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

Condensed Consolidated Financial Statements
For The Second Quarter Ended 30 September 2018

KUMPULAN FIMA BERHAD (11817-V)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

		Current quarter		6 months cumulative	
	Note	Current year quarter 30-9-2018 RM'000	Preceding year corresponding quarter 30-9-2017 (Restated) RM'000	Current year to date 30-9-2018 RM'000	Preceding year corresponding period 30-9-2017 (Restated) RM'000
Revenue	A9	133,479	117,403	229,058	238,550
Cost of sales		(83,240)	(69,555)	(139,545)	(147,373)
Gross profit		**50,239**	**47,848**	**89,513**	**91,177**
Other income		2,588	4,519	4,306	5,956
Other items of expense					
Administrative expenses		(15,671)	(18,797)	(33,045)	(37,668)
Selling and marketing expenses		(1,465)	(1,820)	(3,093)	(3,455)
Other operating income/(expenses)		21,663	(5,537)	15,568	(13,800)
		4,527	(26,154)	(20,570)	(54,923)
Finance costs		(488)	(573)	(854)	(714)
Share of results of associates		(354)	(269)	(124)	(724)
Profit before tax	A9/A10	**56,512**	**25,371**	**72,271**	**40,772**
Income tax expense	B5	(7,769)	(8,293)	(10,932)	(14,853)
Profit net of tax		48,743	17,078	61,339	25,919
Other comprehensive income					
Foreign currency translation differences for foreign operations		(3,586)	(3,047)	(657)	(7,427)
Total comprehensive income for the period		45,157	14,031	60,682	18,492
Profit attributable to :					
Equity holders of the Company		32,045	11,710	42,383	16,075
Non-controlling interests		16,698	5,368	18,956	9,844
Profit for the period		48,743	17,078	61,339	25,919
Total comprehensive income attributable to :					
Equity holders of the Company		29,072	9,764	41,932	10,244
Non-controlling interests		16,085	4,267	18,750	8,248
Total comprehensive income for the period		45,157	14,031	60,682	18,492
Earnings per share attributable to equity holders of the Company :					
Basic/diluted earnings per share (sen)	B12	11.37	4.15	15.04	5.70

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements).

KUMPULAN FIMA BERHAD (11817-V)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018

	As At 30-9-2018	As At 31-3-2018 (Restated)	As At 1-4-2017 (Restated)
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	537,716	508,759	475,327
Investment properties	66,010	66,829	68,464
Investment in associates	42,127	43,647	46,516
Deferred tax assets	9,364	9,206	6,966
Goodwill on consolidation	12,710	12,710	12,710
	667,927	641,151	609,983
Current assets			
Inventories	98,042	77,424	82,812
Biological assets	2,665	3,908	5,388
Trade receivables	155,765	141,507	108,149
Other receivables	45,275	20,941	32,552
Short term cash investments	141,763	51,886	-
Cash and bank balances	135,464	235,297	390,780
	578,974	530,963	619,681
TOTAL ASSETS	1,246,901	1,172,114	1,229,664
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	311,670	311,670	311,670
Treasury shares	(789)	(440)	-
Other reserves	44,407	44,858	66,896
Retained earnings	417,247	400,217	394,555
	772,535	756,305	773,121
Non-controlling interests	256,032	245,197	258,674
Total equity	1,028,567	1,001,502	1,031,795
Non-current liabilities			
Finance lease obligations	15,289	15,588	16,176
Retirement benefit obligations	1,768	1,813	1,837
Deferred tax liabilities	36,209	37,140	32,922
	53,266	54,541	50,935
Current liabilities			
Finance lease obligations	611	611	624
Short term borrowings	35,341	33,419	14,516
Trade and other payables	110,347	65,820	112,459
Provisions	11,726	12,081	16,947
Tax payable	7,043	4,140	2,388
	165,068	116,071	146,934
Total liabilities	218,334	170,612	197,869
TOTAL EQUITY AND LIABILITIES	1,246,901	1,172,114	1,229,664
Net assets per share (RM)	2.74	2.68	2.74

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements).

