



KUMPULAN FIMA BERHAD (11817-V)  
(Incorporated in Malaysia)

Condensed Consolidated Financial Statements  
For The Third Quarter Ended 31 December 2017

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	Note	Current quarter		9 months cumulative	
		Current year quarter 31-12-2017 RM'000	Preceding year corresponding quarter 31-12-2016 RM'000	Current year to date 31-12-2017 RM'000	Preceding year corresponding period 31-12-2016 RM'000
Revenue	A9	111,957	140,493	350,507	419,915
Cost of sales		(70,132)	(88,298)	(220,167)	(266,787)
<b>Gross profit</b>		<b>41,825</b>	<b>52,195</b>	<b>130,340</b>	<b>153,128</b>
Other income		2,386	5,048	8,342	11,832
<b>Other items of expense</b>					
Administrative expenses		(17,998)	(21,520)	(53,304)	(55,058)
Selling and marketing expenses		(1,658)	(1,569)	(5,113)	(4,601)
Other expenses		(2,199)	(2,273)	(15,999)	(15,773)
		(21,855)	(25,362)	(74,416)	(75,432)
Finance costs		(388)	(213)	(1,102)	(530)
Share of results of associates		390	384	(334)	825
<b>Profit before tax</b>	A9/A10	<b>22,358</b>	<b>32,052</b>	<b>62,830</b>	<b>89,823</b>
Income tax expense	B5	(5,765)	(7,715)	(20,618)	(25,169)
<b>Profit net of tax</b>		<b>16,593</b>	<b>24,337</b>	<b>42,212</b>	<b>64,654</b>
<b>Other comprehensive income</b>					
Foreign currency translation differences for foreign operations		(6,251)	10,500	(13,678)	19,974
<b>Total comprehensive income for the period</b>		<b>10,342</b>	<b>34,837</b>	<b>28,534</b>	<b>84,628</b>
<b>Profit attributable to :</b>					
Equity holders of the Company		12,677	18,370	28,452	44,946
Non-controlling interests		3,916	5,967	13,760	19,708
<b>Profit for the period</b>		<b>16,593</b>	<b>24,337</b>	<b>42,212</b>	<b>64,654</b>
<b>Total comprehensive income attributable to :</b>					
Equity holders of the Company		6,977	28,818	16,921	64,868
Non-controlling interests		3,365	6,019	11,613	19,760
<b>Total comprehensive income for the period</b>		<b>10,342</b>	<b>34,837</b>	<b>28,534</b>	<b>84,628</b>
<b>Earnings per share attributable to equity holders of the Company :</b>					
Basic earnings per share (sen)	B12	4.49	6.59	10.08	16.12

*(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements).*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017**

	As at 31-12-2017 (unaudited) <u>RM'000</u>	As at 31-03-2017 (audited) <u>RM'000</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	310,528	319,119
Investment properties	67,237	68,464
Biological assets	164,125	156,208
Investment in associates	43,699	46,516
Deferred tax assets	8,824	6,966
Goodwill on consolidation	12,710	12,710
	<u>607,123</u>	<u>609,983</u>
<b>Current assets</b>		
Inventories	89,506	82,812
Trade receivables	135,703	108,149
Other receivables	49,560	32,552
Cash and bank balances	300,168	390,780
	<u>574,937</u>	<u>614,293</u>
<b>TOTAL ASSETS</b>	<u>1,182,060</u>	<u>1,224,276</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	311,670	311,670
Other reserves	130,123	141,654
Retained earnings	317,780	315,379
	<u>759,573</u>	<u>768,703</u>
Non-controlling interests	244,666	257,704
<b>Total equity</b>	<u>1,004,239</u>	<u>1,026,407</u>
<b>Non-current liabilities</b>		
Finance lease obligations	15,704	16,176
Retirement benefit obligations	1,719	1,837
Deferred tax liabilities	37,399	32,922
	<u>54,822</u>	<u>50,935</u>
<b>Current liabilities</b>		
Finance lease obligations	624	624
Short term borrowings	32,052	14,516
Trade and other payables	64,696	112,459
Provisions	17,896	16,947
Tax payable	7,731	2,388
	<u>122,999</u>	<u>146,934</u>
<b>Total liabilities</b>	<u>177,821</u>	<u>197,869</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,182,060</u>	<u>1,224,276</u>
 Net assets per share (RM)	 <u>2.69</u>	 <u>2.72</u>

