group MD. The RMC identifies and communicates to the Audit Committee and the Board the present and potential critical risks the Group faces, their changes and the Management action plans to manage these risks. The RMC convenes meeting on a yearly basis to review the key risk profiles and submit a summary report to the Audit Committee. The RMC is entrusted with the responsibility of implementing and maintaining the ERM framework to achieve the following objectives:

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

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

- formalisation of risk management policy and procedures and adopted a structured and systematic risk assessment, monitoring and reporting framework;
- heightened risk awareness culture in the business processes through risk owners' accountability and sign-off for action plans and continuous monitoring;
- compilation of the business units' risk profiles in relation to the Group risk parameters, the top risks from each business segment and reported to the RMC for review, deliberation and approval; and
- fostered a culture of continuous improvement in risk management through risk review meetings; and provided a system to manage the central accumulation of risk profiles data with risk significance rating for the profiles as a tool for prioritising risk action plans.

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



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

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

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

- Detailed risk register
- Risk Parameters
- ERM Report

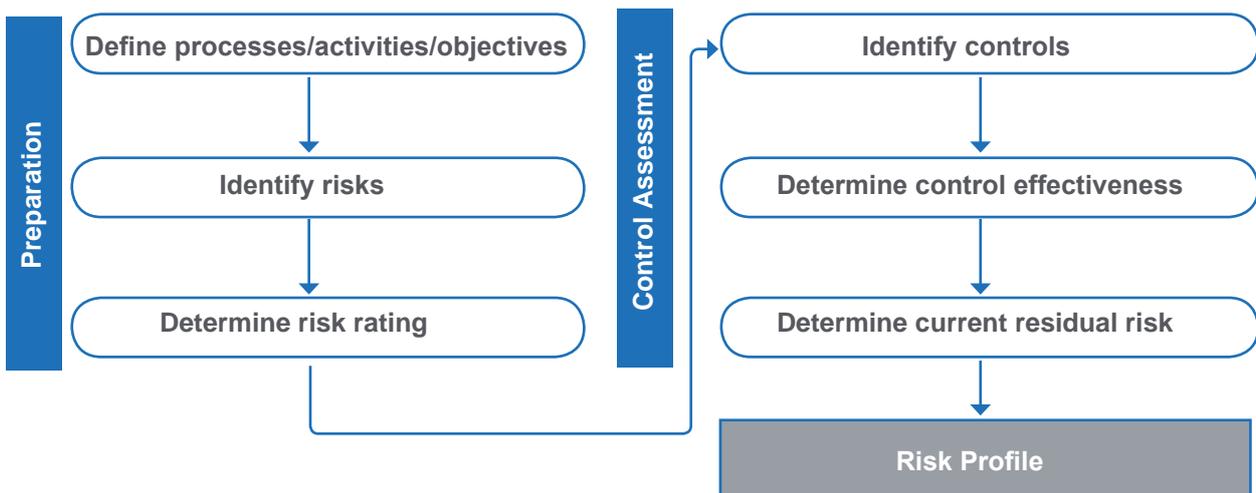
These reports were summarised as risk profile and provide the basis for the following:

- Business action plans and improvement strategies;
- Developing cost effective control strategies; and
- Prioritisation of areas for operational audit.

All subsidiaries within the Group will update their risk profile to the RMC on an annual basis.

The Group's ERM programme is supported by the Risk Management Policy and Procedures ("the Policy") which is consistent with the current requirements of the Malaysian Code on Corporate Governance 2012. The Policy will sensitise staff more strongly to risk identification, measurement, control, on-going monitoring, responsibilities and accountabilities.

An overview of the Group's risk assessment process is depicted as follows:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

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

Broad risk area	Sub-broad risk	Key mitigation measures
<p>Operational</p> <p>Global, regional and/or local economic slowdown factors adversely impact commodity prices, customers demand and costs.</p>	Business interruption, pricing and marketing.	<ul style="list-style-type: none"> Monitoring of market/economic conditions. Strategic business plan based on market conditions. Key marketing strategy for each division.
<p>Finance</p> <p>Volatile exchange rates for foreign investment.</p>	Foreign exchange	<ul style="list-style-type: none"> Foreign currency bank accounts. Exploring export markets.
<p>Human Resource</p> <p>Failure to recruit and retain key staff, and the inability to deploy staff within the Group where they are most needed could affect the business.</p>	Succession planning	<ul style="list-style-type: none"> Talent management and succession planning framework, policies and talent mobilisation. Revised remuneration and rewards programme. Annual key performance indicator and appraisal for each personnel.
<p>Compliance</p> <p>Internal and external regulatory requirements.</p>	Regulatory	<ul style="list-style-type: none"> Constant monitoring for each department, division and Group. Regular review in operational audit programme. Continuous updating to new regulatory requirement.
<p>Safety, Health and Environment</p> <p>Major accident occurs to employees/contractors arising from non-compliance with policies and procedures leading to death or severe injury.</p>	Compliance of safety, health and environment ("SHE")	<ul style="list-style-type: none"> The Safety, Health & Environment (and Emergency Response Policies & Procedure was established and implemented at divisional level. Performance monitoring & reporting implemented. Regular safety training dialogues and dedicated SHE Committee/Department.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

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

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

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

7. REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report for the year ended 31 March 2016 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

This statement has been reviewed and approved by the Board of Directors on 27 June 2016.

AZIZAN BIN MOHD NOOR
Chairman of Audit Committee

STATEMENT 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 others irregularities.

This Statement is made in accordance with the resolution of the Board dated 17 June 2016.

ADDITIONAL DISCLOSURE

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

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

RRPT of the Company for the financial year ended 31 March 2016 were as follows:

Name of Companies	Related Parties	Nature of RRPT	Interested Major Shareholder, Directors and Persons Connected to Them of KFima	Estimated Annual Value Disclosed in the Preceding Year's Circular RM'000	Actual Value of Transactions during the Financial Year RM'000
KFima ⁽¹⁾ IFC ⁽²⁾	KFima/ IFC	Sale of frozen fish Seller: KFima Buyer: IFC	<p>Major Shareholder BHR</p> <p>Directors Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor⁽³⁾ Dato' Roslan bin Hamir⁽⁴⁾ Rozana Zeti binti Basir⁽⁵⁾ Rozilawati binti Haji Basir⁽⁶⁾</p> <p>Persons Connected Persons Connected to BHR (refer to Table A)</p>	45,000	25,242

Notes:

- (1) KFima holds 95.57% effective interest in IFC, by virtue of its 77.85% direct investment and 17.72% indirect investment through Endell Pte Ltd (a company incorporated in the Republic of Singapore), an 80.00% owned subsidiary of Fima Overseas Holdings Sdn. Bhd. which in turn is a wholly-owned subsidiary of KFima ;
- (2) IFC's principal activities are in the manufacturing and distribution of canned fish;
- (3) Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor is a Director and Chairman of IFC and has direct shareholding in KFima;
- (4) Dato' Roslan bin Hamir is the Group Managing Director of KFima and Director of IFC and has direct shareholding in KFima;
- (5) Rozana Zeti binti Basir is a Non-Independent Non-Executive Director of KFima and has direct and indirect shareholding in KFima; and
- (6) Rozilawati binti Haji Basir is a Non-Independent Non-Executive Director of KFima and has direct and indirect shareholding in KFima.

ADDITIONAL DISCLOSURE

cont'd

TABLE A

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Directors				
Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor	200,000	0.07	-	-
Dato' Roslan bin Hamir	481,000	0.17	-	-
Rozana Zeti binti Basir	50,000	*	⁽³⁾ 167,223,200	60.38
Rozilawati binti Haji Basir	100,000	0.04	⁽³⁾⁽⁴⁾ 167,173,200	60.36
Major Shareholder				
BHR	147,202,300	53.15	⁽¹⁾ 60,212,700	21.74
Persons Connected to Directors and/or Major Shareholder of KFima other than disclosed above				
<i>Persons Connected to BHR</i>				
Puan Sri Datin Hamidah binti Abdul Rahman	200,000	0.07	⁽²⁾ 167,073,200	60.32
Roshayati binti Basir	284,000	0.10	⁽⁴⁾ 166,989,200	60.30
Rozilawati binti Haji Basir	100,000	0.04	⁽³⁾⁽⁴⁾ 167,173,200	60.36
Rozana Zeti binti Basir	50,000	*	⁽³⁾ 167,223,200	60.38
Ahmad Riza bin Basir	-	-	⁽⁴⁾ 167,273,200	60.40
Zailini binti Zainal Abidin	-	-	⁽⁵⁾ 167,273,200	60.40

* Negligible

Notes:

- (1) Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir, Rozana Zeti binti Basir and Rozilawati binti Haji Basir's direct and indirect shareholding, respectively, in the Company. Deemed interested by virtue of their shareholdings in BHR of more than 15%.
- (2) Puan Sri Datin Hamidah binti Abdul Rahman is the mother of Roshayati binti Basir, Rozilawati binti Haji Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir. Deemed interested by virtue of her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.
- (3) Rozilawati binti Haji Basir's indirect shareholding in the Company is held under M&A Nominees (Tempatan) Sdn Bhd.
- (4) Deemed interested by virtue that:
 - (i) Roshayati binti Basir, Rozilawati binti Haji Basir and Rozana Zeti binti Basir are sisters and their shareholdings in BHR of more than 15%.
 - (ii) Ahmad Riza bin Basir is the son of Puan Sri Datin Hamidah binti Abdul Rahman and brother of Roshayati binti Basir, Rozilawati binti Haji Basir and Rozana Zeti binti Basir and:
 - (a) His indirect shareholdings in the Company which are held through M&A Nominees (Tempatan) Sdn Bhd of 282,000 (or 0.10%) and Subur Rahmat Sdn Bhd (SRSB) pursuant to Section 6A of the Companies Act, 1965 (the Act). SRSB holds 11,509,200 (or 4.16%) and 7,866,700 (or 2.84%) direct and indirect interests, respectively in KFima.
 - (b) His wife, Zailini binti Zainal Abidin's shareholding in SRSB pursuant to Section 6A of the Act and her indirect shareholding in KFima.
- (5) Zailini binti Zainal Abidin is deemed interested by virtue of her shareholding in SRSB pursuant to Section 6A of the Act; and wife of Ahmad Riza bin Basir.

FINANCIAL STATEMENTS

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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 2016.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries and the associates are described in Notes 40 and 41 respectively to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	80,003	51,891
Profit attributable to:		
Owners of the parent	56,731	51,891
Non-controlling interests	23,272	-
	<u>80,003</u>	<u>51,891</u>

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

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

DIVIDENDS

The amount of dividend paid by the Company since 31 March 2015 was as follows:

	RM'000
In respect of the financial year ended 31 March 2015 as reported in the directors' report for that year:	
Final dividend of 8.5% single tier paid on 22 October 2015.	<u>23,528</u>

At the forthcoming Annual General Meeting, a final dividend in respect of financial year ended 31 March 2016, of 9.0% single tier amounting to dividend payable of approximately RM24,927,000 (9.0 sen net dividend per ordinary share) will be proposed for shareholders' approval. The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2017.

DIRECTORS' REPORT

cont'd

DIRECTORS

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

Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor (Chairman)
 Dato' Roslan bin Hamir (Group Managing Director)
 Azizan bin Mohd Noor
 Rozana Zeti binti Basir
 Dato' Rosman bin Abdullah
 Rozilawati binti Haji Basir

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 corporate body, other than those arising from the share options granted under the Employee Share Scheme ("ESS").

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as shown in Note 7 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, other than as disclosed in Note 35 to the financial statements.

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares of RM1.00 Each					31 March 2016
	1 April 2015	Bought	Option exercised	Restricted Share Grant	Sold	
The Company						
Direct Interest						
Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor	150,000	-	50,000	-	-	200,000
Dato' Roslan bin Hamir	421,000	-	-	60,000	-	481,000
Rozana Zeti binti Basir	50,000	-	-	-	-	50,000
Rozilawati binti Haji Basir	-	-	100,000	-	-	100,000
Indirect Interest						
Rozana Zeti binti Basir ^{(1) (3)}	166,381,200	842,000	-	-	-	167,223,200
Rozilawati binti Haji Basir ⁽¹⁾⁽²⁾	166,431,200	742,000	-	-	-	167,173,200

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS (CONT'D)

	Number of Ordinary Shares of RM0.50 Each			
	1 April 2015	Bought	Sold	31 March 2016
Subsidiary - Fima Corporation Berhad				
Direct Interest				
Dato' Roslan bin Hamir	601,800	-	-	601,800
Indirect Interest				
Rozana Zeti binti Basir ⁽⁴⁾	150,383,658	114,000	-	150,497,658
Rozilawati binti Haji Basir ⁽⁴⁾	150,383,658	114,000	-	150,497,658

	Number of Options Over Ordinary Shares of RM1.00 Each			
	1 April 2015	Granted	Exercised	31 March 2016
The Company				
Granted at an option price of RM1.48 per share				
Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor	50,000	-	(50,000)	-
Dato' Roslan bin Hamir	1,070,000	-	-	1,070,000
Azizan bin Mohd Noor	200,000	-	-	200,000
Rozana Zeti binti Basir	200,000	-	-	200,000
Dato' Rosman bin Abdullah	200,000	-	-	200,000
Rozilawati binti Haji Basir	200,000	-	(100,000)	100,000

	Number of Ordinary Shares of RM1.00 Each Granted under the Restricted Share Grant Scheme			
	1 April 2015	Granted	Vested	31 March 2016
The Company				
Direct Interest				
Dato' Roslan bin Hamir	-	60,000	(60,000)	-

DIRECTORS' REPORT

cont'd

DIRECTORS' INTERESTS (CONT'D)

- (1) Rozana Zeti Binti Basir ("Rozana Zeti") and Rozilawati Binti Haji Basir ("Rozilawati") are deemed interested by virtue of the following:
- (i) Their shareholdings in BHR Enterprise Sdn Bhd ("BHR") of more than 15%. BHR is the major shareholder of the Company.
 - (ii) Their mother, Puan Sri Datin Hamidah Binti Abdul Rahman's shareholding in the Company and her shareholding of preference shares in BHR.
 - (iii) Their sister, Roshayati Binti Basir's direct shareholding in the Company and her shareholding in BHR of more than 15%.
 - (iv) Their brother, Ahmad Riza bin Basir's ("Ahmad Riza") indirect shareholdings in the Company which are held through M&A Nominees (Tempatan) Sdn Bhd, Subur Rahmat Sdn Bhd ("SRSB") and his wife, Zailini binti Zainal Abidin. Ahmad Riza and his wife are deemed interested by virtue of their interest in SRSB pursuant to Section 6A of the Companies Act, 1965.
- (2) Deemed interested by virtue of Rozilawati's direct and indirect shareholding in the Company which is held under M&A Nominees (Tempatan) Sdn Bhd. Rozilawati is the sister of Rozana Zeti.
- (3) Deemed interested by virtue of Rozana Zeti's direct shareholding in the Company. Rozana Zeti is the sister of Rozilawati.
- (4) Rozana Zeti and Rozilawati deemed interest in Fima Corporation Berhad ("FCB") by virtue of:
- (i) Fima Metal Box Holdings Sdn. Bhd.'s ("Fima Metal Box") direct shareholding in FCB. Fima Metal Box is a wholly-owned subsidiary of the Company and is a major shareholder of FCB.
 - (ii) BHR direct shareholding in FCB. BHR has 53.40% equity interest in the FCB's penultimate holding Company, Kumpulan Fima Berhad.
 - (iii) Their sister, Roshayati binti Basir and their mother, Puan Sri Datin Hamidah binti Abdul Rahman's direct shareholding in FCB.

Rozilawati and Rozana Zeti, by virtue of their interests in shares of the Company, are also deemed to be interested in shares of all the subsidiaries of the Company to the extent that the Company has an interest.

Other than as stated above, 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.

EMPLOYEES' SHARE SCHEME ("ESS")

The ESS of the Company was approved by its shareholders at an Extraordinary General Meeting held on 21 September 2011 and implemented on 18 November 2011. The ESS comprises the Employee Share Option Scheme ("ESOS") and Restricted Share Grant Scheme ("RSGS").

The ESS is administered by the Options Committee comprising directors of the Company appointed by the Board of Directors namely, Dato' Rosman bin Abdullah, Dato' Roslan bin Hamir and Rozilawati binti Haji Basir.

The details of the ESS are disclosed in Note 34 to the financial statements.

DIRECTORS' REPORT

cont'd

EMPLOYEES' SHARE SCHEME ("ESS") (CONTD.)