KUMPULAN FIMA BERHAD (11817-V)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018

	Attributable to equity holders of the Company										
	Non-distributable							*Distributable*			
Group	**Share capital RM'000**	**Treasury shares RM'000**	**Other reserves RM'000**	**Revaluation reserve RM'000**	**Capital reserve RM'000**	**Capital reserve arising from bonus issue in subsidiary RM'000**	**Foreign exchange reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 April 2018	311,670	(440)	119,616	81,848	437	66,459	(29,128)	322,333	753,179	244,415	997,594
Effects from adoption of MFRS	-	-	(74,758)	(81,848)	-	-	7,090	77,884	3,126	782	3,908
	311,670	(440)	44,858	-	437	66,459	(22,038)	400,217	756,305	245,197	1,001,502
Total comprehensive income for the period	-	-	(451)	-	-	-	(451)	42,383	41,932	18,750	60,682
Transactions with owners											
Dividend	-	-	-	-	-	-	-	(25,353)	(25,353)	-	(25,353)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(6,995)	(6,995)
Purchase of treasury shares	-	(349)	-	-	-	-	-	-	(349)	(920)	(1,269)
Total transaction with owners	-	(349)	-	-	-	-	-	(25,353)	(25,702)	(7,915)	(33,617)
At 30 September 2018	311,670	(789)	44,407	-	437	66,459	(22,489)	417,247	772,535	256,032	1,028,567
At 1 April 2017	311,670	-	141,654	81,848	437	66,459	(7,090)	315,379	768,703	257,704	1,026,407
Effects from adoption of MFRS	-	-	(74,758)	(81,848)	-	-	7,090	79,176	4,418	970	5,388
	311,670	-	66,896	-	437	66,459	-	394,555	773,121	258,674	1,031,795
Total comprehensive income for the period	-	-	(5,831)	-	-	-	(5,831)	16,075	10,244	8,248	18,492
Transactions with owners											
Dividend	-	-	-	-	-	-	-	(25,401)	(25,401)	-	(25,401)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(16,086)	(16,086)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(650)	(650)	477	(173)
Total transaction with owners	-	-	-	-	-	-	-	(26,051)	(26,051)	(15,609)	(41,660)
As 30 September 2017 (Restated)	311,670	-	61,065	-	437	66,459	(5,831)	384,579	757,314	251,313	1,008,627

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements).

KUMPULAN FIMA BERHAD

KUMPULAN FIMA BERHAD (11817-V)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2018

	6 months ended	
	30-9-2018	30-9-2017 (Restated)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	72,271	40,772
Adjustments for:		
Depreciation of investment properties	818	816
Depreciation for property, plant and equipment	12,314	11,628
Fair value changes on biological assets	1,244	(300)
Impairment loss on trade receivables	1,897	50
Interest expense	854	714
Interest income	(3,955)	(3,999)
Net (reversal of)/provision for warranty	(988)	652
Net unrealised forex (gain)/loss	(4,925)	3,606
Net provision for retirement benefit obligation	-	33
Share of results of associates	124	724
Write back of impairment loss on trade receivables	(1,803)	(5)
Write (back)/down of inventories	(1,088)	962
Write back of impairment loss on property, plant and equipment	(23,631)	-
Operating profit before working capital changes	53,132	55,653
Increase in inventories	(19,530)	(11,042)
Increase in receivables	(33,904)	(59,279)
Increase/(decrease) in payables	18,819	(44,845)
Cash generated from/(used in) from operations	18,517	(59,513)
Interest paid	(854)	(714)
Taxes paid	(8,704)	(9,555)
Retirement benefits paid	(45)	(8)
Net cash generated from/(used in) operating activities	8,914	(69,790)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(21,255)	(16,404)
Net dividend received from an associated company	1,394	1,913
Acquisition of non-controlling interests	-	(173)
Acquisition of treasury shares	(349)	-
Interest income received	3,955	3,999
Net short term cash investments	(89,877)	-
Net cash used in investing activities	(106,132)	(10,665)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	1,922	14,855
Repayment of obligation under finance lease	(386)	(318)
Dividend paid	-	(25,401)
Dividend paid by a subsidiary to non-controlling interests	(6,995)	(16,086)
Net cash used in financing activities	(5,459)	(26,950)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(102,677)	(107,405)
EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	2,844	(2,280)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	235,297	390,780
CASH AND CASH EQUIVALENTS AT END OF PERIOD	135,464	281,095
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	86,786	44,197
Fixed deposits with financial institutions	48,678	236,898
	135,464	281,095

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements).

PART A - Explanatory notes pursuant to MFRS 134

A1. Accounting policies and basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of MFRS 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 2018. 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 2018.