*(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements).*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

← *Attributable to equity holders of the Company* →

Group				← <i>Non-distributable</i> →					→ <i>Distributable</i> →			
	Share capital	Share premium*	Other reserves	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiary	Employee share option reserve	Foreign exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2017</b>	311,670	-	141,654	81,848	437	66,459	-	(7,090)	315,379	768,703	257,704	1,026,407
Total comprehensive income for the period	-	-	(11,531)	-	-	-	-	(11,531)	28,452	16,921	11,613	28,534
<b>Transactions with owners</b>												
Dividends	-	-	-	-	-	-	-	-	(25,401)	(25,401)	-	(25,401)
Dividend paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(25,128)	(25,128)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(650)	(650)	477	(173)
Total transaction with owners	-	-	-	-	-	-	-	-	(26,051)	(26,051)	(24,651)	(50,702)
<b>At 31 December 2017</b>	311,670	-	130,123	81,848	437	66,459	-	(18,621)	317,780	759,573	244,666	1,004,239
<b>At 1 April 2016</b>	276,968	24,713	138,002	87,471	437	66,459	4,427	(20,792)	308,617	748,300	250,986	999,286
Total comprehensive income for the period	-	-	19,922	-	-	-	-	19,922	44,946	64,868	19,760	84,628
<b>Transactions with owners</b>												
Dividends	-	-	-	-	-	-	-	-	(25,324)	(25,324)	-	(25,324)
Dividend paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(11,739)	(11,739)
Purchase of treasury shares by a subsidiary	-	-	-	-	-	-	-	-	-	-	(392)	(392)
Share options exercised	5,264	4,725	(2,110)	-	-	-	(2,110)	-	-	7,879	-	7,879
Total transaction with owners	5,264	4,725	(2,110)	-	-	-	(2,110)	-	(25,324)	(17,445)	(12,131)	(29,576)
<b>At 31 December 2016</b>	282,232	29,438	155,814	87,471	437	66,459	2,317	(870)	328,239	795,723	258,615	1,054,338

\* The new Companies Act 2016 ("New Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amounts standing to the credit of the share premium account becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the New Act. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements).

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017**

	← 9 months ended →	
	31-12-2017	31-12-2016
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	62,830	89,823
Adjustments for:		
Amortisation of biological assets	4,452	4,786
Depreciation of investment properties	1,226	1,225
Depreciation for property, plant and equipment	13,650	19,064
Impairment loss on trade receivables	50	35
Interest expense	1,102	530
Interest income	(6,213)	(4,833)
Provision for warranty	949	1,018
Net unrealised forex loss/(gain)	3,638	(9,114)
Provision for retirement benefit obligation	9	28
Share of loss/(profit) of associates	334	(825)
Write back of impairment loss on trade receivables	(5)	(1,437)
Write down of inventories	853	136
Operating profit before working capital changes	82,875	100,436
Increase in inventories	(7,547)	(9,510)
(Increase)/decrease in receivables	(45,725)	46,752
(Decrease)/increase in payables	(46,814)	70,305
Cash (used in)/generated from operations	(17,211)	207,983
Interest paid	(1,102)	(530)
Taxes paid	(16,746)	(19,506)
Retirement benefits paid	-	(10)
Net cash (used in)/generated from operating activities	(35,059)	187,937
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Biological assets expenditure	(12,817)	(23,779)
Purchase of property, plant and equipment	(12,341)	(11,449)
Net dividend received from associate companies	2,483	570
Repayment of obligation under finance lease	(472)	(486)
Acquisition of non-controlling interests	(173)	-
Interest received	6,213	4,833
Net cash used in investing activities	(17,107)	(30,311)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of borrowings	17,536	10,169
Proceeds from exercise of employee share scheme	-	7,879
Dividend paid	(25,401)	(25,324)
Dividend paid by a subsidiary to non-controlling interests	(24,651)	(11,739)
Net cash used in financing activities	(32,516)	(19,015)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(84,682)	138,611
<b>EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS</b>	(5,930)	6,058
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	390,780	247,592
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	300,168	392,261
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	62,821	82,210
Fixed deposits with financial institutions	237,347	310,051
	300,168	392,261

*(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements).*

**PART A - Explanatory notes pursuant to FRS 134**

**A1. Basis of preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Securities.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2017. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2017.