During the financial year, the Company had granted additional 844,800 (2015: 1,634,800) share options under the ESOS to newly eligible employees and 188,000 (2015: 206,000) shares were vested under the RSGS.

Details of all options for which eligible employees are entitled to subscribe for the ordinary shares of the Company pursuant to the ESS as at 31 March 2016 are as follows:

	Grant Date	Exercise Price (RM)	Number of Options	Expiry Date
ESOS	18 November 2011	1.48	19,401,000	17 November 2016
	16 January 2012	1.76	279,000	17 November 2016
	11 July 2012	1.76	614,000	17 November 2016
	4 January 2013	1.81	932,000	17 November 2016
	17 June 2013	2.07	341,000	17 November 2016
	23 December 2013	1.97	799,100	17 November 2016
	24 June 2014	2.19	612,200	17 November 2016
	15 January 2015	1.98	1,022,600	17 November 2016
	3 July 2015	1.98	385,800	17 November 2016
	1 December 2015	1.82	459,000	17 November 2016
	Sub total		24,845,700	
RSGS	18 November 2011		1,130,000	17 November 2016
	Total		25,975,700	

The Company was granted an exemption by the Companies Commission of Malaysia from having to disclose the names of option holders, other than directors, who have been granted options for less than 185,000 ordinary shares of RM1.00 each. The employees who have been granted 185,000 options or more under the ESOS are as follows:

Name	Exercise Price	Number of Options Over Ordinary Shares of RM1.00 Each			31 March 2016
		1 April 2015	Forfeited	Exercised	
Mohd Yusof bin Pandak Yatim	1.48	280,000	-	(40,000)	240,000
Nazaruddin bin Mohd Hadri	1.48	144,000	-	(72,000)	72,000
Dzakwan bin Mansori	1.48	360,000	-	-	360,000
Ahmad Zakri bin Abu Bakar	1.48	280,000	-	-	280,000
Jasmin binti Hood	1.48	50,000	-	-	50,000
Lee Mo Leng	1.48	130,000	-	(30,000)	100,000
Kamalanathan a/l Sabapathy	1.48	200,000	-	(40,000)	160,000
Rosedean Zaily bin Zulkifli	1.48	120,000	-	-	120,000
Ali bin Khamis	1.48	15,000	-	-	15,000

The maximum number of option shares which the aforesaid option holders can exercise in a particular year shall be limited to 20% of their granted allocation as stipulated in their ESS offer letter.

Details of options granted to directors are disclosed in the section on Directors' Interests in this report.

DIRECTORS' REPORT

cont'd

EMPLOYEES' SHARE SCHEME ("ESS") (CONTD.)

During the year, the following officers of the Group have been vested with the RSGS shares under the Company's ESS:

Name	Number of Ordinary Shares of RM1.00 Each Granted under the Restricted Share Grant Scheme			
	1 April 2015	Granted	Vested	31 March 2016
Mohd Yusof bin Pandak Yatim	-	18,000	(18,000)	-
Nazaruddin bin Mohd Hadri	-	18,000	(18,000)	-
Dzakwan bin Mansori	-	18,000	(18,000)	-
Ahmad Zakri bin Abu Bakar	-	14,000	(14,000)	-
Jasmin binti Hood	-	10,000	(10,000)	-
Lee Mo Leng	-	10,000	(10,000)	-
Kamalanathan a/l Sabapathy	-	10,000	(10,000)	-
Rosedean Zaily bin Zulkifli	-	10,000	(10,000)	-
Ali bin Khamis	-	10,000	(10,000)	-
Mohd Rizal bin Mat Nor	-	10,000	(10,000)	-

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

OTHER STATUTORY INFORMATION

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
- (i) it necessary to write off any bad debts or the amount of allowance for doubtful debts of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

cont'd

OTHER STATUTORY INFORMATION (CONT'D)

- (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 as and when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 June 2016.

Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor

Dato' Roslan bin Hamir

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

We, Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor and Dato' Roslan bin Hamir, 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 95 to 182 are drawn up in accordance with Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016 and of their financial performance and cash flows for the year then ended.

The information set out in Note 44 to the financial statements have been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 17 June 2016.

Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor

Dato' Roslan bin Hamir

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 95 to 183 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 17 June 2016.

Mohd Yusof bin Pandak Yatim

Before me,

KAPT(B) AFFANDI BIN AHMAD
Commissioner for oaths
No. W678

INDEPENDENT AUDITORS' REPORT

to the members of Kumpulan Fima Berhad (Incorporated in Malaysia)

Report on the financial statements

We have audited the financial statements of Kumpulan Fima Berhad, which comprise the statements of financial position as at 31 March 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 95 to 182.

Directors' responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

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

Report on other legal and regulatory requirements

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

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

INDEPENDENT AUDITORS' REPORT

to the members of Kumpulan Fima Berhad (Incorporated in Malaysia)
cont'd

- (b) We have considered the financial statements and the auditors' report of the subsidiaries which we have not acted as auditors, which are indicated in Note 40 to the financial statements, being financial statements that have been included in the consolidated financial statements.
- (c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other reporting responsibilities

The supplementary information set out in Note 44 on page 183 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other matters

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

Hanafiah Raslan & Mohamad
AF: 0002
Chartered Accountants

Kuala Lumpur, Malaysia
17 June 2016

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

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	3	541,107	544,789	78,813	56,195
Cost of sales	4	(344,271)	(345,235)	(24,017)	(13,343)
Gross profit		196,836	199,554	54,796	42,852
Other income	5	12,843	21,732	8,403	7,378
Other items of expense					
Administrative expenses		(63,541)	(65,246)	(9,865)	(8,728)
Selling and marketing expenses		(11,595)	(9,798)	-	-
Other expenses		(24,019)	(27,730)	(585)	-
		(99,155)	(102,774)	(10,450)	(8,728)
Finance costs	8	(515)	(351)	(38)	(16)
Share of profit of associates		1,665	4,141	-	-
Profit before tax	9	111,674	122,302	52,711	41,486
Income tax expense	10	(31,671)	(38,285)	(820)	(1,336)
Profit net of tax		80,003	84,017	51,891	40,150
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
Foreign exchange translation		(18,751)	8,522	-	-
Items that will not be subsequently reclassified to profit or loss:					
Revaluation of property, plant and equipment		-	54,549	-	5,903
Remeasurement of defined benefit liability		265	-	-	-
Total comprehensive income for the year		61,517	147,088	51,891	46,053
Profit attributable to:					
Equity holders of the Company		56,731	58,576	51,891	40,150
Non-controlling interests		23,272	25,441	-	-
Profit for the year		80,003	84,017	51,891	40,150
Total comprehensive income attributable to:					
Equity holders of the Company		38,010	111,691	51,891	46,053
Non-controlling interests		23,507	35,397	-	-
Total comprehensive income for the year		61,517	147,088	51,891	46,053
Earnings per share attributable to equity holders of the Company (sen per share):					
Basic	11	20.51	21.26		
Diluted	11	20.31	21.10		

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Note	Group		Company	
		2016 RM'000	2015 RM'000 Restated	2016 RM'000	2015 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	344,402	334,322	42,475	43,015
Investment properties	14	70,097	71,857	3,167	3,201
Biological assets	15	153,476	129,399	-	-
Investments in subsidiaries	16	-	-	188,620	189,019
Investments in associates	17	46,659	46,135	2,251	2,251
Goodwill on consolidation	18	12,710	12,710	-	-
Deferred tax assets	30	8,394	5,445	-	-
		635,738	599,868	236,513	237,486
Current assets					
Inventories	19	90,807	127,812	-	-
Trade receivables	20	183,562	192,285	20	48
Other receivables	21	27,963	33,048	2,743	2,380
Due from subsidiaries	22	-	-	186,129	144,760
Cash and bank balances	23	247,592	236,710	7,727	7,623
		549,924	589,855	196,619	154,811
TOTAL ASSETS		1,185,662	1,189,723	433,132	392,297
EQUITIES AND LIABILITIES					
Equity attributable to equity holder of the Company					
Share capital	24	276,968	276,087	276,968	276,087
Share premium	24	24,713	23,930	24,713	23,930
Other reserves	25	138,002	157,068	25,492	25,625
Retained earnings	26	308,617	275,202	59,384	31,021
		748,300	732,287	386,557	356,663
Non-controlling interests		250,986	245,723	-	-
Total equity		999,286	978,010	386,557	356,663

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2016

cont'd

	Note	Group		Company	
		2016 RM'000	2015 RM'000 Restated	2016 RM'000	2015 RM'000
Non-current liabilities					
Finance lease obligations	27	16,799	5,094	-	-
Retirement benefit obligations	29	1,391	1,634	-	-
Deferred tax liabilities	30	46,951	40,413	6,863	7,013
		65,141	47,141	6,863	7,013
Current liabilities					
Finance lease obligations	27	646	491	-	-
Short term borrowings	28	15,281	5,944	13,020	4,532
Trade payables	31	44,007	93,241	11	157
Other payables	32	60,615	61,814	1,337	494
Due to subsidiaries	22	-	-	25,344	23,438
Tax payable		686	3,082	-	-
		121,235	164,572	39,712	28,621
Total liabilities		186,376	211,713	46,575	35,634
TOTAL EQUITY AND LIABILITIES		1,185,662	1,189,723	433,132	392,297
Net assets per share (RM)		2.70	2.65	1.40	1.29

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

Group	Note	← Attributable to owners of the parent				
		Equity, total RM'000	Equity attributable to the Company, total RM'000	Non-distributable		Distributable
				Share capital RM'000	Share premium RM'000	Retained earnings RM'000
2016						
At 1 April 2015		978,010	732,287	276,087	23,930	275,202
Total comprehensive income for the year		61,517	38,010	-	-	56,943
Transactions with owners						
Dividends	12	(23,528)	(23,528)	-	-	(23,528)
Dividend paid to minority shareholders of a subsidiary		(19,679)	-	-	-	-
Acquisition of subsidiary		1,569	-	-	-	-
Purchase of treasury shares by a subsidiary		(134)	-	-	-	-
Grant of equity-settled share options		228	228	-	-	-
Share options exercised		1,303	1,303	881	783	-
Total transactions with owners		21,276	16,013	881	783	33,415
At 31 March 2016		999,286	748,300	276,968	24,713	308,617
2015						
At 1 April 2014		863,226	638,282	273,497	21,473	278,396
Total comprehensive income for the year		147,088	111,691	-	-	58,576
Transactions with owners						
Dividends	12	(22,069)	(22,069)	-	-	(22,069)
Dividend paid to minority shareholders of a subsidiary		(14,618)	-	-	-	-
Grant of equity-settled share options		427	427	-	-	-
Bonus shares issued by a subsidiary		-	-	-	-	(39,701)
Share options exercised		3,956	3,956	2,590	2,457	-
Total transactions with owners		(32,304)	(17,686)	2,590	2,457	(61,770)
At 31 March 2015		978,010	732,287	276,087	23,930	275,202

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016
cont'd

Other reserves, total (Note 25) RM'000	Non-distributable					Non-controlling interests RM'000
	Capital reserve RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Employee share option reserve RM'000	Capital reserve arising from bonus issue in subsidiary RM'000	
157,068	437	87,471	(1,859)	4,560	66,459	245,723
(18,933)	-	-	(18,933)	-	-	23,507
-	-	-	-	-	-	-
-	-	-	-	-	-	(19,679)
-	-	-	-	-	-	1,569
-	-	-	-	-	-	(134)
228	-	-	-	228	-	-
(361)	-	-	-	(361)	-	-
(19,066)	-	-	(18,933)	(133)	-	5,263
138,002	437	87,471	(20,792)	4,427	66,459	250,986
64,916	437	43,313	(10,816)	5,224	26,758	224,944
53,115	-	44,158	8,957	-	-	35,397
-	-	-	-	-	-	-
-	-	-	-	-	-	(14,618)
427	-	-	-	427	-	-
39,701	-	-	-	-	39,701	-
(1,091)	-	-	-	(1,091)	-	-
39,037	-	-	-	(664)	39,701	(14,618)
157,068	437	87,471	(1,859)	4,560	66,459	245,723

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2016

cont'd

Company		← Non-distributable →	
		Equity, total RM'000	Share capital RM'000
2016			
	Note		
At 1 April 2015		356,663	276,087
Total comprehensive income for the year		51,891	-
Transactions with owners			
Dividends	12	(23,528)	-
Grant of equity-settled share options		228	-
Share options exercised		1,303	881
Total transactions with owners		(21,997)	881
At 31 March 2016		386,557	276,968
2015			
At 1 April 2014		328,296	273,497
Total comprehensive income for the year		46,053	-
Transactions with owners			
Dividends	12	(22,069)	-
Grant of equity-settled share options		427	-
Share options exercised		3,956	2,590
Total transactions with owners		(17,686)	2,590
At 31 March 2015		356,663	276,087

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016
cont'd

	Distributable		Other reserves, total (Note 25) RM'000	Non-distributable	
	Share premium RM'000	Retained earnings RM'000		Asset revaluation reserve RM'000	Employee share option reserve RM'000
	23,930	31,021	25,625	21,065	4,560
	-	51,891	-	-	-
	-	(23,528)	-	-	-
	-	-	228	-	228
	783	-	(361)	-	(361)
	783	(23,528)	(133)	-	(133)
	24,713	59,384	25,492	21,065	4,427
	21,473	12,940	20,386	15,162	5,224
	-	40,150	5,903	5,903	-
	-	(22,069)	-	-	-
	-	-	427	-	427
	2,457	-	(1,091)	-	(1,091)
	2,457	(22,069)	(664)	-	(664)
	23,930	31,021	25,625	21,065	4,560

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash flows from operating activities				
Profit before tax	111,674	122,302	52,711	41,486
Adjustment for:				
Depreciation				
- Property, plant and equipment	30,111	29,467	668	659
- Investment properties	1,760	1,602	34	34
Amortisation of biological assets	6,369	5,719	-	-
Net gain on disposal of property, plant and equipment	(134)	(405)	-	(80)
Gain from plantation investment compensation	(346)	(811)	-	-
Share of profit of associates	(1,665)	(4,141)	-	-
Impairment loss on trade receivables	6,553	3,311	-	-
Impairment loss on goodwill	-	345	-	-
Write back of impairment loss on:				
- trade receivables	(3,694)	(2,208)	-	-
- amount due from a subsidiary	-	-	(50)	(200)
Impairment loss on investment in subsidiaries	-	-	455	-
Property, plant and equipment written off	-	90	-	-
Net unrealised forex gain	(1,823)	(7,418)	-	-
Provision for retirement benefits	69	182	-	-
Write down of inventories	1,807	232	-	-
Write off of biological assets	28	-	-	-
Share and options granted under ESS	228	504	172	27
Dividend income	-	-	(52,889)	(42,036)
Interest expense	515	351	38	16
Interest income	(6,481)	(8,153)	(7,493)	(6,281)
Operating profit/(loss) before working capital changes	144,971	140,969	(6,354)	(6,375)
Decrease/(increase) in inventories	35,444	(18,816)	-	-
Decrease/(increase) in receivables	15,049	(82,496)	91	(282)
Increase in net amount due from related companies	-	-	(39,413)	(17,668)
(Decrease)/increase in payables	(56,146)	59,607	697	43
Cash generated from/(used in) operations	139,318	99,264	(44,979)	(24,282)
Interest paid	(515)	(351)	(38)	(16)
Taxes paid	(30,904)	(41,529)	(1,396)	(1,760)
Retirement benefits paid	(14)	-	-	-
Net cash generated from/(used in) operating activities	107,885	57,384	(46,413)	(26,058)

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

cont'd

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	205	461	-	180
Proceeds from plantation investment compensation	711	1,300	-	-
Repayment of obligation under finance lease	(442)	(428)	-	-
Acquisition of subsidiaries	(4,162)	(7,503)	-	-
Biological assets expenditure	(28,839)	(25,163)	-	-
Purchase of property, plant and equipment	(24,270)	(15,169)	(128)	(250)
Net dividends received	1,140	1,140	52,889	42,036
Interest received	6,481	8,153	7,493	6,281
Net cash (used in)/generated from investing activities	(49,176)	(37,209)	60,254	48,247
Cash flows from financing activities				
Net drawdown/(repayment) of short term borrowings	9,337	(251)	8,488	(1,663)
Dividends paid	(23,528)	(22,069)	(23,528)	(22,069)
Dividends paid by a subsidiary to non-controlling interests	(19,679)	(14,618)	-	-
Deposits on lien	-	173	-	-
Proceeds from exercise of ESS	1,303	3,956	1,303	3,956
Net cash used in financing activities	(32,567)	(32,809)	(13,737)	(19,776)
Net increase/(decrease) in cash and cash equivalents	26,142	(12,634)	104	2,413
Effect of foreign exchange rate changes in cash and cash equivalents	(15,260)	6,719	-	-
Cash and cash equivalents at beginning of year	236,710	242,625	7,623	5,210
Cash and cash equivalents at end of year	247,592	236,710	7,727	7,623
Cash and cash equivalents comprise:				
Cash and bank balances	44,761	20,425	1,927	3,323
Fixed deposits with financial institutions	202,831	216,285	5,800	4,300
	247,592	236,710	7,727	7,623

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

1. CORPORATE INFORMATION

The principal activities of the Company are those of investment and property holding. The principal activities of the subsidiaries and the associates are described in Notes 40 and 41, respectively. There have been no significant changes in the nature of these activities during the financial year.