The financial statements of the Group for the financial year ending 31 March 2019 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) Framework. The date of transition to the MFRS Framework was on 1 April 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 April 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impact on transition from Financial Reporting Standard ("FRS") in Malaysia to MFRS are discussed below:

a) Property, plant and equipment

Under the FRS accounting framework, the Group elected to account for the freehold land, leasehold land and buildings included within property, plant and equipment using the revaluation model, where these assets are measured at fair value less accumulated impairment losses recognised after the date of valuation. The Group decided to change the accounting policy for these assets from the revaluation model to cost model. The change in accounting policy will result in the revaluation amount on the transition date to be recorded as deemed costs for these assets when the Group transited to the MFRS framework. Subsequent to the transition date, these assets will be stated at cost less any accumulated depreciation and accumulated impairment losses.

Under the MFRS framework, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116: Property, Plant and Equipment. After initial recognition, the bearer biological assets will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The Group measures the bearer biological assets at fair value less accumulated impairment losses recognised after the date of valuation. Upon adoption of MFRS framework, the Group decided to apply the cost model for accounting the bearer plants, the change in accounting framework will result in the reclassification of the bearer assets from biological assets to property, plant and equipment, and the revaluation amount on the transition date to be recorded as deemed costs of the bearer plants which will subsequently be stated at cost less any accumulated depreciation and accumulated impairment losses.

b) Biological assets

The amendment also requires the produce that grows on bearer plants to be within the scope of MFRS 141 and are measured at fair value less costs to sell. The biological assets of the Group comprise the fresh fruit bunch ("FFB") prior to harvest.

A1. Accounting policies and basis of preparation (cont'd.)

c) Business combinations

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisition prior to the date of transition:

(i) The classification of former business combinations under FRS is maintained;

(ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and

(iii) The carrying amount of goodwill recognised under FRS is not adjusted.

d) Financial instruments

MFRS 9 Financial Instruments replaces FRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments:

(i) Classification and measurement;

(ii) Impairment; and

(iii) Hedge accounting.

With the exception of hedge accounting, the Group has applied MFRS 9 retrospectively, with the initial application date of 1 April 2018 and adjusting the comparative information for the period beginning 1 April 2017.

(i) Classification and measurement

MFRS 9 contains a new classification and measurement approach for the financial assets that reflects the business model in which the assets are managed and their cash flows characteristics.

MFRS 9 contains three principal classification categories for the financial assets which are as follows:

1. Amortised Cost ("AC")
2. Fair Value through Other Comprehensive Income ("FVOCI")
3. Fair Value through Profit or Loss ("FVTPL")

The standard eliminates the existing FRS 139 categories of Held - to - Maturity, Loan and Receivables ("L&R") and Available-for-Sale ("AFS").

The following table shows the original measurement categories in accordance FRS 139 and the new measurement categories under MFRS 9 for the Group's financial assets as at 1 April 2018.

Group financial assets	**Original classification under FRS 139**	**Original carrying amount under FRS 139 RM'000**	**New classification under MFRS 9**	**New carrying amount under MFRS 9 RM'000**
Trade receivables, excluding accrued revenue	L&R	141,507	AC	141,507
Other receivables, excluding tax recoverable, GST input tax and prepayments	L&R	11,579	AC	11,579
Cash and bank balances	L&R	235,297	AC	235,297
Short term cash investments	FVTPL	51,886	FVOCI	51,886

A1. Accounting policies and basis of preparation (cont'd.)

d) Financial instruments (cont'd.)

(ii) Impairment

The adoption of MFRS 9 has fundamentally changed the Group’s accounting policies for impairment of financial assets. The incurred loss approach model previously adopted under FRS 139 is being replaced with an expected credit loss ("ECL") approach model under MFRS 9.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset’s original effective interest rate.

The Group applied the simplified approach and assessed the life time expected losses on trade and other receivables. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment in which the business is operating in.

e) Revenue from contracts with customers

Upon adoption of MFRS 15, the Group recognises the revenue from contracts with customers when or as the Group transfers goods or services to a customer, measured at the amount to which the Group expects to be entitled, according to the term and condition stipulated in the contracts with customers. Depending on whether certain criteria are met, revenue is recognised over time, in a manner that depicts the Group’s performance; or at a point in time, when control of the goods or services is transferred to the customers.