**A2. Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2017 except for the adoption of the following new and revised Financial Reporting Standards (“FRS”), Amendments to FRSs and IC Interpretations.

**(a) Adoption of FRSs, Amendments to FRSs and IC Interpretations**

On 1 April 2017, the Group adopted the following FRSs and Amendments to FRSs, IC Interpretations and amendments to IC Interpretations:

- Annual Improvements to FRSs 2014-2016 Cycle
- Amendments to FRS 107: Disclosure Initiatives
- Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

The adoption of the above FRSs and Amendments to FRS did not have significant effect on the financial performance or presentation of the financial statements of Group.

**(b) Standards and interpretations issued but not yet effective**

The Group has not early adopted the following new and amended FRS and IC Interpretations that are not yet effective:

<b>Description</b>	<b>Effective for financial period beginning on or after</b>
FRS 9: Financial Instruments	1 January 2018
Amendments to FRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

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.

**A2. Changes in accounting policies (cont'd.)**

**(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 interim financial statements for the quarter ending 30 June 2018. 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.

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. 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.

**A3. Auditors' report on preceding annual financial statements.**

The financial statements of the Group for the financial year ended 31 March 2017 were not subject to any audit qualification.

**A4. Seasonal and cyclical factors**

The operations of the Group are not affected by any seasonal or cyclical factors other than the manufacturing segment which is affected by cyclical changes in volume of certain products whilst the plantation segment is affected by seasonal crop production, weather conditions and fluctuating commodity prices.

**A5. Unusual items affecting the financial statements**

There were no unusual items affecting the financial statements of the Group for the period ended 31 December 2017.

**A6. Changes in estimates**

There were no changes or estimates that have a material effect on the current quarter's results.

**A7. Issuances, cancellation, repurchases, resale and repayment of debts and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter.

**A8. Dividend paid**

The following dividends were paid during the current and previous corresponding period:

		Cumulative quarter ended	
		31-12-2017	31-12-2016
		RM'000	RM'000
<b>Final dividend</b>			
2016	9.0% single-tier final dividend (paid on 30 September 2016)	-	25,324
2017	9.0% single-tier final dividend (paid on 25 September 2017)	25,401	-

**A9. Segmental information**
**(i) Segmental revenue and results for business segments**

	Quarter ended		9 months cumulative	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Manufacturing*	33,367	66,023	108,868	193,149
Plantation	32,569	32,217	110,451	106,130
Bulking	14,770	12,086	37,302	37,394
Food	30,340	29,293	91,092	80,355
Others	3,181	6,317	12,275	16,165
	114,227	145,936	359,988	433,193
Eliminations	(2,270)	(5,443)	(9,481)	(13,278)
	111,957	140,493	350,507	419,915
<b>Profit before tax</b>				
Manufacturing*	4,379	16,052	19,188	48,426
Plantation	7,282	4,295	23,413	14,790
Bulking	7,547	5,343	16,675	16,751
Food	966	6,021	2,406	8,155
Others	1,794	(43)	1,482	876
	21,968	31,668	63,164	88,998
Associated companies	390	384	(334)	825
	22,358	32,052	62,830	89,823

\* Production and trading of security documents.

**(ii) Geographical segments**

	Quarter ended		9 months cumulative	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Malaysia	57,653	90,035	175,578	262,291
Indonesia	27,993	28,174	98,264	95,156
Papua New Guinea	28,581	27,727	86,146	75,746
	114,227	145,936	359,988	433,193
Eliminations	(2,270)	(5,443)	(9,481)	(13,278)
	111,957	140,493	350,507	419,915

**A9. Segmental information (cont'd.)**

**(ii) Geographical segments (cont'd.)**

	Quarter ended		9 months cumulative	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Profit before tax	RM'000	RM'000	RM'000	RM'000
Malaysia	9,531	21,080	27,088	62,904
Indonesia	11,795	4,805	34,400	18,492
Papua New Guinea	642	5,783	1,676	7,602
	21,968	31,668	63,164	88,998
Eliminations	390	384	(334)	825
	22,358	32,052	62,830	89,823