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

The holding company is BHR Enterprise Sdn. Bhd., a company incorporated in Malaysia.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

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

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

2.2 New FRSs, Amendments to FRS and IC Interpretations

(a) Changes in Accounting Policies

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New FRSs, Amendments to FRS and IC Interpretations (Cont'd)

(b) Standards Issued But Not Yet Effective

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

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

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

(i) FRS 15 Revenue from Contracts with Customers

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New FRSs, Amendments to FRS and IC Interpretations (Cont'd)

(b) Standards Issued But Not Yet Effective (Cont'd)

(i) FRS 15 Revenue from Contracts with Customers (Cont'd)

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

(ii) FRS 9 Financial Instruments

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 New FRSs, Amendments to FRS and IC Interpretations (Cont'd)

(c) Malaysian Financial Reporting Standards ("MFRS") Framework (Cont'd)

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2016 could be different if prepared under the MFRS Framework. The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2019.

2.3 Summary of Significant Accounting Policies

(a) Subsidiaries and Basis of Consolidation

(i) Subsidiaries

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

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

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

(ii) Basis of Consolidation

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

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

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
 - (ii) Exposure, or rights, to variable returns from its investment with the investee; and
 - (iii) The ability to use its power over the investee to affect its returns.
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NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(a) Subsidiaries and Basis of Consolidation (Cont'd)

(ii) Basis of Consolidation (cont'd)

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

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(a) Subsidiaries and Basis of Consolidation (Cont'd)

(ii) Basis of Consolidation (cont'd)

Business Combinations

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

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

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

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

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

(b) Transaction with Non-controlling Interests

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(b) Transaction with Non-controlling Interests (Cont'd)

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

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

(c) Investment in Associate Companies

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(c) Investment in Associate Companies (Cont'd)

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

(d) 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) Sale of Goods

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

(ii) Rental Income

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

(iii) Property Management Services

Revenue from property management is recognised when services are rendered.

(iv) Dividend Income

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

(v) Receipt in advance

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

(vi) Interest Income

Interest income is recognised using the effective interest method.

(vii) Management Fees

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(e) Goodwill

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

(f) Biological Assets

(i) Oil Palm Planting Expenditure

All expenses incurred in land preparation, planting and developing of oil palm up to maturity are capitalised as biological assets. A portion of the indirect overheads which include general and administrative expenses incurred on immature plantation is similarly capitalised under biological assets until such time when the plantation attains maturity at the age of 36 months. All expenses subsequent to maturity are recognised in the profit or loss. Upon attaining maturity, oil palm planting expenditure is amortised over 20 - 25 years. Replanting expenditure and nursery assets is capitalised under oil palm planting expenditure in the year in which it is incurred until maturity.

(ii) Pineapple Planting Expenditure

New estate development expenditure is capitalised until the plants attain maturity, after which time the amount capitalised will be charged to the profit or loss based on the area harvested. Replanting expenditure consists of expenses incurred from the stage of clearing to maturity. Replanting expenditure is capitalised and will be charged to the profit or loss based on area harvested upon attaining maturity.

(g) Foreign Currencies

(i) Functional and Presentation Currency

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(g) Foreign Currencies (Cont'd)

(ii) Foreign Currency Transactions

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

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

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

(iii) Foreign Operations

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

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the reporting date;
- Income and expenses for each profit or loss are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency translation reserve within equity.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(h) Property, Plant and Equipment and Depreciation

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

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

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

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

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

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

Buildings	2.0% - 10.0%
Leasehold land	Over lease period
Plant and machinery	4.0% - 33.33%
Fish canning facilities	2.0%
Warehouses, storage tanks and pipelines	4.0%
Motor vehicles	10.0% - 33.33%
Office equipment, furniture and fittings	6.66% - 25.0%
Renovations	10.0% - 20.0%
Tools, accessories and computer equipment	20.0% - 33.33%

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(h) Property, Plant and Equipment and Depreciation (Cont'd)

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

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

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

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

(i) Investment Properties

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

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

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

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

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

(j) Inventories

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(j) Inventories (Cont'd)

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

(k) Income Tax

(i) Current tax

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

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

(ii) Deferred tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary companies, associated companies and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary companies, associated companies and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(k) Income Tax (Cont'd)

(ii) Deferred tax (Cont'd)

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

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

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

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

(l) Provisions for Liabilities

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

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

(m) Employee Benefits

(i) Short Term Benefits

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016
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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(m) Employee Benefits (Cont'd)

(ii) Defined Contribution Plan

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

(iii) Defined Benefit Plan

Foreign subsidiary in Indonesia

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(m) Employee Benefits (Cont'd)

(iv) Employees' Share Scheme

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

- Employee Share Option Scheme ("ESOS")

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

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

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

- Restricted Share Grant Scheme ("RSGS")

Senior management personnel of the Group are entitled to performance-based restricted shares as consideration for services rendered. The RSGS may be settled by way of issuance and transfer of new shares in the Company at the absolute discretion of the Options Committee. The total fair value of RSGS granted to senior management employees is recognised as an employee cost with a corresponding increase in the employees share reserve within equity over the vesting period and taking into account the probability that the RSGS will vest. The fair value of RSGS is measured at grant date, taking into account, the market vesting conditions upon which the RSGS were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of shares that are expected to be awarded on the vesting date.

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(n) Leases

(i) As lessee

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

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

Operating lease payments are recognised as an expense on a straight-line basis over the term of the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(ii) As lessor

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

(o) Impairment of Non-financial Assets

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(o) Impairment of Non-financial Assets (Cont'd)

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

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

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

(p) Cash and Cash Equivalents

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

(q) Share Capital

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

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

(r) Financial Assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016
cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(r) Financial Assets (Cont'd)

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

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

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

(s) Impairment of Financial Assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(t) Financial Liabilities

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

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

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

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

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

(ii) Other Financial Liabilities

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(u) Provision for Liabilities

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

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

(v) Fair Value Measurement

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.3 Summary of Significant Accounting Policies (Cont'd)

(v) Fair Value Measurement (Cont'd)

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

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

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

2.4 Significant Accounting Estimate and Judgement

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

Key Sources of Estimation Uncertainty

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016
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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant Accounting Estimate and Judgement (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

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

The Group has sub-let portion of a building but has decided to classify the entire building as property, plant and equipment as this portion cannot be sold separately and significant portion of the building is held for use in the production or supply of goods or services or for administrative purposes.

(ii) Income Tax

The Group and the Company are subject to income taxes in Malaysia and other countries. Significant judgement is required in determining the allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities for anticipated tax matters based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which the determination is made. The Group's and the Company's tax expense for the current financial year is RM31,671,000 (2015: RM38,285,000) and RM820,000 (2015: RM1,336,000) respectively, as disclosed in Note 10.

(iii) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The Group's deferred tax assets as at 31 March 2016 is RM8,394,000 (2015: RM5,445,000) as disclosed in Note 30.

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

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

The cost of plant and machinery is depreciated on a straight-line basis over the assets' useful lives. Management estimates that the useful lives of the plant and machinery to be within 3 to 25 years. These are common life expectancies applied in the industry.

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

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

cont'd

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Significant Accounting Estimate and Judgement (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(v) Employee Share Scheme ("ESS")

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 34.

(vi) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the CGU to which goodwill is allocated. Estimating a value-in-use requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at 31 March 2016 was RM12,710,000 (2015: RM12,710,000). Further details are disclosed in Note 18.

(vii) Provision for goods defect

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

Total Group's provisions for goods defect as of 31 March 2016 is RM17,114,000 (2015: RM16,492,000), as disclosed in Note 32.

3. REVENUE

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Manufacturing	268,302	266,479	-	-
Plantation	112,626	115,688	-	-
Sales of food products	88,420	90,765	-	-
Bulking and logistic services	67,451	66,809	-	-
Rental income	4,308	5,048	682	606
Trading of fish	-	-	25,242	13,553
Dividend income	-	-	52,889	42,036
	541,107	544,789	78,813	56,195

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016
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4. COST OF SALES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Manufacturing	193,842	197,749	-	-
Plantation	68,993	58,770	-	-
Sales of food products	69,603	76,699	-	-
Bulking and logistic services	11,833	12,017	-	-
Trading of fish	-	-	24,017	13,343
	344,271	345,235	24,017	13,343

5. OTHER INCOME

Included in other income are the following:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Write back of impairment loss on trade receivables (Note 20)	3,694	2,208	-	-
Write back of amount due from a subsidiary (Note 22)	-	-	50	200
Net gain on disposal of property, plant and equipment	134	405	-	80
Gain from plantation investment compensation	346	811	-	-
Interest income	6,481	8,153	7,493	6,281
Management fees	-	-	696	666
Net foreign exchange (loss)/gain:				
- Realised	(286)	309	(330)	(73)
- Unrealised	1,823	7,418	-	-
Rental income	341	241	-	-
Others	15	943	18	-

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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6. STAFF COSTS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Wages and salaries				
- Company's Executive Director (Note 7)	1,935	1,774	773	708
- Others	36,612	35,541	4,535	3,629
Social security costs	151	120	20	21
Pension costs				
- defined contribution plan	5,531	5,293	716	564
- defined benefit plan (Note 29)	69	182	-	-
Share options granted under ESOS	228	504	172	27
Other staff related expenses	8,202	8,694	259	551
	52,728	52,108	6,475	5,500

7. DIRECTORS' REMUNERATION

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	1,021	901	409	361
Bonus	603	588	240	234
Pension costs - defined contribution plan	311	285	124	113
Benefits-in-kind	205	158	102	102
	2,140	1,932	875	810
Non-Executive:				
Fees	388	372	360	360
Meeting allowance	125	151	118	144
	513	523	478	504
Analysis excluding benefits-in-kind:				
Total executive director's remuneration (Note 6)	1,935	1,774	773	708
Total non-executive directors' remuneration	513	523	478	504
Total directors' remuneration	2,448	2,297	1,251	1,212

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016
cont'd

7. DIRECTORS' REMUNERATION (CONT'D)

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

	Number of Directors	
	2016	2015
Executive Directors:		
RM2,100,001 - RM2,150,000	1	-
RM1,900,001 - RM1,950,000	-	1
Non-Executive Directors:		
RM100,001 - RM150,000	2	2
RM50,001 - RM100,000	3	3
	<hr/>	<hr/>

8. FINANCE COSTS

	Group		Company	
	2016	2015	2016	2015
	RM'000	RM'000	RM'000	RM'000
Interest expense on borrowings	183	162	38	16
Finance lease interest	332	189	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	515	351	38	16
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

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9. PROFIT BEFORE TAX

Profit before tax is stated after charging/(crediting):

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Statutory audit fees:				
- Auditors of the Company	699	707	148	148
Other non-audit fees:				
- Auditors of the Company	16	16	8	8
Depreciation:				
- Property, plant and equipment (Note 13)	30,111	29,467	668	659
- Investment properties (Note 14)	1,760	1,602	34	34
Amortisation of biological assets (Note 15)	6,369	5,719	-	-
Impairment loss on trade receivables (Note 20)	6,553	3,311	-	-
Write back of impairment loss on:				
- trade receivables	(3,694)	(2,208)	-	-
- amount due from a subsidiary	-	-	(50)	(200)
Impairment loss on investment in subsidiaries	-	-	455	-
Impairment loss on goodwill	-	345	-	-
Property, plant and equipment written off	-	90	-	-
Write down of inventories	1,807	232	-	-
Rental expense for land and buildings	4,193	4,193	761	673
Net foreign exchange loss/(gain):				
- Realised	286	(309)	330	73
- Unrealised	(1,823)	(7,418)	-	-
Provision for retirement benefits (Note 29)	69	182	-	-
Write off of biological assets	28	-	-	-

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10. INCOME TAX EXPENSE

Major components of income tax expense

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Current income tax:				
- Malaysian income tax	25,091	34,627	59	398
- Underprovision in prior years	2,991	4,951	911	1,083
	<hr/>	<hr/>	<hr/>	<hr/>
	28,082	39,578	970	1,481
	<hr/>	<hr/>	<hr/>	<hr/>
Deferred tax (Note 30):				
Relating to origination and reversal of temporary differences	5,358	(666)	(160)	(162)
(Over)/underprovision in prior years	(1,769)	(627)	10	17
	<hr/>	<hr/>	<hr/>	<hr/>
	3,589	(1,293)	(150)	(145)
	<hr/>	<hr/>	<hr/>	<hr/>
Total income tax expense	<hr/>	<hr/>	<hr/>	<hr/>
	31,671	38,285	820	1,336

The Malaysian domestic current income tax is calculated at the statutory tax rate of 24% (2015: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions. During the current financial year, the income tax rate applicable to the subsidiaries in Indonesia and Papua New Guinea were 25% (2015: 25%) and 30% (2015: 30%), respectively.

NOTES TO THE FINANCIAL STATEMENTS

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10. INCOME TAX EXPENSE (CONT'D)

Reconciliation between tax expense and accounting profit

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Profit before tax	111,674	122,302	52,711	41,486
Taxation at statutory tax rate of 24% (2015: 25%)	26,802	30,576	12,651	10,372
Effect of income not subject to tax	(135)	(226)	(12,952)	(10,319)
Effect of tax rates in foreign jurisdiction	1,065	-	-	-
Effect of partial tax exemption	(34)	(115)	-	-
Effect of expenses not deductible for tax purposes	2,435	4,956	200	183
Effect of utilisation of previously unrecognised tax losses and capital allowances	-	(616)	-	-
Effect of share results of associates	(372)	(1,035)	-	-
Deferred tax assets not recognised in respect of current year's tax losses and unabsorbed capital allowances	688	421	-	-
Underprovision of income tax expense in prior years	2,991	4,951	911	1,083
(Over)/underprovision of deferred tax in prior years	(1,769)	(627)	10	17
Tax expense for the year	31,671	38,285	820	1,336

NOTES TO THE FINANCIAL STATEMENTS

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11. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit for the year, net of tax attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

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

	Group	
	2016 RM'000	2015 RM'000
Profit net of tax attributable to owners of the parent used in the computation of basic/diluted earnings per share	56,731	58,576
	Number of Shares	
	2016 '000	2015 '000
Weighted average number of ordinary shares for basic earnings per share computation	276,654	275,519
Effects of dilution:		
-Share options under ESS	2,728	2,087
Weighted average number of ordinary shares for diluted earnings per share computation	279,382	277,606
	Group	
	2016 sen	2015 sen
Basic earnings per share	20.51	21.26
Diluted earnings per share	20.31	21.10

12. DIVIDENDS

	Amount		Net Dividends per Share	
	2016 RM'000	2015 RM'000	2016 sen	2015 sen
Recognised during the year:				
Final dividend for 2014: 8.0%, single tier ordinary shares paid on 15 October 2014	-	22,069	-	8.0
Final dividend for 2015: 8.5%, single tier ordinary shares paid on 22 October 2015	23,528	-	8.5	-
	23,528	22,069	8.5	8.0

At the forthcoming Annual General Meeting, a final dividend in respect of financial year ended 31 March 2016, of 9.0% single tier amounting to a dividend payable of approximately RM24,927,000 (9.0 sen net dividend per ordinary share) will be proposed for shareholders' approval. The financial statements for the current year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 March 2017.

NOTES TO THE FINANCIAL STATEMENTS

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13. PROPERTY, PLANT AND EQUIPMENT

Group	At		Construction Work-in- Progress RM'000	Total RM'000
	Valuation	At Cost		
At 31 March 2016	Land and Buildings <i>[see note 13(1), pages 136 & 137]</i> RM'000	Other Assets <i>[see note 13(2), pages 139 & 141]</i> RM'000		
At Valuation/Cost				
At 1 April 2015	264,158	370,099	1,688	635,945
Additions	198	18,604	5,468	24,270
Acquisition of subsidiary	23,447	-	-	23,447
Disposals	-	(775)	-	(775)
Write off	(57)	(323)	-	(380)
Reclassification	2,189	119	(2,308)	-
Translation difference	391	(9,172)	57	(8,724)
At 31 March 2016	290,326	378,552	4,905	673,783
Accumulated Depreciation and Impairment Losses				
At 1 April 2015	29,661	271,962	-	301,623
Depreciation charge for the year	6,527	23,584	-	30,111
Disposals	-	(704)	-	(704)
Write off	(57)	(323)	-	(380)
Translation difference	87	(1,356)	-	(1,269)
At 31 March 2016	36,218	293,163	-	329,381
Net Carrying Amount				
At 31 March 2016	254,108	85,389	4,905	344,402
At Valuation/Cost				
At 1 April 2014	161,416	349,431	6,358	517,205
Additions	1,295	11,808	2,066	15,169
Acquisition of subsidiaries	14,190	-	-	14,190
Revaluation	73,022	-	-	73,022
Disposals	(103)	(831)	-	(934)
Transfer	5,861	-	-	5,861
Write off	(23)	(1,278)	-	(1,301)
Reclassification	6,434	302	(6,736)	-
Translation difference	2,066	10,667	-	12,733
At 31 March 2015 (as restated)	264,158	370,099	1,688	635,945

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016
cont'd

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

Group	At Valuation		At Cost	
	Land and Buildings [see note 13(1), page 137] RM'000	Other Assets [see note 13(2), page 141] RM'000	Construction Work-in-Progress RM'000	Total RM'000
At 31 March 2016				
Accumulated Depreciation and Impairment Losses				
At 1 April 2014	23,086	248,133	-	271,219
Depreciation charge for the year	4,770	24,697	-	29,467
Disposals	(8)	(831)	-	(839)
Transfer	1,578	-	-	1,578
Write off	(19)	(1,192)	-	(1,211)
Translation difference	254	1,155	-	1,409
At 31 March 2015 (as restated)	29,661	271,962	-	301,623
Net Carrying Amount				
At 31 March 2015 (as restated)	234,497	98,137	1,688	334,322

Note 13(1) - Land and Buildings

Group	Freehold Land	Leasehold Land	Buildings	Total
	RM'000	RM'000	RM'000	RM'000
At 31 March 2016				
At Valuation				
At 1 April 2015	66,304	161,662	36,192	264,158
Additions	-	-	198	198
Acquisition of subsidiary	-	23,447	-	23,447
Write off	-	-	(57)	(57)
Reclassification	-	-	2,189	2,189
Translation difference	-	5	386	391
At 31 March 2016	66,304	185,114	38,908	290,326

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

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

Note 13(1) - Land and Buildings (Cont'd)

Group	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Total RM'000
Accumulated Depreciation and Impairment Losses				
At 1 April 2015	-	9,615	20,046	29,661
Depreciation charge for the year	-	4,535	1,992	6,527
Write off	-	-	(57)	(57)
Translation difference	-	-	87	87
At 31 March 2016	-	14,150	22,068	36,218
Net Carrying Amount				
At 31 March 2016	66,304	170,964	16,840	254,108
At 31 March 2015				
At Valuation				
At 1 April 2014	57,996	72,670	30,750	161,416
Additions	-	-	1,295	1,295
Acquisition of subsidiaries	-	14,190	-	14,190
Revaluation	8,310	64,733	(21)	73,022
Transfer	-	7,998	(2,137)	5,861
Disposal	-	(103)	-	(103)
Write off	-	-	(23)	(23)
Reclassification	-	-	6,434	6,434
Translation difference	(2)	2,174	(106)	2,066
At 31 March 2015 (as restated)	66,304	161,662	36,192	264,158
Accumulated Depreciation and Impairment Losses				
At 1 April 2014	-	4,193	18,893	23,086
Depreciation charge for the year	-	3,091	1,679	4,770
Transfer	-	2,061	(483)	1,578
Disposal	-	(8)	-	(8)
Write off	-	-	(19)	(19)
Translation difference	-	278	(24)	254
At 31 March 2015 (as restated)	-	9,615	20,046	29,661
Net Carrying Amount				
At 31 March 2015 (as restated)	66,304	152,047	16,146	234,497

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016
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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Note 13(2) - Other Assets

Group (Cont'd)

	Plant and Machinery RM'000	Fish Canning Facilities RM'000	Warehouses, Storage Tanks and Pipes RM'000
At 31 March 2016			
At Cost			
At 1 April 2015	105,947	76,153	105,166
Additions	2,683	6,231	-
Disposals	-	-	-
Write-off	-	-	-
Reclassification	75	-	31
Translation difference	958	(10,931)	-
At 31 March 2016	109,663	71,453	105,197
Accumulated Depreciation and Impairment Losses			
At 1 April 2015	87,225	32,216	87,145
Depreciation charge for the year	8,220	862	2,262
Disposals	-	-	-
Write-off	-	-	-
Translation difference	360	(2,432)	-
At 31 March 2016	95,805	30,646	89,407
Net Carrying Amount			
At 31 March 2016	13,858	40,807	15,790

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016
cont'd

Motor Vehicles RM'000	Office Equipment, Furniture and Fittings RM'000	Renovations RM'000	Tools, Accessories and Computer Equipment RM'000	Total RM'000
14,947	47,069	20,172	645	370,099
2,391	7,242	15	42	18,604
(227)	(515)	-	(33)	(775)
-	(323)	-	-	(323)
-	13	-	-	119
-	420	381	-	(9,172)
17,111	53,906	20,568	654	378,552
10,947	38,061	16,052	316	271,962
1,514	8,751	1,885	90	23,584
(166)	(505)	-	(33)	(704)
-	(323)	-	-	(323)
-	378	338	-	(1,356)
12,295	46,362	18,275	373	293,163
4,816	7,544	2,293	281	85,389

NOTES TO THE FINANCIAL STATEMENTS
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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Note 13(2) - Other Assets (Cont'd)

Group (Cont'd)

	Plant and Machinery RM'000	Fish Canning Facilities RM'000	Warehouses, Storage Tanks and Pipes RM'000
At 31 March 2015			
At Cost			
At 1 April 2014	100,695	65,412	105,304
Additions	6,019	-	-
Disposals	(37)	-	-
Write-off	(835)	-	(138)
Reclassification	282	-	-
Translation difference	(177)	10,741	-
At 31 March 2015	105,947	76,153	105,166
Accumulated Depreciation and Impairment Losses			
At 1 April 2014	80,125	30,487	84,925
Depreciation charge for the year	8,062	569	2,325
Disposals	(37)	-	-
Write-off	(830)	-	(105)
Translation difference	(95)	1,160	-
At 31 March 2015	87,225	32,216	87,145
Net Carrying Amount			
At 31 March 2015	18,722	43,937	18,021

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2016
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Motor Vehicles RM'000	Office Equipment, Furniture and Fittings RM'000	Renovations RM'000	Tools, Accessories and Computer Equipment RM'000	Total RM'000
13,789	43,316	20,292	623	349,431
839	4,772	19	159	11,808
(95)	(699)	-	-	(831)
-	(168)	-	(137)	(1,278)
20	-	-	-	302
394	(152)	(139)	-	10,667
14,947	47,069	20,172	645	370,099
9,162	28,809	14,255	370	248,133
1,524	10,233	1,901	83	24,697
(95)	(686)	-	(13)	(831)
-	(133)	-	(124)	(1,192)
356	(162)	(104)	-	1,155
10,947	38,061	16,052	316	271,962
4,000	9,008	4,120	329	98,137

NOTES TO THE FINANCIAL STATEMENTS
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cont'd

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

Company	At Valuation		At Cost	
	Freehold Land RM'000	Leasehold Land RM'000	Motor Vehicles, Furniture and Equipment [see note 13(3), page 143] RM'000	Total RM'000
At 31 March 2016				
At Valuation/Cost				
At 1 April 2015	16,075	28,748	3,269	48,092
Additions	-	-	128	128
Disposals	-	-	(11)	(11)
At 31 March 2016	16,075	28,748	3,386	48,209
Accumulated Depreciation				
At 1 April 2015	157	2,174	2,746	5,077
Depreciation charge for the year	-	435	233	668
Disposals	-	-	(11)	(11)
At 31 March 2016	157	2,609	2,968	5,734
Net Carrying Amount				
At 31 March 2016	15,918	26,139	418	42,475
At 31 March 2015				
At Valuation/Cost				
At 1 April 2014	9,861	28,851	3,062	41,774
Additions	-	-	250	250
Revaluation	6,214	-	-	6,214
Disposals	-	(103)	(43)	(146)
At 31 March 2015	16,075	28,748	3,269	48,092
Accumulated Depreciation				
At 1 April 2014	157	1,745	2,562	4,464
Depreciation charge for the year	-	437	222	659
Disposals	-	(8)	(38)	(46)
At 31 March 2015	157	2,174	2,746	5,077
Net Carrying Amount				
At 31 March 2015	15,918	26,574	523	43,015

NOTES TO THE FINANCIAL STATEMENTS

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

Note 13(3) - Motor Vehicles, Furniture and Equipment

Company (Cont'd)

	Motor Vehicles RM'000	Furniture, Fittings and Equipment RM'000	Total RM'000
At 31 March 2016			
At Cost			
At 1 April 2015	343	2,926	3,269
Additions	-	128	128
Disposals	-	(11)	(11)
At 31 March 2016	343	3,043	3,386
Accumulated Depreciation			
At 1 April 2015	217	2,529	2,746
Depreciation charge for the year	66	167	233
Disposals	-	(11)	(11)
At 31 March 2016	283	2,685	2,968
Net Carrying Amount			
At 31 March 2016	60	358	418
At 31 March 2015			
At Cost			
At 1 April 2014	343	2,719	3,062
Additions	-	250	250
Disposals	-	(43)	(43)
At 31 March 2015	343	2,926	3,269
Accumulated Depreciation			
At 1 April 2014	151	2,411	2,562
Depreciation charge for the year	66	156	222
Disposals	-	(38)	(38)
At 31 March 2015	217	2,529	2,746
Net Carrying Amount			
At 31 March 2015	126	397	523

NOTES TO THE FINANCIAL STATEMENTS

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

- (a) Buildings, plant and machinery, storage tanks and pipelines of the subsidiaries carrying out bulking activities with a net book value of approximately RM24,631,000 (2015: RM27,629,000) are situated on land which are leased from Lembaga Pelabuhan Kelang ("LPK") by the subsidiaries. The lease will expire in 2022.
- (b) A building of a subsidiary, Fima Palmbulk Services Sdn. Bhd., with a net book value of RM1 (2015: RM1) was constructed on land leased from Penang Port Commission. The lease expired on 30 June 2002, the Company had obtained an approval in principle from the lessor to enter into a new lease for a term of 21 years commencing 1 July 2002 at rates which have yet to be determined.
- (c) Included in the property, plant and equipment of the Group and of the Company are cost of fully depreciated assets which are still in use amounting to approximately RM195,555,000 (2015: RM163,845,000) and RM2,339,000 (2015: RM2,194,000) respectively.
- (d) The factory extension of the Group with a net book value of RM179,000 (2015: RM235,000) was constructed on a piece of land leased from the lessor. The lease will expire on 30 April 2020.
- (e) If the total amounts of the freehold land, leasehold land and buildings had been determined in accordance with the historical cost convention, they would have been included at:

	Group	
	2016 RM'000	2015 RM'000
<u>Costs</u>		
Freehold land	3,508	3,508
Leasehold land	62,817	43,733
Buildings	20,554	18,167
	86,879	65,408
<u>Accumulated depreciation</u>		
Leasehold land	(2,726)	(1,846)
Buildings	(4,437)	(2,751)
	(7,163)	(4,597)
Net Carrying Amount	79,716	60,811

- (f) The net book values of property, plant and equipment of the Group pledged to financial institutions for bank borrowings as disclosed in Note 28 are as follows:

	Group	
	2016 RM'000	2015 RM'000
Leasehold land	50,922	52,067

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14. INVESTMENT PROPERTIES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cost				
At 1 April 2015/2014	96,572	94,435	3,408	3,408
Transfer from property, plant and equipment	-	2,137	-	-
At 31 March	96,572	96,572	3,408	3,408
Accumulated Depreciation				
At 1 April 2015/2014	24,715	22,630	207	173
Charge for the year	1,760	1,602	34	34
Transfer from property, plant and equipment	-	483	-	-
At 31 March	26,475	24,715	241	207
Net Carrying Amount	70,097	71,857	3,167	3,201
Fair Value	77,277	77,602	3,830	3,980

- (a) The land title of a freehold land and building of the Group with a net book value of approximately RM50,922,000 (2015: RM52,067,000) is pledged as securities for certain unutilised credit facilities of the Group.
- (b) Factory buildings of a subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. with a net book value of RM6,497,835 (2015: RM6,583,000) are situated on a piece of leasehold land which will expire on 29 September 2086.
- (c) The fair value of the investment properties during the year was determined based on comparison approach. The fair value of the properties as at 31 March 2016 and 31 March 2015 are based on valuation carried out by professional independent valuers, Messrs Hatta & Associates Sdn. Bhd..
- (d) Rental income generated from and direct operating expenses incurred on income generated from investment properties are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Rental income	4,308	5,048	682	606
Direct operating expenses	4,179	4,414	1,843	1,930

NOTES TO THE FINANCIAL STATEMENTS
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15. BIOLOGICAL ASSETS

	Group	
	2016	2015
	RM'000	RM'000
At Cost		
At 1 April 2015/2014	173,656	157,967
Additions	28,839	25,163
Disposal	(510)	(660)
Write off	(41)	(54)
Transfer to property, plant and equipment	-	(7,998)
Exchange differences	2,072	(762)
	<hr/>	<hr/>
At 31 March	204,016	173,656
	<hr/>	<hr/>
Accumulated Amortisation		
At 1 April 2015/2014	44,257	38,949
Amortisation for the year	6,369	5,719
Disposal	(156)	(171)
Write off	(13)	(54)
Transfer to property, plant and equipment	-	(2,061)
Exchange differences	83	1,875
	<hr/>	<hr/>
At 31 March	50,540	44,257
	<hr/>	<hr/>
Net Carrying Amount		
At 31 March	153,476	129,399
	<hr/>	<hr/>

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	2015
	RM'000	RM'000
Unquoted ordinary shares, at cost		
In Malaysia	160,879	160,823
Outside Malaysia	44,410	44,410
	<hr/>	<hr/>
	205,289	205,233
Less: Accumulated impairment losses		
In Malaysia	(16,669)	(16,214)
Outside Malaysia	-	-
	<hr/>	<hr/>
	188,620	189,019
	<hr/>	<hr/>

Details of the subsidiaries are described in Note 40.

NOTES TO THE FINANCIAL STATEMENTS

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16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The summarised financial information (before intra-group elimination) for Fima Corporation Berhad and its subsidiaries ("FCB Group") and International Food Corporation Limited ("IFC") that has non-controlling interest that are material to the Group is as follows:

(i) Summarised statement of financial position

	FCB Group		IFC	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Non-current assets	288,850	266,057	87,533	82,196
Cash and cash equivalents	177,593	172,640	26,005	17,442
Other current assets	218,116	274,107	80,822	55,342
Total assets	684,559	712,804	194,360	154,980
Non-current liabilities	(28,920)	(17,711)	(9,049)	-
Current liabilities	(73,251)	(134,574)	(56,546)	(39,829)
Total liabilities	(102,171)	(152,285)	(65,595)	(39,829)
Net assets	582,388	560,519	128,765	115,151
Equity attributable to shareholders of the company	554,247	530,528	128,765	115,151

(ii) Summarised income statements

Revenue	375,207	378,014	82,426	84,975
Profit for the financial year	54,872	60,305	4,215	129
Other comprehensive income	3,362	16,380	-	-
Total comprehensive income	58,234	76,685	4,215	129
Dividends paid to non-controlling interest	19,679	14,618	-	-

(iii) Summarised statement of cash flows

Net cash generated from operating activities	63,878	32,666	19,379	9,631
Net cash (used in)/generated from investing activities	(21,603)	(21,818)	(2,874)	1,630
Net cash used in financing activities	(38,270)	(31,797)	(1,530)	-
Net increase/(decrease) in cash and cash equivalents	4,005	(20,949)	14,975	11,261
Cash and cash equivalents at beginning of year	172,640	195,204	17,442	6,785
Effect of exchange rate changes	948	(1,615)	(6,412)	(604)
Cash and cash equivalents at end of year	177,593	172,640	26,005	17,442

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17. INVESTMENTS IN ASSOCIATES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Unquoted shares, at cost	12,251	12,251	2,251	2,251
Share of post acquisition results	34,408	33,884	-	-
	46,659	46,135	2,251	2,251
Represented by:				
Share of net assets	46,659	46,135	2,251	2,251

Details of the associates are described in Note 41.