	9 months cumulative		9 months cumulative	
	Current year to date 31-12-2017	Liabilities	Preceding year corresponding period 31-12-2016	Liabilities
Assets and liabilities	Assets RM'000	RM'000	Assets RM'000	RM'000
Malaysia	1,306,795	244,900	1,427,718	384,556
Indonesia	84,285	20,115	136,497	16,304
Papua New Guinea	146,781	60,022	169,729	71,893
	1,537,861	325,037	1,733,944	472,753
Eliminations	(355,801)	(147,216)	(412,866)	(206,013)
	1,182,060	177,821	1,321,078	266,740

**A10. Profit before tax**

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

	Quarter ended		9 months cumulative	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Other income	RM'000	RM'000	RM'000	RM'000
Interest income	2,214	1,389	6,213	4,833
<b>Operating expenses</b>				
Depreciation and amortisation	6,884	9,388	19,328	25,075
Interest expense	388	213	1,102	530
Unrealised foreign exchange loss/(gain)	32	(5,075)	3,638	(9,114)
Realised forex exchange loss/(gain)	895	1,207	(236)	2,475
Impairment loss on trade receivables	-	10	50	35
Write back of impairment loss on trade receivables	-	(1,144)	(5)	(1,437)
(Write back)/write down of inventories	(109)	297	853	136
Provision for warranty	297	421	949	1,018
Net (reversal of provision)/provision for retirement benefit obligation	(24)	-	9	28

**A11. Valuation of property, plant and equipment**

The valuation of land and building have been brought forward from the last financial statements for the year ended 31 March 2017.

**A12. Subsequent events**

There were no material events subsequent to the end of the current quarter.

**A13. Inventories**

During the quarter, the amount of inventories written back was RM109,000.

**A14. Changes in the composition of the Group**

Saved as disclosed below, there were no changes in the composition of the Group for the current quarter to date including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operations.

On 29 May 2017, a subsidiary of Fima Corporation Berhad ("FimaCorp"), FCB Plantation Holdings Sdn. Bhd. acquired 110 ordinary shares representing the remaining 11% of the equity interest in Next Oasis Sdn. Bhd. ("NOSB"), for a purchase consideration of RM173,000.

**A15. Changes in contingent liabilities**

There were no additional contingent liabilities during the current quarter, except as disclosed in Note B10 herein.

**A16. Significant acquisition of property, plant and equipment**

For the current quarter under review the Group's acquisitions of property, plant and equipment are as follows :

	<b>Current year to date</b>
	<b>RM'000</b>
Plant and equipment	4,438
Vehicles	1,534
Land and buildings	5,459
Furniture and fittings	910
	<b>12,341</b>

**A17. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 31 December 2017 were as follows:

	<b>Current year to date</b>
	<b>RM'000</b>
Property, plant and equipment	
- Approved and contracted for	1,717
- Approved but not contracted for	29,893

**A18. Related party transactions**

The Group's related party transactions during the financial period were as follows:

	<b>Current year to date</b>
	<b>RM'000</b>
Rental expenses payable to a subsidiary	
- Fima Corporation Berhad	579
Advisory services rendered by corporate shareholder	
- BHR Enterprise Sdn. Bhd.	90
Rental income receivable from a subsidiary	
- Fima Instanco Sdn. Bhd.	90
Transactions with related parties*	
- PT Pohon Emas Lestari - Purchase of fresh fruit bunch	4,982
- Nationwide Express - Delivery services	70
- Nationwide Express - Rental income	98

\* Related parties by virtue of common shareholders/common directors.

**PART B - Bursa Securities Listing Requirements**
**B1. Review of performance**
**Group Performance**

(RM Million)	<u>Current YTD</u>	<u>Previous YTD</u>	<b>Variance</b>	<b>%</b>
Revenue	350.51	419.92	(69.41)	(16.5)
Profit before tax	62.83	89.82	(26.99)	(30.0)

Group revenue for the third quarter ended 31 December 2017 decreased to RM350.51 million as compared to RM419.92 million recorded in the corresponding period last year. The decrease of RM69.41 million was attributed to the lower revenue generated by manufacturing and bulking divisions.

In line with the decrease in revenue, profit before tax ("PBT") decreased by RM26.99 million to RM62.83 million from last year, mainly due to higher forex loss by RM10.0 million and RM1.2 million lower share of profit from associate companies.