The financial statements of the associates are coterminous with those of the Group, except for Giesecke & Devrient Malaysia Sdn. Bhd. ("G&D") which has a financial year end of 31 December to conform with its holding company's financial year end. For the purpose of applying the equity method of accounting, the financial statements of G&D for the year ended 31 December 2015 have been used and appropriate adjustments have been made for the effects of transactions between 31 December 2015 and 31 March 2016.

Summarised financial information in respect of Marushin Canneries (Malaysia) Sdn. Bhd. ("Marushin") and G&D is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

(i) Summarised statement of financial position

	Marushin		G&D	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Assets and liabilities				
Current assets - Inventories	38,094	21,996	56,619	49,872
Current assets - Others	12,572	10,250	17,471	17,471
Non-current assets				
- Property, plant and equipment	2,086	1,982	191,285	191,721
Non-current assets - Others	397	382	4,171	4,171
Total assets	53,149	34,610	269,546	263,235
Current liabilities	27,933	7,200	44,377	37,739
Non-current liabilities	510	-	23,976	32,060
Total liabilities	28,443	7,200	68,353	69,799
Net assets	24,706	27,410	201,193	193,436

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17. INVESTMENTS IN ASSOCIATES (CONT'D)

(ii) Summarised statement of comprehensive income

	Marushin		G&D	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue	49,483	58,222	164,958	161,350
Profit before tax	427	3,489	9,172	17,427
Profit for the year	296	2,604	7,757	16,684
Total comprehensive income	296	2,604	7,757	16,684
Dividend received from the associates during the year (net)	1,140	1,140	-	-

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

	Marushin		G&D	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Net assets at 1 April 2015/ 2014	27,410	27,806	193,436	176,752
Total comprehensive income	296	2,604	7,757	16,684
Dividend paid (gross)	(3,000)	(3,000)	-	-
Net assets at 31 March	24,706	27,410	201,193	193,436
Interest in associates	38%	38%	20%	20%
Share of net assets	9,388	10,416	40,239	38,687
Negative goodwill	(2,968)	(2,968)	-	-
Carrying value of Group's interest in associates	6,420	7,448	40,239	38,687

18. GOODWILL ON CONSOLIDATION

	Group	
	2016 RM'000	2015 RM'000 Restated
At 1 April 2015/2014	12,710	13,055
Impairment loss on goodwill	-	(345)
At 31 March	12,710	12,710

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18. GOODWILL ON CONSOLIDATION (CONT'D)

(a) Impairment Tests for Goodwill

Goodwill has been allocated to the Group's cash generating units identified according to business segment as follows:

	Bulking RM'000	Plantation RM'000 Restated	Total RM'000 Restated
As at 31 March 2016/2015	12,200	510	12,710

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

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

	2016 %	2015 %
Discount rate ¹	5.42 - 6.42	4.70 - 5.65
Terminal growth rate ²	5	5

Assumptions:

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

(c) Sensitivity analysis

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

19. INVENTORIES

	Group	
	2016 RM'000	2015 RM'000
At cost:		
Raw materials	16,860	8,969
Printing materials	18,486	13,212
Fertilizer	282	1,706
Oil palm products	8,232	7,927
Work-in-progress	19,910	52,954
Finished goods	11,635	26,156
Consumables	6,846	16,888
	82,251	127,812
At net realisable value:		
Finished goods	8,556	-
	90,807	127,812

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM200,450,109 (2015: RM233,197,000).

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20. TRADE RECEIVABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Third parties	190,669	196,533	30	58
Less: Allowance for impairment	(7,107)	(4,248)	(10)	(10)
Trade receivables, net	183,562	192,285	20	48

The Group's normal trade credit term ranges from 30 to 90 days (2015: 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 group of debtors except with certain Government agencies amounting to RM135,723,000 (2015: RM146,673,000), representing 71.2% (2015: 74.7%) of the Group's total gross trade receivables.

Ageing analysis of trade receivables

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Neither past due nor impaired	46,938	49,164	20	24
1 to 60 days past due but not impaired	38,560	49,315	-	24
61 to 120 days past due but not impaired	37,113	30,943	-	-
More than 121 days past due but not impaired	60,951	62,863	-	-
Impaired	7,107	4,248	10	10
	136,624	143,121	-	24
	190,669	196,533	30	58

Trade receivables that are neither past due nor impaired

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

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

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20. TRADE RECEIVABLES (CONT'D)

Trade receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM136,624,000 (2015: RM143,121,000) and RM Nil (2015: RM24,000) that are past due at the reporting date but not impaired.

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

Receivables that are impaired

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Trade receivables - nominal amount	7,107	4,248	10	10
Less: Allowance for impairment	(7,107)	(4,248)	(10)	(10)
	-	-	-	-

Movement in allowance accounts:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 April 2015/2014	4,248	3,145	10	10
Charge for the year (Note 9)	6,553	3,311	-	-
Write back of impairment loss (Note 5)	(3,694)	(2,208)	-	-
At 31 March	7,107	4,248	10	10

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

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21. OTHER RECEIVABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Tax recoverable	3,450	3,358	2,218	1,792
Deposits	2,046	1,420	179	179
Prepayments	6,488	9,326	39	29
Sundry receivables	15,979	18,944	307	380
	<u>27,963</u>	<u>33,048</u>	<u>2,743</u>	<u>2,380</u>

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

22. DUE FROM/(TO) SUBSIDIARIES

	Company	
	2016 RM'000	2015 RM'000
Due from subsidiaries	195,975	154,656
Less: Allowance for impairment	(9,846)	(9,896)
	<u>186,129</u>	<u>144,760</u>
Due to subsidiaries	<u>(25,344)</u>	<u>(23,438)</u>

All the amounts due from/(to) subsidiaries are unsecured, interest free and repayable on demand except for the amount due from Victoria Square Plantation Sdn. Bhd.. The outstanding amount from Victoria Square Plantation Sdn. Bhd. as at 31 March 2016 is RM116,800,000 (2015: RM90,300,000) and bear interest of 5.5% (2015: 5.5%) per annum.

	Company	
	2016 RM'000	2015 RM'000
The movement in allowance accounts is as follows:		
At 1 April 2015/2014	9,896	10,096
Write back for the year	(50)	(200)
	<u>9,846</u>	<u>9,896</u>
At 31 March	<u>9,846</u>	<u>9,896</u>

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23. CASH AND BANK BALANCES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Cash in hand and at banks	44,761	20,425	1,927	3,323
Fixed deposits with licensed banks	202,831	216,285	5,800	4,300
	247,592	236,710	7,727	7,623

The weighted average effective interest rates per annum of deposits at the reporting date were as follows:

	Group		Company	
	2016 %	2015 %	2016 %	2015 %
Licensed banks	3.27	3.45	3.14	3.04

The average maturity of deposits at the reporting date were as follows:

	Group		Company	
	2016 Days	2015 Days	2016 Days	2015 Days
Licensed banks	42	26	13	14

24. SHARE CAPITAL AND SHARE PREMIUM

	Number of Ordinary Shares of RM1.00 Each		Amount	
	2016 '000	2015 '000	2016 RM'000	2015 RM'000
Authorised:				
At 1 April 2014/2015 and 31 March	300,000	300,000	300,000	300,000

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24. SHARE CAPITAL AND SHARE PREMIUM (CONT'D)

	Group and Company			
	Number of ordinary shares of RM1.00 each	Amount		
	Share capital (Issued and fully paid) '000	Share capital (Issued and fully paid) RM'000	Share premium RM'000	Total Share capital and share premium RM'000
At 1 April 2014	273,497	273,497	21,473	294,970
Exercise of employee share options:				
-ESOS	2,384	2,384	2,273	4,657
-RSGS	206	206	184	390
At 1 April 2015	276,087	276,087	23,930	300,017
At 1 April 2015	276,087	276,087	23,930	300,017
Exercise of employee share options:				
-ESOS	693	693	616	1,309
-RSGS	188	188	167	355
At 31 March 2016	276,968	276,968	24,713	301,681

(a) Share capital

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

The share capital issued by the Company during the year are pursuant to the exercise of share options under the Employee Share Scheme as disclosed in Note 34.

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25. OTHER RESERVES

Group	Capital reserve RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Employee share option reserve RM'000	Capital reserve arising from bonus issue in subsidiary RM'000	Total RM'000
2016						
At 1 April 2015	437	87,471	(1,859)	4,560	66,459	157,068
Foreign currency translation	-	-	(18,933)	-	-	(18,933)
Grant of equity-settled share options	-	-	-	228	-	228
Share options exercised	-	-	-	(361)	-	(361)
	-	-	(18,933)	(133)	-	(19,066)
At 31 March 2016	437	87,471	(20,792)	4,427	66,459	138,002
2015						
At 1 April 2014	437	43,313	(10,816)	5,224	26,758	64,916
Foreign currency translation	-	-	8,957	-	-	8,957
Revaluation	-	44,158	-	-	-	44,158
Grant of equity-settled share options	-	-	-	427	-	427
Bonus shares issued by a subsidiary	-	-	-	-	39,701	39,701
Share options exercised	-	-	-	(1,091)	-	(1,091)
	-	44,158	8,957	(664)	39,701	92,152
At 31 March 2015	437	87,471	(1,859)	4,560	66,459	157,068

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25. OTHER RESERVES (CONT'D)

Company	Capital reserve RM'000	Asset revaluation reserve RM'000	Foreign currency translation reserve RM'000	Employee share option reserve RM'000	Capital reserve arising from bonus issue in subsidiary RM'000	Total RM'000
2016						
At 1 April 2015	-	21,065	-	4,560	-	25,625
Grant of equity-settled share options	-	-	-	228	-	228
Share options exercised	-	-	-	(361)	-	(361)
	-	-	-	(133)	-	(133)
At 31 March 2016	-	21,065	-	4,427	-	25,492
2015						
At 1 April 2014	-	15,162	-	5,224	-	20,386
Grant of equity-settled share options	-	-	-	427	-	427
Revaluation	-	5,903	-	-	-	5,903
Share options exercised	-	-	-	(1,091)	-	(1,091)
	-	5,903	-	(664)	-	5,239
At 31 March 2015	-	21,065	-	4,560	-	25,625

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

(a) Asset revaluation reserve

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

(b) Foreign currency translation reserve

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

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25. OTHER RESERVES (CONT'D)

The nature and purpose of each category of reserve are as follows: (Cont'd)

(c) Employee share reserve

Employee share reserve represents the equity-settled share options and shares granted to employees and directors under the ESOS and RSGS, respectively. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and shares, under the ESOS and RSGS, respectively and is reduced by the expiry or exercise of the share options.

26. RETAINED EARNINGS

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

27. FINANCE LEASE OBLIGATIONS

	Group	
	2016	2015
	RM'000	RM'000
Mimumum lease payments		
- due no later than one year	726	502
- due later than one year and no later than 5 years	3,697	1,182
- due later than 5 years	84,671	30,083
Total minimum lease payments	89,094	31,767
Less: Amounts representing finance charges	(71,649)	(26,182)
Present value of minimum lease payments	17,445	5,585
Present value of finance lease payables		
- due no later than one year	646	491
- due later than one year and no later than 5 years	2,257	953
- due later than 5 years	14,542	4,141
Present value of minimum lease payments	17,445	5,585
Less: Amount due within 12 months	(646)	(491)
Amount due after 12 months	16,799	5,094

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28. BORROWINGS

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Short Term Borrowings				
Secured:				
- Bankers' acceptances	2,261	1,412	-	-
- Revolving credit	5,000	-	5,000	-
Unsecured:				
- Bankers' acceptances	8,020	4,532	8,020	4,532
	<u>15,281</u>	<u>5,944</u>	<u>13,020</u>	<u>4,532</u>

Maturity of borrowings

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Within one year	<u>15,281</u>	<u>5,944</u>	<u>13,020</u>	<u>4,532</u>

The revolving credit facility is rolled over every three months.

The weighted average effective interest rate of the facilities during the financial year was 4.49% (2015: 4.75%) per annum.

The borrowings are secured by the following:

- Financial guarantee by the Company; and
- Certain leasehold land of the Group as disclosed in Note 13(f).

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29. RETIREMENT BENEFIT OBLIGATIONS

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

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

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

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

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

	Group	
	2016 RM'000	2015 RM'000
Current service cost	19	108
Past service cost	(19)	-
Interest cost	69	74
	<hr/>	<hr/>
Total, included in employee benefits expense (Note 6)	69	182

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29. RETIREMENT BENEFIT OBLIGATIONS (CONTD.)

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

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

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

	2016	2015
Discount rate	8.7%	8.0%
Annual salary increase	7.5%	8.0%
Retirement age	55	55

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

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

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

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

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

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30. DEFERRED TAX

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
At 1 April 2015/2014	34,968	17,789	7,013	6,847
Recognised in profit or loss (Note 10)	3,589	(1,293)	(150)	(145)
Recognised in other comprehensive income	-	18,472	-	311
At 31 March	38,557	34,968	6,863	7,013
Presented after appropriate offsetting as follows:				
Deferred tax assets	(8,394)	(5,445)	-	-
Deferred tax liabilities	46,951	40,413	6,863	7,013
	38,557	34,968	6,863	7,013

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

Deferred Tax Assets of the Group:

	Retirement Benefit Obligations RM'000	Other Payables RM'000	Tax Losses and Unabsorbed Capital Allowances	Property, Plant and Equipment RM'000	Total RM'000
			RM'000		
At 1 April 2014	(430)	(3,385)	(368)	(1,061)	(5,244)
Recognised in profit or loss	(31)	(621)	-	22	(630)
At 31 March 2015	(461)	(4,006)	(368)	(1,039)	(5,874)
Recognised in profit or loss	72	(663)	(1,322)	(607)	(2,520)
At 31 March 2016	(389)	(4,669)	(1,690)	(1,646)	(8,394)

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30. DEFERRED TAX (CONT'D)

Deferred Tax Liabilities of the Group:

	Accelerated Capital Allowances RM'000	Revaluation on Land and Building RM'000	Others RM'000	Total RM'000
At 1 April 2014	7,969	10,398	4,666	23,033
Recognised in profit or loss	(323)	-	(65)	(388)
Recognised in other comprehensive income	-	18,197	-	18,197
At 31 March 2015	7,646	28,595	4,601	40,842
Recognised in profit or loss	(939)	-	7,048	6,109
At 31 March 2016	6,707	28,595	11,649	46,951

Deferred Tax Liabilities of the Company:

	Accelerated Capital Allowances RM'000	Revaluation on Land and Building RM'000	Total RM'000
At 1 April 2014	499	6,348	6,847
Recognised in profit or loss	-	(145)	(145)
Recognised in other comprehensive income	-	311	311
At 31 March 2015	-	354	7,013
Recognised in profit or loss	-	(150)	(150)
At 31 March 2016	-	204	6,863

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

	Group	
	2016 RM'000	2015 RM'000
Unutilised tax losses	27,982	25,408
Unabsorbed capital allowances	8,724	8,431
Unabsorbed reinvestment allowances	1,344	1,344
	38,050	35,183

The unutilised tax losses and unabsorbed capital allowances of the Group are available indefinitely against future taxable profit of the respective entities within the Group subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority. Deferred tax assets have not been recognised in respect of these items as they may not be used to offset taxable profit of other entities in the Group and they have arisen in entities that have a recent history of losses.

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31. TRADE PAYABLES

The normal trade credit terms granted to the Group and the Company ranges from 14 to 90 days (2015: 14 to 90 days) and 14 to 30 days (2015: 14 to 30 days), respectively.

32. OTHER PAYABLES

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Accruals	14,818	15,344	1,252	294
Deposits	1,399	1,763	85	85
Receipt in advance	951	745	-	-
Provision for compensation claim	2,120	2,120	-	-
Sundry payables	41,327	41,842	-	115
	60,615	61,814	1,337	494

Included in sundry payables is a provision of RM17,114,000 (2015: RM16,492,000) made in respect of return of certain goods for which the actual amount is subject to the agreement of several parties.

33. COMMITMENTS

	Group	
	2016 RM'000	2015 RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	2,955	10,482
Approved but not contracted for:		
Property, plant and equipment	51,314	44,195
	54,269	54,677
Share of capital commitments of associated companies		
Approved and contracted for:		
Property, plant and equipment	2	-
Approved but not contracted for:		
Property, plant and equipment	6,696	39

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34. EMPLOYEE BENEFITS

Employees' Share Scheme ("ESS")

The ESS comprises the following:

- (i) **Employee Share Option Scheme ("ESOS")**; whereby eligible employees are granted the right to subscribe for a number of the Company shares at the prescribed subscription price subject to the terms and conditions of the Bye-Laws. No performance targets are required to be met before the options are granted under the ESOS.
- (ii) **Restricted Share Grant Scheme ("RSGS")**; whereby the employees having a designation of general manager and above will be granted the right to have a number of Company shares vested in them, subject to the terms and conditions of the Bye-Laws. The RSGS requires performance targets to be met prior to the vesting of such shares.

In implementing the RSGS, the Company has appointed a company as a trustee for the purposes of subscribing for the new shares and transferring such shares to the entitled employees as the Options Committee shall direct.

The eligibility criteria of the ESS are as follows:

- (i) Full time employment in the Company or other company within the Group for more than one (1) year;
- (ii) A resident who is a citizen of Malaysia, non-citizen with permanent resident status or non-citizen who holds a valid work permit in Malaysia and has entered into a full time or fixed term employment with any Company within the Group, having the designation of Manager or above;
- (iii) If the employee is working under a fixed-term contract basis, the term of contract must not be less than two (2) years and renewal of contract must take place six (6) months before expiration; and
- (iv) Fulfills such other criteria as determined by the Options Committee from time to time.

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

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34. EMPLOYEE BENEFITS (CONT'D)

Employees' Share Scheme ("ESS") (Cont'd)

(a) ESOS

The following table illustrates the number of share options ("No."), weighted average exercise prices ("WAEP") and movements during the financial year:

Movement of share options under the ESOS during the financial year

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

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

Fair value of share options granted

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

The following table lists the inputs to the pricing models for the year ended 31 March 2016:

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

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34. EMPLOYEE BENEFITS (CONT'D)

Employees' Share Scheme ("ESS") (Cont'd)

(a) ESOS (Cont'd)

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

(b) RSGS

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

Movement of shares under the RSGS during the financial year

	Group	
	2016	2015
	No.	No.
Outstanding at 1 April 2015/2014	-	-
Granted	188,000	206,000
Vested	(188,000)	(206,000)
	<hr/>	<hr/>
Outstanding at 31 March	-	-
	<hr/>	<hr/>

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

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35. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Fima Corporation Berhad, a subsidiary				
- Rental expense	-	-	(761)	(673)
Dividend income from associated companies				
- Marushin Canneries (Malaysia) Sdn. Bhd.	1,140	1,520	1,140	1,520
Advisory services rendered by corporate shareholder, BHR Enterprise Sdn. Bhd.	(120)	(120)	(120)	(120)
Services rendered by*				
- TD Technologies Sdn. Bhd.	(69)	(71)	-	-
- First Zanzibar Sdn. Bhd.	(44)	(22)	-	-
Purchases made from related parties*				
- PT Pohon Emas Lestari	(5,003)	(8,359)	-	-
- Nationwide Express Courier Services Berhad	(266)	(53)	-	-

* Related parties by virtue of common shareholders/common directors.

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities, directly or indirectly, including any director (whether executive or otherwise).

The key management personnel compensation are as follows:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Short-term employee benefits	5,877	5,982	2,097	1,793
Post-employment benefits:				
Defined contribution plan	975	1,022	365	331
	6,852	7,004	2,462	2,124

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35. RELATED PARTY DISCLOSURES (CONT'D)

(b) Compensation of key management personnel (Cont'd)

Included in the total key management personnel are the remuneration in respect of the directors of the Company:

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Directors' remuneration (Note 7)	2,448	2,297	1,251	1,212

36. 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) Bulking - Providing bulk handling and storage of various types of liquid and semi-liquid products; as well as transportation and forwarding services.
- (iii) Plantation - Oil palm and pineapple estate operations.
- (iv) Food - Fish processing, canning and distribution and packaging of food products.
- (v) Others - Investment holding, rental and management of commercial properties and trading.

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36. SEGMENTAL INFORMATION (CONT'D)

(a) Business Segments (Cont'd)

	Manufacturing		Plantation		Food	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Revenue						
External sales	268,302	266,479	112,626	115,688	88,420	90,762
Inter-segment sales	51	35	-	-	-	-
Total revenue	268,353	266,514	112,626	115,688	88,420	90,762
Results						
Segment results	54,431	50,991	18,539	32,909	4,717	276
Profit from operations	-	-	-	-	-	-
Finance costs, net	-	-	-	-	-	-
Share of profit of associates	-	-	-	-	113	804
Income tax expense						
Profit net of tax Non-controlling interests Profit attributable to owners of the parent						
Assets						
Segment assets	326,621	356,601	468,295	410,824	91,875	159,092
Consolidated total assets						
Liabilities						
Segment liabilities	59,945	108,833	94,345	149,462	61,301	51,361
Consolidated total liabilities						
Other Information						
Capital expenditure	7,176	3,397	9,534	7,919	6,457	2,321
Depreciation of:						
Property, plant and equipment	10,117	11,481	6,485	9,357	8,929	2,464
Investment property	344	344	61	61	-	-
Amortisation of:						
Biological assets	-	-	6,369	5,719	-	-

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Bulking		Others		Eliminations		Consolidated	
2016	2015	2016	2015	2016	2015	2016	2015
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
67,451	66,810	4,308	5,050	-	-	541,107	544,789
-	-	25,311	13,791	(25,362)	(13,826)	-	-
67,451	66,810	29,619	18,841	(25,362)	(13,826)	541,107	544,789
38,158	38,092	(1,439)	(1,181)	(3,882)	(2,575)	110,524	118,512
-	-	-	-	-	-	110,524	118,512
-	-	-	-	-	-	(515)	(351)
-	-	1,552	3,337	-	-	1,665	4,141
						(31,671)	(38,285)
				23,272	25,441	80,003	84,017
						(23,272)	(25,441)
						56,731	58,576
71,601	78,024	276,783	417,186	(49,513)	(232,004)	1,185,662	1,189,723
						1,185,662	1,189,723
10,399	11,143	10,126	50,528	(49,740)	(159,614)	186,376	211,713
						186,376	211,713
1,073	1,091	30	441	-	-	24,270	15,169
4,273	4,424	307	1,741	-	-	30,111	29,467
-	-	1,355	1,197	-	-	1,760	1,602
-	-	-	-	-	-	6,369	5,719

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36. SEGMENTAL INFORMATION (CONT'D)

(b) Geographical Segments

	Total Revenue from External Customers RM'000	Segment Assets RM'000	Capital Expenditure RM'000
31 March 2016			
Malaysia	356,067	878,706	14,223
Papua New Guinea	82,426	159,586	6,457
Indonesia	102,614	196,883	3,590
Eliminations	-	(49,513)	-
Consolidated	541,107	1,185,662	24,270
31 March 2015			
Malaysia	348,946	1,084,720	7,766
Papua New Guinea	84,975	154,980	1,975
Indonesia	110,868	182,027	5,428
Eliminations	-	(232,004)	-
Consolidated	544,789	1,189,723	15,169

37. FINANCIAL INSTRUMENTS

(a) Fair value measurement

The fair value measurement hierarchies used to measure assets would have the following levels as follows:

- Level 1 - the fair value is measured using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - the fair value is measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - the fair value is measured using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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37. FINANCIAL INSTRUMENTS (CONT'D)

(a) Fair value measurement (Cont'd)

The following table presents the Group's and the Company's assets that are measured at fair value as at 31 March 2016 and 31 March 2015.

	Group Date of Valuation	Company Level 3 RM'000	Level 3 RM'000
As at 31 March 2016			
Assets disclosed at fair value:			
Investment properties (Note 14)	31 March 2016	77,277	3,830
As at 31 March 2015			
Assets disclosed at fair value:			
Investment properties (Note 14)	31 March 2015	77,602	3,980
Assets measured at fair value:			
Property, plant and equipment (Note 13)			
- Freehold land	31 March 2015	66,304	15,918
- Leasehold land	31 March 2015	170,964	26,574
- Buildings	31 March 2015	16,840	-

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37. FINANCIAL INSTRUMENTS (CONT'D)

(b) Classification of financial instruments

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
(i) Loans and receivables				
Trade receivables (Note 20)	183,562	192,285	20	48
Other receivables (Note 21)	27,963	33,048	2,743	2,380
Less: Prepayments (Note 21)	(6,488)	(9,326)	(39)	(29)
Tax recoverable (Note 21)	(3,450)	(3,358)	(2,218)	(1,792)
	18,025	20,364	486	559
Due from subsidiaries (Note 22)	-	-	186,129	144,760
Cash and bank balances (Note 23)	247,592	236,710	7,727	7,623
Total loans and receivables	449,179	449,359	194,362	152,990
(ii) Financial liabilities measured at amortised cost				
Trade payables (Note 31)	44,007	93,241	11	157
Other payables excluding provision (Note 32)	43,501	45,322	1,337	494
Due to subsidiaries (Note 22)	-	-	25,344	23,438
Borrowings (Note 28)	15,281	5,944	13,020	4,532
Total financial liabilities measured at amortised cost	102,789	144,507	39,712	28,621

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate, foreign exchange, liquidity/funding and credit risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

(a) Interest Rate Risk

The Group's primary interest rate risk relates to interest-bearing debt as at year end. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

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

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

(b) 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.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Contractual Cashflow on demand or within one year	
	2016 RM'000	2015 RM'000
Group		
Financial liabilities:		
Trade and other payables (excluding provision)	87,508	138,563
Borrowings	15,281	5,944
Total undiscounted financial liabilities	102,789	144,507

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity/Funding Risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	Contractual Cashflow on demand or within one year	
	2016	2015
	RM'000	RM'000
Company		
Financial liabilities:		
Trade and other payables	1,348	651
Due to subsidiaries	25,344	23,438
Borrowings	13,020	4,532
Total undiscounted financial liabilities	39,712	28,621

(c) Foreign Currency Risk

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Indonesian Rupiah and Papua New Guinea Kina. The Group does not practise any fund hedge for its purchases and sales transaction.

The net unhedged financial assets and financial liabilities of the Group that are not denominated in the functional currency of the Company are as follows:

	Indonesian Rupiah RM'000	Papua New Guinea Kina RM'000	Total RM'000
At 31 March 2016:			
Assets			
- Trade and other receivables	21,841	26,607	48,448
- Cash and cash equivalents	18,427	26,005	44,432
	40,268	52,612	92,880
Liabilities			
- Trade and other payables	7,843	12,300	20,143

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38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign Currency Risk (Cont'd)

	Indonesian Rupiah RM'000	Papua New Guinea Kina RM'000	Total RM'000
At 31 March 2015:			
Assets			
- Trade and other receivables	19,857	25,367	45,224
- Cash and cash equivalents	45,089	17,442	62,531
	64,946	42,809	107,755
Liabilities			
- Trade and other payables	18,275	39,829	58,104

Sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the Indonesian Rupiah ("IDR") and Papua New Guinea Kina ("PNGK") exchange rates against the functional currency of the affected group companies ("RM") with all other variables held constant.

	Group	
	2016 Effect on profit before tax RM'000	2015 Effect on profit before tax RM'000
IDR - strengthen 5% (2015: 5%)	1,621	2,334
IDR - weaken 5% (2015: 5%)	(1,621)	(2,334)
PNGK - strengthen 2% (2015: 3%)	806	89
PNGK - weaken 2% (2015: 3%)	(806)	(89)

(d) Credit Risk

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

The Group does not have any significant exposure to any individual customer or counterparty except with the Government Agencies as disclosed in Note 20. The Group does not have any major concentration of credit risk related to any financial instruments.

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39. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure in order to support its businesses and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders. The Group's approach in managing capital is based on defined guidelines that are approved by the Board.

There were no changes in the Group's approach to capital management during the year.

40. SUBSIDIARIES AND ACTIVITIES

Set out below is a list of the subsidiaries of the Company as at 31 March 2016, all of which are incorporated in Malaysia, unless otherwise indicated:

Name of Company	Proportion of ownership interest		Principal Activities
	2016 %	2015 %	
Manufacturing			
Security Printers (M) Sdn. Bhd. (34025-W)	60.9	60.9	Trading of security and confidential documents
Percetakan Keselamatan Nasional Sdn. Bhd. (166151-T)	60.9	60.9	Production of security and confidential documents
Property Investment			
Fima Metal Box Holdings Sdn. Bhd. (70926-X)	100.0	100.0	Investment holding
Fima Corporation Berhad (21185-P)	60.9	60.9	Investment holding and property management
FCB Property Management Sdn. Bhd. (264746-K)	60.9	60.9	Property management
FCB Plantation Holdings Sdn. Bhd. (270659-U)	60.9	60.9	Investment holding

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40. SUBSIDIARIES AND ACTIVITIES (CONT'D)

Name of Company	Proportion of ownership interest		Principal Activities
	2016 %	2015 %	
Bulking			
Fima Bulking Services Berhad (53110-X)	100.0	100.0	Providing bulk handling storage of liquid and semi-liquid products and investment holding
Fimachem Sdn. Bhd. (151893-X)	100.0	100.0	Providing bulk storage of liquid and semi-liquid hazardous products
Fima Liquid Bulking Sdn. Bhd. (182904-W)	100.0	100.0	Providing bulk storage of latex and palm oleo based products
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	Provision of warehousing, transportation and forwarding services
Boustead Oil Bulking Sdn. Bhd. (81508-K)	100.0	100.0	Bulk handling of palm oil and edible oils
Fima Logistics Sdn. Bhd. (288891-A)	100.0	100.0	Inactive
Biodiesel			
Fima Biodiesel Sdn. Bhd. (715822-K)	100.0	100.0	Manufacturing of biodiesel and trading of its related products
Plantation			
Pineapple Cannery of Malaysia Sendirian Berhad (5367-U)	100.0	100.0	Pineapple and palm oil cultivation
PT Nunukan Jaya Lestari^^ (NPWP 02.033.898.4-723.000)	48.7	48.7	Oil palm production and processing
Victoria Square Plantation Sdn. Bhd. (733298-K)	80.0	80.0	Investment holding
Amgreen Gain Sdn. Bhd. (655236-V)	52.0	52.0	Oil palm plantation
Ladang Fima Sdn. Bhd. (12652-H)	100.0	100.0	Inactive

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40. SUBSIDIARIES AND ACTIVITIES (CONT'D)

Name of Company	Proportion of ownership interest		Principal Activities
	2016 %	2015 %	
Plantation (Cont'd)			
Fima-TLP Feedlot Sdn. Bhd. (31385-U)	85.0	85.0	Inactive
Cendana Laksana Sdn. Bhd. (1024167-W)	60.9	60.9	Oil palm plantation
Gabungan Warisan Sdn.Bhd. (327836-P)	60.9	60.9	Oil palm plantation
Next Oasis Sdn. Bhd. (1109497-D)	54.2	54.2	Investment holding
Taka Worldwide Trading Sdn. Bhd. (714855-P)	54.2	54.2	Oil palm plantation
Etika Gangsa Sdn. Bhd. (754947-D)	54.2	54.2	Oil palm plantation
R.N.E. Plantation Sdn. Bhd.** (1067900-V)	42.1	-	Oil palm plantation
Food			
International Food Corporation Limited (C.1-19260) +	95.6	95.6	Fish processing, canning and distribution
Fima Instanco Sdn. Bhd. (19196-T)	100.0	100.0	Packaging of food products
Fima-Mr. Juicy Sdn. Bhd. (22947-D)	100.0	100.0	Inactive
IFC Marketing and Distribution Limited (C.1-19261) +	95.6	95.6	Inactive
Others			
Malaysian Transnational Trading (MATTRA) Corporation Berhad (84962-V)	100.0	100.0	Inactive
Mattra Premier Sdn. Bhd. (288892-P)	100.0	100.0	Inactive

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40. SUBSIDIARIES AND ACTIVITIES (CONT'D)

Name of Company	Proportion of ownership interest		Principal Activities
	2016 %	2015 %	
Others (Contd.)			
KF Commodities Sdn.Bhd. (240960-H)	100.0	100.0	Inactive
Fima Overseas Holdings Sdn. Bhd. (36334-P)	100.0	100.0	Investment holding
Endell Pte. Ltd. (199206825E) #	80.0	80.0	Investment holding
Fima Fraser's Hill Sdn. Bhd. (26087-U)	60.0	60.0	Inactive

Incorporated in Singapore, audited by a firm of chartered accountants other than Hanafiah Raslan & Mohamad.