The performance of each business division is as follows:

**Manufacturing Division**

(RM Million)	<u>Current YTD</u>	<u>Previous YTD</u>	<b>Variance</b>	<b>%</b>
Revenue	108.87	193.15	(84.28)	(43.6)
Profit before tax	19.19	48.43	(29.24)	(60.4)

Revenue from **Manufacturing Division** decreased by 43.6% to RM108.87 million from RM193.15 million recorded last year, primarily due to expiration of the contract to supply certain travel documents in the first quarter FY2018. On the back of lower revenue, PBT decreased by 60.4% to RM19.19 million from RM48.43 million posted last year.

**Plantation Division**

(RM Million)	<u>Current YTD</u>	<u>Previous YTD</u>	<b>Variance</b>	<b>%</b>
<b>Revenue</b>				
<u>Indonesia</u>				
- Crude palm oil (CPO)	83.18	83.49	(0.31)	(0.4)
- Crude palm kernel oil (CPKO)	14.37	11.15	3.22	28.9
<u>Malaysia</u>				
- Fresh fruit bunch (FFB)	10.64	9.57	1.07	11.2
- Pineapple	2.26	1.92	0.34	17.7
<b>Total</b>	<u>110.45</u>	<u>106.13</u>	<u>4.32</u>	<u>4.1</u>
<b>Profit before tax</b>	23.41	14.79	8.62	58.3
FFB produced (mt)	151,601	111,383	40,218	36.1
FFB yield/ha (mt)	18.78	15.13	3.64	24.0
Cost of FFB produced (RM/mt)	246.94	330.80	(83.87)	(25.4)
CPO produced (mt)	40,407	31,513	8,894	28.2
CPO extraction rate (%)	22.25	22.93	(0.68)	(3.0)

**B1. Review of performance (cont'd.)**
**Plantation Division (cont'd.)**

	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
<b>Sales Quantity (mt)</b>				
- CPO	36,292	33,066	3,226	9.8
- CPKO	3,394	2,075	1,319	63.6
<b>Average CIF selling price, net of duty (RM/mt)</b>				
- CPO	2,292	2,525	(233)	(9.2)
- CPKO	4,234	5,375	(1,141)	(21.2)
<b>Palm profiles (ha)</b>				
- Mature	8,073.4	7,361.7		
- Immature	5,274.6	5,240.2		
Total planted area	<u>13,348.0</u>	<u>12,601.9</u>		

Revenue from **Plantation Division** increased by 4.1% to RM110.45 million compared to the corresponding period last year, primarily attributable to higher sales of CPKO, FFB and pineapple. The division posted a PBT of RM23.41 million, 58.3% higher than last year, mainly due to improvement of FFB yield/ha and lower depreciation was charged due to impairment of property, plant and equipment and biological assets in preceding financial year pursuant to Ministerial Order as disclosed in Note B10.

Our plantation estates in Malaysia which are still in the process of land development or palm planting registered a total pretax loss of RM5.53 million as compared to RM4.20 million pretax loss recorded in the corresponding period last year.

**Bulking Division**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
Revenue	37.30	37.39	(0.09)	(0.2)
Profit before tax	16.68	16.75	(0.07)	(0.4)

**Bulking Division** recorded slight decrease of RM0.09 million or 0.2% lower in revenue to RM37.30 million from RM37.39 million recorded last year.

**Food Division**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
<b>Revenue</b>				
Papua New Guinea (PNG)	86.15	75.75	10.40	13.7
Malaysia	4.94	4.61	0.33	7.2
	<u>91.09</u>	<u>80.36</u>	<u>10.73</u>	<u>13.4</u>
Profit before tax	2.41	8.16	(5.75)	(70.5)

**Food Division's** revenue increased by RM10.73 million compared to RM80.36 million recorded in the previous financial year. The increase in revenue was mainly due to the higher local sales of canned tuna as well as export of tuna products. However, results of the division declined by 70.5% as compared to RM8.16 million in the same period last year mainly due to forex loss of RM3.0 million (Last year: Forex gain of RM6.5 million).

**B2. Comparison with preceding quarter's results**
**Group Performance**

(RM Million)	QTR 3 FY 2018	QTR 2 FY 2018	Variance	%
Revenue	111.96	117.40	(5.44)	(4.6)
Profit before tax	22.36	24.51	(2.15)	(8.8)

The Group's revenue decreased by RM5.44 million to RM111.96 million compared to the preceding quarter, as a result of the lower revenue recorded by manufacturing, plantation and food divisions.

In line with the decrease in revenue, PBT decreased by RM2.15 million to RM22.36 million as compared to RM24.51 million recorded in the preceding quarter.