+ Incorporated in Papua New Guinea, audited by member firms of Ernst & Young Global in Papua New Guinea.

^^ Incorporated in Indonesia, audited by member firms of Ernst & Young Global in Indonesia.

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

41. ASSOCIATES AND ACTIVITIES

Details of associates are as follows:

Name of Company	Proportion of ownership interest		Principal Activities
	2016 %	2015 %	
Marushin Canneries (Malaysia) Sdn. Bhd. (162963-U)*	38.0	38.0	Manufacturer and sale of canned fish
Giesecke & Devrient Malaysia Sdn. Bhd. (573030-M)*	12.2	12.2	Printing and production of bank notes
Kadkash Sdn. Bhd. (374691-H)^	-	23.9	Inactive

* Associates audited by firms of chartered accountants other than Hanafiah Raslan & Mohamad.

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

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42. COMPARATIVE

Certain comparative amounts have been reclassified to conform with current year presentation.

	As previously stated RM'000	Adjustments RM'000	As restated RM'000
As at 31 March 2015			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	328,632	5,690	334,322
Goodwill	18,400	(5,690)	12,710

43. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 March 2016 were authorised for issue in accordance with resolution of the directors on 17 June 2016.

SUPPLEMENTARY INFORMATION

44. SUPPLEMENTARY INFORMATION

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

	Group		Company	
	2016 RM'000	2015 RM'000	2016 RM'000	2015 RM'000
Total retained profits of the Company and its subsidiaries				
Realised	367,486	319,004	66,247	38,369
Unrealised	(57,791)	(53,580)	(6,863)	(7,348)
	309,695	265,424	59,384	31,021
Total share of retained earnings from associated companies				
Realised	38,408	36,644	-	-
Unrealised	(4,000)	(2,988)	-	-
	34,408	33,656	-	-
Add : Consolidation adjustments	(35,486)	(23,878)	-	-
Retained profits as per financial statements	308,617	275,202	59,384	31,021

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

PROPERTIES OF THE GROUP

NO.	LOCATION	DESCRIPTION/ EXISTING USE	LATEST VALUATION/ ACQUISITION DATE	TENURE EXPIRY DATE	LAND AREA (ACRE)	BUILT -UP AREA (SQ.FT)	NBV AS AT 31/03/2016 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
KUMPULAN FIMA BERHAD								
1	HS(D) 1396, PTD 257 Mukim Ulu Sg. Sedili Besar Daerah Kota Tinggi Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Leasehold expiring 17/2/2077	1,010.27	N/A	24,515,500	N/A
2	HS(D) 1397, PTD 258 Mukim Ulu Sg. Sedili Besar Daerah Kota Tinggi Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Leasehold expiring 17/2/2077	47.88	N/A	1,161,870	N/A
3	HS(D) 1398, PTD 331 Mukim Kota Tinggi Daerah Kota Tinggi Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Leasehold expiring 17/2/2077	18.82	N/A	456,691	N/A
4	GRN 497074 Lot 8022 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	5.91	N/A	54,342	N/A
5	GRN 346599 Lot 8024 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple Plantation	23/03/2015	Freehold	496.42	N/A	4,564,544	N/A
6	HS(D) 2428, PTD 5871 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	136.00	N/A	1,250,510	N/A
7	HS(D) 2429, PTD 5228 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	172.00	N/A	1,581,527	N/A
8	GRN 346581 Lot 8026 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple Plantation	23/03/2015	Freehold	217.57	N/A	2,000,540	N/A
9	GRN 497075 Lot 8021 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Oil Palm Plantation	23/03/2015	Freehold	320.98	N/A	2,951,387	N/A

PROPERTIES OF THE GROUP

cont'd

NO.	LOCATION	DESCRIPTION/ EXISTING USE	LATEST VALUATION/ ACQUISITION DATE	TENURE EXPIRY DATE	LAND AREA (ACRE)	BUILT -UP AREA (SQ.FT)	NBV AS AT 31/03/2016 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
10	GRN 346571, Lot 8025 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Agriculture / Pineapple Plantation	23/03/2015	Freehold	382.51	N/A	3,517,150	N/A
11	PJ Trade Centre (3 units) Menara Bata No.8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor	Office Units	23/03/2015	Leasehold	N/A	8,852	3,167,049	7
Sub Total					2,808.36	8,852	45,221,110	

AMGREEN GAIN SDN BHD

1	Lot No. 1, Block 10 Puyut Land District Sg Karap and Sg Kulak, Baram Miri, Sarawak	Mixed Zone Land/ Oil Palm Plantation	23/03/2015	Lease of State Land 60 years expiring 12/8/2069	12,080.47	25,244	48,971,177	N/A
Sub Total					12,080.47	25,244	48,971,177	

FIMA CORPORATION BERHAD

1	Lot 3767 & 3768 (GN 24531 & GN 24532) Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Industrial	23/03/2015	Freehold	2.71	66,608	845,201	48
2	Lot 1176 Mukim Pasir Panjang Port Dickson Negeri Sembilan Darul Khusus	Bungalow	23/03/2015	Freehold	0.82	3,114	1,685,422	67
3	Lot 52068, GRN 50064 Mukim of Kuala Lumpur Wilayah Persekutuan	Office Building	23/03/2015	Freehold	1.45	270,372	50,922,083	18
Sub Total					4.98	340,094	53,452,706	

CENDANA LAKSANA SDN BHD

1	H.S.(D) 398, PT 757 P Mukim Tebak, Daerah Kemaman Terengganu	Oil Palm Plantation		Leasehold expiring 8/8/2039	999.98	N/A	14,894,891	N/A
2	PN 7602, LOT 2925 Mukim Tebak, Daerah Kemaman Terengganu	Oil Palm Plantation		Leasehold expiring 8/2/2048	940.71	N/A	14,012,053	N/A
Sub Total					1,940.69	-	28,906,944	

PROPERTIES OF THE GROUP

cont'd

NO.	LOCATION	DESCRIPTION/ EXISTING USE	LATEST VALUATION/ ACQUISITION DATE	TENURE EXPIRY DATE	LAND AREA (ACRE)	BUILT -UP AREA (SQ.FT)	NBV AS AT 31/03/2016 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
GABUNGAN WARISAN SDN BHD								
1	H.S.(D) 9350 PT 4718 Mukim Kuala Stong Jajahan Kuala Krai Kelantan	Oil Palm Plantation		Leasehold expiring 22/7/2112	617.26	N/A	6,467,741	N/A
	Sub Total				617.26	-	6,467,741	
TAKA WORLDWIDE TRADING SDN BHD								
1	H.S. (D) 2345, PT 6943 Mukim Relai, Jajahan Gua Musang Kelantan	Oil Palm Plantation		Leasehold expiring 5/3/2107	499.98	N/A	3,781,280	N/A
	Sub Total				499.98	-	3,781,280	
ETIKA GANGSA SDN BHD								
1	H.S. (D) 2346, PT 6944 Mukim Relai, Jajahan Gua Musang Kelantan	Oil Palm Plantation		Leasehold expiring 5/3/2107	499.98	N/A	3,781,683	N/A
	Sub Total				499.98	-	3,781,683	
PERCETAKAN KESELAMATAN NASIONAL SDN BHD								
1	Lot 27306, Section 13 Mukim Kajang Daerah Hulu Langat Selangor	Industrial Land/ Building		Leasehold expiring 29/09/2086	8.30	250,560	11,917,147	29
	Sub Total				8.30	250,560	11,917,147	
R.N.E. PLANTATION SDN BHD								
1	PT 14352 H.S(D) 16214 Mukim Sungai Siput District of Kuala Kangsar, Perak	Agriculture		Leasehold expiring 03/08/2075	4,942.00	N/A	23,124,901	N/A
	Sub Total				4,942.00	-	23,124,901	
PT NUNUKAN JAYA LESTARI								
1	Hak Guna Usaha (HGU) No. 1 and Hak Guna Bangunan (HGB) No.50 Kelurahan Nunukan Barat Kabupaten & Kecamatan Nunukan Propinsi Kalimantan Timur, Indonesia	Agriculture/ oil palm plantation and palm oil mill	09/04/2007 31/12/2014	Leasehold expiring: 12/05/2038 (HGU) 17/03/2035 (HGB)	49,356.75 286.15	N/A 112,735	27,357,568 967,999	N/A 11
	Sub Total				49,642.90	112,735	28,325,567	

PROPERTIES OF THE GROUP

cont'd

NO.	LOCATION	DESCRIPTION/ EXISTING USE	LATEST VALUATION/ ACQUISITION DATE	TENURE EXPIRY DATE	LAND AREA (ACRE)	BUILT -UP AREA (SQ.FT)	NBV AS AT 31/03/2016 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
PINEAPPLE CANNERY OF MALAYSIA SENDIRIAN BERHAD								
1	H.S.(D) 62211, PTD 5525, Mukim Machap, Daerah Kluang Johor Darul Takzim	Agriculture / Pineapple	23/03/2015	Leasehold expiring 16/10/2038	209.89	N/A	957,597	N/A
2	Lot 1790, GM 1721 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Rubber Plantation	23/03/2015	Freehold	4.39	N/A	381,597	N/A
3	Lot 4552, GM 280, Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Effluent Pond	23/03/2015	Freehold	2.63	N/A	225,134	N/A
4	Lot 4554, GM 278 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Effluent Pond	23/03/2015	Freehold	2.40	N/A	210,356	N/A
5	Lot 1681, GM 4287 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Dumping Ground	23/03/2015	Freehold	2.43	N/A	250,000	N/A
6	Lot 3767, GN 24531 Lot 3768, GN 24532 Lot 3769, GN 24533 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Industrial Land / Factory & Office Buildings / Residential / Single Storey House	23/03/2015	Freehold	25.24	235,160	8,492,976	48
7	Lot 3886, GN 96493 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	23/03/2015	Freehold	10.00	N/A	2,604,925	N/A
8	Lot 3887, GN 96495 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	23/03/2015	Freehold	10.00	N/A	2,599,446	N/A
9	Lot 3890, GN 96497 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	23/03/2015	Freehold	6.46	N/A	1,706,486	N/A
10	Lot 3891, GN 96499 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture / Orchard	23/03/2015	Freehold	10.00	N/A	2,739,143	N/A

PROPERTIES OF THE GROUP

cont'd

NO.	LOCATION	DESCRIPTION/ EXISTING USE	LATEST VALUATION/ ACQUISITION DATE	TENURE EXPIRY DATE	LAND AREA (ACRE)	BUILT -UP AREA (SQ.FT)	NBV AS AT 31/03/2016 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
PINEAPPLE CANNERY OF MALAYSIA SENDIRIAN BERHAD (CONT'D)								
11	Lot 1789, GM 1720 Mukim Jeram Batu Daerah Pontian Johor Darul Takzim	Agriculture	23/03/2015	Freehold	4.06	N/A	352,912	48
12	Lot 180, GM 136 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	7.22	42,782	391,830	43
13	Lot 181, GM 137 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	6.78	40,175	367,951	43
14	Lot 182, H.S.(D) 1976 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Industrial Land / Single Storey Factory Building	23/03/2015	Leasehold expiring 3/1/2079	1.59	9,422	35,418	43
15	Lot 183, GM 135 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	3.80	22,517	206,226	43
16	Lot 184, GM 134 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	2.73	16,532	151,413	43
17	Lot 185, GM 85 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture	23/03/2015	Freehold	3.19	N/A	92,813	N/A
18	Lot 560, GM 132 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Residential Buildings & One Hostel Block	23/03/2015	Freehold	3.34	16,310	177,277	43
19	Lot 561, GM 133 Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Two Single Storey Hostel Blocks	23/03/2015	Freehold	2.16	4,800	114,646	43
20	Lot 2945, GM 138, Mukim Api-Api Daerah Pontian Johor Darul Takzim	Agriculture / Single Storey Factory Building	23/03/2015	Freehold	2.31	13,984	125,364	43

PROPERTIES OF THE GROUP

cont'd

NO.	LOCATION	DESCRIPTION/ EXISTING USE	LATEST VALUATION/ ACQUISITION DATE	TENURE EXPIRY DATE	LAND AREA (ACRE)	BUILT -UP AREA (SQ.FT)	NBV AS AT 31/03/2016 (RM)	APPROXIMATE AGE OF BUILDINGS (YEARS)
PINEAPPLE CANNERY OF MALAYSIA SENDIRIAN BERHAD (CONT'D)								
21	HS(D) 1396, PTD 257 & HS(D) 1397, PTD 258 Mukim Ulu Sg. Sedili Besar & Mukim Kota Tinggi Daerah Kota Tinggi Johor Darul Takzim	Office & Staff/ Workers Quarters	23/03/2015	Land owned by KFima	N/A	12,376	183,034	38
22	GRN 346571, LOT 8025 Mukim Ayer Baloi Daerah Pontian Johor Darul Takzim	Office Building & Workers Quarters	23/03/2015	Land owned by KFima	N/A	5,520	837,272	4
Sub Total					320.62	419,578	23,203,816	
BULKING GROUP OF COMPANIES								
1	Part of HS(D) 24616 PT 11689, Mukim Kapar Daerah Klang Selangor Darul Ehsan	Office Building	23/03/2015	Leasehold expiring 14/7/2022	12.41	38,438	429,000	34
2	Part of HS(D) 24616 PT 11689, Mukim Kapar Daerah Klang Selangor Darul Ehsan	Office Building	23/03/2015	Leasehold expiring 14/7/2022	14.02	14,560	-	27
3	Part of HS(D) 24616 PT 11689, Mukim Kapar Daerah Klang Selangor Darul Ehsan	Office Building	23/03/2015	Leasehold expiring 14/7/2022	3.80	15,752	5,397	24
4	Plot 'A' H.S.(D) HBM.1 Town of Butterworth- Seksyen 4, Daerah Seberang Perai Utara Pulau Pinang	Office Building	23/03/2015	Leasehold expiring 30/6/2023	5.17	27,238	-	32
Sub Total					35.40	95,988	434,397	
INTERNATIONAL FOOD CORPORATION LIMITED								
1	Portion 361 Malahang, Lae Papua New Guinea	Industrial Land / Office Building, Amenities Building & 2 Factory Buildings		State Lease expiring 19/10/2093	35.65	204,999	45,418,273	21
Sub Total					35.65	204,999	45,418,273	
FIMA FRASER'S HILL SDN BHD								
1	Lot 4509, PN 4503 Mukim Teras, Daerah Raub Pahang Darul Makmur	Agriculture	23/03/2015	Leasehold expiring 01/01/2036	130.17	N/A	1,198,040	N/A
Sub Total					130.17	-	1,198,040	
GRAND TOTAL					73,566.76	1,458,050	324,204,782	

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2016

THIRTY LARGEST SHAREHOLDERS

No	Name	No. of Shares	% of Total Shareholdings
1.	BHR ENTERPRISE SDN BHD	147,202,300	53.06
2.	SUBUR RAHMAT SDN BHD	11,509,200	4.15
3.	TEO TIN LUN	7,687,700	2.77
4.	M & A NOMINEE (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR SUBUR RAHMAT SDN BHD (M&A)</i>	6,798,500	2.45
5.	CITIGROUP NOMINEES (ASING) SDN BHD <i>CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND</i>	2,348,100	0.85
6.	NEOH CHOO EE & COMPANY, SDN. BERHAD	1,833,100	0.66
7.	PM NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHAN KUANG (D)</i>	1,349,300	0.49
8.	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT PROGRESS FUND (4082)</i>	1,314,200	0.47
9.	HSBC NOMINEES (TEMPATAN) SDN BHD <i>HSBC (M) TRUSTEE BHD FOR RHB EQUITY TRUST</i>	1,000,000	0.36
10.	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ANG JWEE LEE (E-IMO)</i>	989,300	0.36
11.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LOW KHIAN BENG (003)</i>	966,300	0.35
12.	KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR K.B. LOH SDN BHD (23MG00001)</i>	926,500	0.33
13.	CITIGROUP NOMINEES (ASING) SDN BHD <i>CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC</i>	909,400	0.33
14.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>JINCAN SDN BHD</i>	900,000	0.32
15.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD <i>SSBT FUND SD4N FOR GOVERNMENT OF THE PROVINCE OF ALBERTA</i>	885,300	0.32
16.	CITIGROUP NOMINEES (ASING) SDN BHD <i>CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES</i>	883,150	0.32
17.	SYNERGY MOTION SDN. BHD.	860,000	0.31