The performance of each business division is as follows:

**Manufacturing Division**

(RM Million)	QTR 3 FY 2018	QTR 2 FY 2018	Variance	%
Revenue	33.37	39.28	(5.91)	(15.1)
Profit before tax	4.38	9.64	(5.25)	(54.5)

**Manufacturing Division's** revenue decreased by RM5.91 million or 15.1% in the current quarter compared to the preceding quarter. The decline was mainly due to lower sales volume of certain confidential documents. In line with the decrease in revenue coupled with unfavourable sales mix, PBT registered for the current quarter was lower by RM5.25 million or 54.5%.

**Plantation Division**

(RM Million)	QTR 3 FY 2018	QTR 2 FY 2018	Variance	%
<b>Revenue</b>				
<u>Indonesia</u>				
- CPO	22.59	24.46	(1.87)	(7.6)
- CPKO	4.69	3.89	0.80	20.6
<u>Malaysia</u>				
- Fresh fruit bunch	4.40	3.76	0.64	17.0
- Pineapple	0.89	0.80	0.09	11.3
<b>Total</b>	<b>32.57</b>	<b>32.91</b>	<b>(0.34)</b>	<b>(1.0)</b>
<b>Profit before tax</b>	<b>7.28</b>	<b>7.97</b>	<b>(0.69)</b>	<b>(8.7)</b>

**Sales Quantity (mt)**

- CPO	11,035	10,923	112	1.0
- CPKO	1,016	991	25	2.5
<b>Average CIF selling price, net of duty (RM/mt)</b>				
- CPO	2,099	2,121	(22)	(1.0)
- CPKO	4,623	3,927	696	17.7

**B2. Comparison with preceding quarter's results (cont'd.)**
**Plantation Division (cont'd.)**

Plantation Division's revenue for the quarter decreased by RM0.34 million due to lower selling price of CPO. Consequently, PBT recorded was lower by 8.7% to RM7.28 million from RM7.97 million.

**Bulking Division**

(RM Million)	<b>QTR 3 FY 2018</b>	<b>QTR 2 FY 2018</b>	<b>Variance</b>	<b>%</b>
Revenue	14.77	12.37	2.40	19.4
Profit before tax	7.55	5.50	2.05	37.4

Revenue from **Bulking Division** of RM14.77 million was 19.4% higher than the preceding quarter contributed from most of all products segment. In line with increase in revenue, PBT increased by 37.4% or RM2.05 million.

**Food Division**

(RM Million)	<b>QTR 3 FY 2018</b>	<b>QTR 2 FY 2018</b>	<b>Variance</b>	<b>%</b>
<b>Revenue</b>				
PNG	28.58	30.28	(1.70)	(5.6)
Malaysia	1.76	1.58	0.18	11.2
	<u>30.34</u>	<u>31.86</u>	<u>(1.52)</u>	<u>(4.8)</u>
Profit/(loss) before tax	0.97	1.78	(0.81)	(45.5)

Revenue from **Food Division** decreased by RM1.52 million or 4.8% to RM30.34 million as compared to the preceding quarter mainly due to lower sales volume of canned mackerel. In line with revenue decrease, the division registered profit before tax of RM0.97 million during the quarter.

**B3. Prospects**

The Directors expect the performance of the Group to be challenging for the remaining period of year. The prospect of each business division for the remaining period is as follows:

The Board recognises the challenges ahead faced by **Manufacturing Division** following the expiration of a supply contract for a certain travel document. The division will continue its concerted efforts to establish new strategic alliances to develop new products and solutions to complement its existing products.

**Plantation Division.** As the setback in FFB production arising from the consequences of El Nino experienced in 2015/2016 has ended, the FFB yield is recovering and is anticipated to improve further. Nevertheless, the overall performance of the oil palm production and processing is very much influenced by the palm oil price. In view of the current prevailing palm oil prices, the Board of Directors expects the results of this financial year to be satisfactory.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

**B3. Prospects (cont'd.)**

**Bulking Division.** The demand for storage is expected to improve slightly with the increase in palm oil stock level nationwide. The division is looking at securing more long term contracts with customers as well as handling higher margin products.

**Food Division** faces many challenges ahead, particularly in Papua New Guinea where the division's main operation is located, amidst intense market competition from cheaper imported products and currency fluctuation. The division will continue to focus on operational efficiency, productivity and margin improvements, and cost control as well as emphasising on quality, service and delivery.

**B4. Explanatory notes on variances with profit forecasts or profit guarantees**

The Group did not issue any profit forecast and/or profit guarantee to the public.

**B5. Income tax expense**

	Current year quarter 31-12-2017	Current year to date 31-12-2017
	RM'000	RM'000
Current taxation	5,765	20,618

The effective tax rate on the Group's profit to date is higher than the statutory tax rate mainly due to certain expenses disallowed for taxation purposes and no group relief.

**B6. Profits/(losses) on sale of unquoted investments and/or properties**

There were no sale of unquoted investments and/or properties during the current quarter.

**B7. Purchase or disposal of quoted securities**

There were no purchase or disposal of quoted securities during the current quarter.

**B8. Corporate proposals**

**(a) Status of corporate proposal**

Saved as disclosed below, there is no corporate proposal announced but not completed at the date of this report.

On 6 October 2017, a subsidiary of FimaCorp, FCB Plantation Holdings Sdn Bhd ("FCBPH"), has entered into a conditional Sale and Purchase Agreement (SPA) with Java Berhad (the Vendor) to acquire 1,000,000 ordinary shares or 100% of the total issued and paid-up capital of Java Plantations Sdn Bhd ("Java Plantations") for a purchase consideration of RM5,197,118.37 ("Proposed Acquisition"). Java Plantations holds an 80% interest in Ladang Bunga Tanjong Sdn Bhd ("LBTSB"), a joint venture company between Java Plantations and Kumpulan Pertanian Kelantan Berhad which operates an oil palm plantation held under the Individual Title Geran 36415, Lot 2429, Mukim Lubok Bongor, Jajahan Jeli, Kelantan measuring approximately 3,289.9 acres or 1,331.0 hectares (Land). The lease period for the Land is for 66 years and expiring in 28 September 2069.

**B8. Corporate proposals (cont'd.)**
**(a) Status of corporate proposal (cont'd.)**

The lease over the Land together with Java Plantations' 80% equity interest in LBTSB have been charged to a financial institution as security for credit facilities granted by the said financial institution to LBTSB. Pursuant to the terms of the SPA, FCBPH will also assume and undertakes to pay the total advances given by the Vendor to Java Plantations which as at 30 June 2017 stood at RM19,953,232.21 and redeem the Land and the pledged shares from LBTSB's financier through the settlement of the amount owing by LBTSB to the said financier which as at 30 June 2017 totalled RM8,350,369.83, which shall be payable at the times and in the manner set out in the SPA. All conditions precedent pertaining to the Proposed Acquisition have been fulfilled on 4 January 2018.

The Proposed Acquisition was completed on 20 February 2018.

**(b) Utilisation of proceeds raised from any corporate proposal**

Not applicable.

**B9. Borrowings and debt securities**

	As at 31-12-2017 RM'000	As at 31-03-2017 RM'000
<b>Secured:</b>		
<b>Non-current</b>		
*Obligations under finance leases	15,704	16,176
<b>Current</b>		
*Obligations under finance leases	624	624
Bankers' acceptance	2,052	9,516
Short term revolving credit	30,000	5,000
	<u>32,676</u>	<u>15,140</u>
	<u>48,380</u>	<u>31,316</u>

\* The obligations under finance leases are in respect of the following land lease:

- (i) A 99 year land lease granted to subsidiary, Gabungan Warisan Sdn. Bhd. to develop approximately 249.8 ha of land in Kuala Krai, Kelantan Darul Naim. The lease expires on 2 July 2112.
- (ii) Sub-leases granted to subsidiaries, Taka Worldwide Trading Sdn. Bhd. and Etika Gangsa Sdn. Bhd. over 2 parcels of land measuring approximately 404.6 ha, deemed suitable for oil palm cultivation, situated in Mukim Relai, Jajahan Gua Musang, Kelantan for a term of 66 years expiring 5 March 2075, with an option to renew for a further period of 33 years.
- (iii) A 60 year lease granted to subsidiary, R.N.E. Plantation Sdn Bhd over 1 plot of agricultural land measuring 2,000 ha located at Sungai Siput, Daerah Kuala Kangsar, Perak. The lease will expire on 3 August 2075, with an option to renew for a further 30 years.