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2016 cont'd

No	Name	No. of Shares	% of Total Shareholdings
18.	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TEO TIN LUN (E-IMO)</i>	818,000	0.29
19.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR GAN TEE JIN</i>	800,000	0.29
20.	PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN TIAN SANG @ TAN TIAN SONG (E-PPG)</i>	769,100	0.28
21.	LIM KHUAN ENG	700,000	0.25
22.	HSBC NOMINEES (ASING) SDN BHD <i>TNTC FOR LSV EMERGING MARKETS SMALL CAP EQUITY FUND, LP</i>	690,100	0.25
23.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD <i>EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)</i>	687,700	0.25
24.	MAYBANK NOMINEES (TEMPATAN) SDN BHD <i>KONG YEE WONG</i>	664,700	0.24
25.	AFFIN HWANG NOMINEES (ASING) SDN. BHD. <i>DBS VICKERS SECS (S) PTE LTD FOR ASIA HUMANISTIC CAPITAL INC</i>	656,000	0.24
26.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (STICH SHELL PEN)</i>	647,600	0.23
27.	HLB NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN</i>	601,900	0.22
28.	PM NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LOW KHIAN BENG (D)</i>	572,100	0.21
29.	M & A NOMINEE (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ZAILINI BINTI ZAINAL ABIDIN (M&A)</i>	570,000	0.21
30.	HSBC NOMINEES (ASING) SDN BHD <i>EXEMPT AN FOR JPMORGAN CHASE BANK, NATIONAL ASSOCIATION (NETHERLANDS)</i>	568,800	0.21

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2016 cont'd

SUBSTANTIAL SHAREHOLDERS

No.	Name	DIRECT HOLDINGS		INDIRECT HOLDINGS	
		No. of Shares	% of Shareholdings	No. of Shares	% of Shareholdings
1.	BHR ENTERPRISE SDN BHD	147,202,300	53.06	60,212,700 ^(a)	21.70
2.	SUBUR RAHMAT SDN BHD	11,509,200	4.15	7,866,700 ^(b)	2.84

Notes:

- (a) Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir, Rozana Zeti binti Basir and Rozilawati binti Haji Basir's direct and indirect shareholdings, respectively, in Kumpulan Fima Berhad ("KFima" or "Company"). Deemed interested by virtue of their shareholdings in BHR Enterprise Sdn Bhd ("BHR") of more than 15%. Puan Sri Datin Hamidah binti Abdul Rahman is the mother of Roshayati binti Basir, Rozilawati binti Haji Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir. Deemed interested by virtue of her shareholding of preference shares in BHR which carry veto rights in all the decisions in BHR.
- (b) Subur Rahmat Sdn Bhd's ("SRSB") indirect shareholding in the Company is held under M & A Nominee (Tempatan) Sdn Bhd, Ahmad Riza bin Basir and Zailini binti Zainal Abidin. Ahmad Riza bin Basir and his wife, Zailini binti Zainal Abidin are deemed interested by virtue of their interest in SRSB pursuant to Section 6A of the Companies Act, 1965.

DISTRIBUTION BY SIZE OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shareholdings
Less than 100	127	1.54	2,029	0.00
100 - 1,000	3,153	38.23	3,009,367	1.08
1,001 - 10,000	3,867	46.88	16,999,579	6.13
10,001 - 100,000	928	11.25	28,809,075	10.38
100,001 to less than 5% of issued shares	171	2.07	63,087,850	22.74
5% and above of issued shares	2	0.02	165,510,000	59.66
TOTAL	8,248	100.00	277,417,900	100.00

CLASSIFICATION OF SHAREHOLDERS

Size of Holdings	No. of Shareholders	% of Holders	Shareholdings	% of Shareholdings
1. Government Agencies	0	0.00	0	0.00
2. Bumiputra				
a. Individuals	953	11.55	5,488,500	1.98
b. Companies	31	0.38	159,230,600	57.40
c. Nominees Company	469	5.69	13,940,367	5.03
3. Non-Bumiputra				
a. Individuals	6,162	74.71	54,289,104	19.57
b. Companies	82	0.99	7,538,000	2.72
c. Nominees Company	406	4.92	23,005,510	8.29
MALAYSIAN TOTAL	8,103	98.24	263,492,081	94.98
4. Foreign				
a. Individuals	65	0.79	1,053,944	0.38
b. Companies	2	0.02	5,000	0.00
c. Nominees Company	78	0.95	12,866,875	4.64
FOREIGN TOTAL	145	1.76	13,925,819	5.02
GRAND TOTAL	8,248	100.00	277,417,900	100.00

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2016 cont'd

DIRECTORS' SHAREHOLDINGS

No.	Name	DIRECT HOLDINGS		INDIRECT HOLDINGS	
		No. of Shares	% of Shareholdings	No. of Shares	% of Shareholdings
1.	TAN SRI DATO' IR. MUHAMMAD RADZI BIN HAJI MANSOR	200,000	0.07	-	-
2.	DATO' ROSLAN BIN HAMIR	481,000	0.17	-	-
3.	AZIZAN BIN MOHD NOOR	-	-	-	-
4.	ROZANA ZETI BINTI BASIR	50,000	0.02	167,223,200 ^(a)	60.28
5.	DATO' ROSMAN BIN ABDULLAH	-	-	-	-
6.	ROZILAWATI BINTI HAJI BASIR	100,000	0.04	167,173,200 ^(b)	60.26

Notes:

- (a) Deemed interested by virtue of her shareholding in BHR of more than 15% and the direct and indirect shareholdings of her family members namely, Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir, Rozilawati binti Haji Basir and Ahmad Riza bin Basir, respectively, in the Company.
- (b) Deemed interested by virtue of her indirect interest of 61,000 shares in the Company which is held under M & A (Tempatan) Sdn Bhd and the direct and indirect shareholdings of her family members namely, Puan Sri Datin Hamidah binti Abdul Rahman, Roshayati binti Basir, Rozana Zeti binti Basir and Ahmad Riza bin Basir, respectively, in the Company.

DIRECTORY OF GROUP OPERATION

MANUFACTURING DIVISION

Website: www.fimacorp.com

1. **Fima Corporation Berhad (21185-P)**
Suite 4.1, Level 4
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Telephone : +603-2092 1211
Facsimile : +603-2094 5996
2. **Percetakan Keselamatan Nasional Sdn. Bhd. (166151-T)**
No.1, Jalan Chan Sow Lin
55200 Kuala Lumpur
Telephone : +603-9222 2511
Facsimile : +603-9222 4401
3. **Security Printers (M) Sdn. Bhd. (34025-W)**
No.1, Jalan Chan Sow Lin
55200 Kuala Lumpur
Telephone : +603-9222 2511
Facsimile : +603-9222 4401

BULKING DIVISION

Website: www.fimabulking.com

1. **Fima Bulking Services Berhad (53110-X)**
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2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 7211
Facsimile : +603-3176 5641
2. **Fimachem Sdn. Bhd. (151893-X)**
Lot 6579, Jalan Parang
2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 6514
Facsimile : +603-3176 6799
3. **Fima Liquid Bulking Sdn. Bhd. (182904-W)**
Lot 11689, Jalan Siakap
2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 7561
Facsimile : +603-3176 6739
4. **Fima Freight Forwarders Sdn. Bhd. (223850-P)**
Lot 6579, Jalan Parang
2nd Extension, North Port
42000 Pelabuhan Klang, Selangor
Telephone : +603-3176 2681
Facsimile : +603-3176 2679
5. **Fima Palmbulk Services Sdn. Bhd. (61459-M)**
PPSB Deep Water Wharves
P.O. Box 243
12720 Butterworth, Pulau Pinang
Telephone : +604-332 7019
Facsimile : +604-331 1685
6. **Boustead Oil Bulking Sdn. Bhd. (81508-K)**
PPSB Deep Water Wharves
P.O. Box 243
12720 Butterworth, Pulau Pinang
Telephone : +604-332 7019
Facsimile : +604-331 1685

DIRECTORY OF GROUP OPERATION

cont'd

PLANTATION DIVISION

1. Pineapple Cannery of Malaysia Sendirian Berhad (5367-U):

Ladang Kota Tinggi
Batu 6, Jalan Mawai
81900 Kota Tinggi, Johor
Telephone : +607-891 0054
Facsimile : +607-891 0054

Ladang Ayer Baloi
Jalan Parit Panjang
82100 Ayer Baloi
Pontian, Johor
Telephone : +607-679 2180
Facsimile : +607-679 218

Ladang Ayer Hitam
Lot 49, Batu 8
Jalan Felda Ayer Hitam
86000 Kluang, Johor

2. Victoria Square Plantation Sdn. Bhd. (733298-K)

Lot 1, Block 10 Puyut Land District
Miri, Sarawak
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

3. Amgreen Gain Sdn. Bhd. (655236-V)

Lot 1, Block 10 Puyut Land District
Miri, Sarawak
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

4. PT Nunukan Jaya Lestari (NPWP 02.033.898.4-723.000)

JL. Hasanuddin RT.06 Nunukan Timur
Kabupaten Nunukan - 77182
Kalimantan Timur, Indonesia
Telephone : 006 2 55624551
Facsimile : 006 2 5562025081

5. Cendana Laksana Sdn. Bhd. (1024167-W)

Ladang Cendana
Batu 40, Jerangau-Jabor Highway
Air Putih, 24050 Kemaman
Terengganu Darul Iman
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4, Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara, 50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

6. Gabungan Warisan Sdn. Bhd. (327836-P)

Ladang Dabong
PT 4718, Mukim Kuala Stong
Jajahan Kuala Krai, Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara,
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

7. Next Oasis Sdn. Bhd. (1109497-D)

Ladang Aring
PT 6943 & PT 6944
Mukim Relai, Jajahan Gua Musang
Kelantan
c/o: Plantation Division
Kumpulan Fima Berhad
Suite 4.1, Level 4
Block C, Plaza Damansara
No.45, Jalan Medan Setia 1
Bukit Damansara
50490 Kuala Lumpur
Telephone : +603-2092 1211
Facsimile : +603-2095 9302

DIRECTORY OF GROUP OPERATION

cont'd

PLANTATION DIVISION

- 8. Taka Worldwide Trading Sdn. Bhd. (714855-P)**
 Ladang Aring
 PT 6943 Mukim Relai,
 Jajahan Gua Musang, Kelantan
 c/o: Plantation Division
 Kumpulan Fima Berhad
 Suite 4.1, Level 4
 Block C, Plaza Damansara
 No.45, Jalan Medan Setia 1
 Bukit Damansara
 50490 Kuala Lumpur
 Telephone : +603-2092 1211
 Facsimile : +603-2095 9302
- 9. Etika Gangsa Sdn. Bhd. (754947-D)**
 Ladang Aring
 PT 6944 Mukim Relai,
 Jajahan Gua Musang, Kelantan
 c/o: Plantation Division
 Kumpulan Fima Berhad
 Suite 4.1, Level 4
 Block C, Plaza Damansara
 No.45, Jalan Medan Setia 1
 Bukit Damansara
 50490 Kuala Lumpur
 Telephone : +603-2092 1211
 Facsimile : +603-2095 9302
- 10. R.N.E. Plantation Sdn. Bhd. (1067900-V)**
 HSD 16214, PT 14352 Mukim Sungai Siput,
 Daerah Kuala Kangsar,
 Perak
 c/o: Plantation Division
 Kumpulan Fima Berhad
 Suite 4.1, Level 4
 Block C, Plaza Damansara
 No.45, Jalan Medan Setia 1
 Bukit Damansara
 50490 Kuala Lumpur
 Telephone : +603-2092 1211
 Facsimile : +603-2095 9302

FOOD DIVISION

- 1. International Food Corporation Limited (C.1-19260)**
 Portion 361, Busu Road
 Malahang, P.O. Box 1334
 Lae, Papua New Guinea
 Telephone : 00 675 4720 655
 Facsimile : 00 675 4720 607
- 2. Fima Instanco Sdn. Bhd. (19196-T)**
 1st Floor, Main Building
 Lot 6, Jalan P/1A
 Seksyen 13
 43650 Bandar Baru Bangi
 Selangor Darul Ehsan
 Telephone : +603-8927 5650
 Facsimile : +603-8927 5654

OTHERS

- 1. FCB Property Management Sdn Bhd (264746-K)**
 Suite 4.1, Level 4
 Block C, Plaza Damansara
 No.45, Jalan Medan Setia 1
 Bukit Damansara
 50490 Kuala Lumpur
 Telephone : +603-2092 1211
 Facsimile : +603-2094 5996

DIRECTORY OF GROUP OPERATION

cont'd

ASSOCIATE COMPANIES

**1. Marushin Canneries (Malaysia) Sdn. Bhd.
(162963-U)**
PLO 213, Jalan Timah Satu
Pasir Gudang Industrial Estate
81700 Johor Bahru, Johor
Telephone : +607-251 4802
Facsimile : +607-251 4798

**2. Giesecke & Devrient Malaysia Sdn. Bhd.
(573030-M)**
Lot 6, Off Jalan Delima 1/1
Batu 3, 40150 Shah Alam, Selangor
Telephone : +603-5629 2929
Facsimile : +603-5629 2820

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Proxy Form

I/We _____ NRIC / Company No: _____
 (Full Name in Capital Letters)

of _____
 (Full Address)

being a Member of **KUMPULAN FIMA BERHAD** ("the Company"), do hereby appoint

_____ NRIC / Company No: _____
 (Full Name in Capital Letters)

of _____
 (Full Address)

or failing him/her _____ NRIC / Company No: _____
 (Full Name in Capital Letters)

of _____
 (Full Address)

as my/our* proxy to vote for me/us* and on my/our* behalf at the Forty-Fourth (44th) Annual General Meeting of the Company to be held at the Dewan Berjaya, Bukit Kiara Equestrian & Country Resort, Jalan Bukit Kiara, Off Jalan Damansara, 60000 Kuala Lumpur on Wednesday, 24 August 2016 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.

	RESOLUTIONS	FOR	AGAINST
1.	To declare a single-tier final dividend of 9.0% in respect of the financial year ended 31 March 2016 as recommended by the Directors. - Ordinary Resolution 1		
2.	To re-appoint Tan Sri Dato' Ir. Muhammad Radzi bin Haji Mansor as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965. - Ordinary Resolution 2		
3.	To re-appoint Encik Azizan bin Mohd Noor as a Director of the Company and to hold office until the conclusion of the next Annual General Meeting pursuant to Section 129(6) of the Companies Act, 1965. - Ordinary Resolution 3		
4.	To re-elect Dato' Rosman bin Abdullah pursuant to Article 114 of the Company's Articles of Association. - Ordinary Resolution 4		
5.	To re-elect Cik Rozilawati binti Haji Basir pursuant to Article 114 of the Company's Articles of Association. - Ordinary Resolution 5		
6.	To approve the payment of Directors' fees for the ensuing financial year. - Ordinary Resolution 6		
7.	To re-appoint Messrs. Hanafiah Raslan & Mohamad as Auditors of the Company and to authorize the Directors to fix their remuneration. - Ordinary Resolution 7		
AS SPECIAL BUSINESS:			
8.	Proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature. - Ordinary Resolution 8		
9.	Proposed shareholders' mandate for share buy-back. - Ordinary Resolution 9		
10.	Authority for Encik Azizan bin Mohd Noor to continue in office as Independent Non-Executive Director. - Ordinary Resolution 10		
11.	Authority for Dato' Rosman bin Abdullah to continue in office as Independent Non-Executive Director. - Ordinary Resolution 11		

* Strike out whichever not applicable.

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

Dated this _____ day of _____ 2016

No. of Shares held
CDS Account No.

Notes :

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may not be a member of the Company and a member may appoint more than two (2) proxies by specifying the proportion of his shareholding to be represented by each proxy.
2. Where a member of the Company is an exempt authorized nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
3. The instrument appointing a proxy must be completed and deposited at the registered office of the Company not less than forty-eight (48) hours before the time of holding the Meeting or any adjournment thereof.
4. Only members registered in the General Meeting Record of Depositors as at 17 August 2016 shall be eligible to attend the Annual General Meeting or appoint proxy(ies) to attend and/or vote on their behalf.
5. The voting at the 44th AGM will be conducted on a poll. The Company will appoint independent scrutineers to verify the results of the poll.

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**Postage
Stamp**

The Company Secretaries
KUMPULAN FIMA BERHAD
(Company No. : 11817-V)
Suite 4.1, Level 4, Block C
Plaza Damansara
No. 45, Jalan Medan Setia 1, Bukit Damansara
50490 Kuala Lumpur

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