**B10. Changes in material litigations**

Pending material litigation since preceding quarter is as follows:

- (i) On 21 October 2016, a subsidiary, Fima Corporation Berhad ("FimaCorp") announced that its Indonesian subsidiary, PT Nunukan Jaya Lestari ("PTNJL") has instituted legal proceedings to challenge the order issued by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional ("Defendant") ("Ministerial Order") to revoke PTNJL's land title Hak Guna Usaha No. 01/Nunukan Barat ("HGU") with immediate effect.

**B10. Changes in material litigations (cont'd.)**

The Ministerial Order was on the basis that the HGU was improperly issued due to administrative irregularities performed by certain officers of the Badan Pertanahan Nasional Provinsi Kalimantan Timur at the time of the issuance of the HGU in 2003, resulting in parts of the area within the HGU to overlap with forestry areas. PTNJL's planted area affected by the Ministerial Order measures 3,691.9 hectare.

On 21 October 2016, PTNJL filed an application in the Pengadilan Tata Usaha (State Administrative Court) in Jakarta, Indonesia seeking an order to annul the Ministerial Order. Simultaneously, in the said application, PTNJL has also sought an order from State Administrative Court to postpone the enforcement of the Ministerial Order pending full and final determination of the matter by the Indonesian courts. The Defendant, together with a third party intervener, PT Adindo Hutani Lestari, have filed a defence against the said suit.

On 13 June 2017, the State Administrative Court dismissed the application filed by PTNJL to annul the Ministerial Order. Subsequently on 24 July 2017, PTNJL filed an appeal to the Pengadilan Tinggi Tata Usaha Negara Jakarta to appeal against the decision of the State Administrative Court.

The Pengadilan Tinggi Tata Usaha Negara Jakarta vide its written decision dated 11 December 2017 (which was received by the Company's solicitors on 2 January 2018 and subsequently forwarded to the Company on 3 January 2018):

- (i) has partly allowed PTNJL's appeal against the State Administrative Court's decision, with costs;
- (ii) has declared that the Ministerial Order revoking PTNJL's HGU to be void, save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares; and
- (iii) has ordered the Defendant to revoke the Ministerial Order save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares.

On 10 January 2018, PTNJL has filed its statement of appeal to the Mahkamah Agung Republik Indonesia and subsequently on 23 January 2018, PTNJL filed its appeal to the Mahkamah Agung Republik Indonesia in respect of the aforesaid decision.

Notwithstanding the Ministerial Order, the local government in Kabupaten Nunukan, in the interest of good order, has given its undertaking and allowed PTNJL to continue to lawfully operate its plantation operations until the final determination of the matter by the Indonesian courts. Based on the current circumstances, the Board is of the opinion that the Ministerial Order will not have any immediate operational and financial impact on the Group.

- (ii) Following the termination of the Tenancy Agreement by Malaysia Airports Holding Berhad ("MAHB") on 11 May 2000, a subsidiary, FimaCorp, as the Principal Tenant issued a termination notice dated 15 May 2000 to all its respective sub-tenants at Airtel Complex, Subang.

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

On 11 November 2008, the Court had disposed off this matter summarily in favour of the Plaintiff and on 4 March 2009, FimaCorp had filed its Record of Appeal to the Court of Appeal to appeal against the decision.

The subsidiary had made full provision for the compensation claim of RM2.12 million in the financial year ended 31 March 2009.

On 27 September 2011, the Court of Appeal had allowed FimaCorp's appeal against the decision handed down by the High Court. However, the Court of Appeal had directed that the matter be remitted back to the High Court for a full trial. There has been no development since 27 September 2011.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2017

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**B11. Dividend**

For the current quarter under review, no dividend has been proposed and declared (Third quarter 2017:nil).

**B12. Earnings per share**

The basic earnings per share are calculated as follows:

	Quarter ended		Cumulative quarter ended	
	31-12-2017	31-12-2016	31-12-2017	31-12-2016
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	12,677	18,370	28,452	44,946
Weighted average number of ordinary shares in issues ('000)	282,232	278,809	282,232	278,809
Basic earnings per share (sen)	4.49	6.59	10.08	16.12

**By order of the Board**

**FADZIL BIN AZAHA (MIA20995)**  
**JASMIN BINTI HOOD (LS0009071)**

Company Secretaries

Kuala Lumpur

Dated : 22 February 2018