The adoption of MFRS 15 does not have any material impact to the financial statement of the Group.

f) Foreign exchange reserve

Under FRSs, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign exchange reserves for all foreign operations are deemed to be nil as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign exchange translation differences were adjusted to retained earnings.

A1. Accounting policies and basis of preparation (cont'd.)

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows:

Reconciliation of Condensed Consolidate Statement of Financial Position

	As at 31-3-2018			As at 1-4-2017		
	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000
Non-current assets						
Property, plant and equipment	330,965	177,794	508,759	319,119	156,208	475,327
Biological assets	177,794	(177,794)	-	156,208	(156,208)	-
Current asset						
Biological assets	-	3,908	3,908	-	5,388	5,388
Equity						
Other reserves	119,616	(74,758)	44,858	141,654	(74,758)	66,896
Retained earnings	322,333	77,884	400,217	315,379	79,176	394,555
Non-controlling interests	244,415	782	245,197	257,704	970	258,674

Reconciliation of Condensed Consolidate Statement of Comprehensive Income

	Quarter ended 30-9-2017		
	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000
Revenue	238,550	-	238,550
Cost of sales	(150,035)	2,662	(147,373)
Gross profit	88,515	2,662	91,177
Other income	5,956	-	5,956
Administrative expenses	(35,306)	(2,362)	(37,668)
Selling and marketing expenses	(3,455)	-	(3,455)
Other operating expenses	(13,800)	-	(13,800)
Finance costs	(714)	-	(714)
Share of results from associate	(724)	-	(724)
Profit before tax	40,472	300	40,772
Income tax expense	(14,853)	-	(14,853)
Profit net of tax	25,619	300	25,919

A1. Accounting policies and basis of preparation (cont'd.)

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows: (cont'd.)

Reconciliation of Condensed Consolidate Statement of Comprehensive Income (cont'd.)

	Quarter ended 30-9-2017		
	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000
Other comprehensive loss, net of tax			
Foreign currency translation loss	(7,427)	-	(7,427)
Total comprehensive income for the period	18,192	300	18,492
Profit attributable to:			
Equity holders of the Company	15,775	300	16,075
Non-controlling interests	9,844	-	9,844
Profit for the period	25,619	300	25,919
Total comprehensive income attributable to:			
Equity holders of the Company	9,944	300	10,244
Non-controlling interests	8,248	-	8,248
Total comprehensive income for the period	18,192	300	18,492
Earnings per share attributable to equity holders of the Company			
Basic/diluted earnings per share (sen)	5.59	0.11	5.70

Reconciliation of Condensed Consolidate Statement of Cash Flows

	Quarter ended 30-9-2017		
	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000
Profit before tax	40,472	300	40,772
Depreciation for property, plant and equipment	8,578	3,050	11,628
Amortisation of biological assets	3,050	(3,050)	-
Fair value changes on biological assets	-	(300)	(300)
Purchase of property, plant and equipment	8,046	8,358	16,404
Additions to biological assets	8,358	(8,358)	-

A2. Changes in accounting policies

Standards and Interpretations issued but not yet effective

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

Description	**Effective for financial period beginning on or after**
MFRS 16: Leases	1 January 2019
MFRS 17: Insurance contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sales or contribution of assets between an investor and its associate or joint venture	Deferred
Annual improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
IC Interpretation 23: Uncertainty over income tax treatments	1 January 2019

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.

<u>MFRS 16: Leases</u>

MFRS 16 replaces the guidance in MFRS 117, Lease, IC Interpretation 4, Determining Whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

<u>Amendments to MFRS 10 and MFRS 128: Sales or contribution of assets between an investor and its associate or joint venture</u>

The amendments clarify that an entity, which is a venture capital organization, or a mutual fund, unit trust or similar entities, has an investment-by-investment choice to measure its investments in associates and joint ventures at fair value.

There will be no significant impact on the Group from the adoption of Amendments to MFRS 128.

A3. Auditors' report on preceding annual financial statements

The financial statements of the Group for the financial year ended 31 March 2018 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 volumes 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 items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence other than as disclosed in Note B10(ii).

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

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter.

During the current quarter, the Company did not repurchase any of its issued ordinary shares. Of the total 282,231,600 issued ordinary shares, 532,300 shares are held as treasury shares by the Company.

A8. Dividend paid

The Company's shareholders had at the Annual General Meeting on 30 August 2018 approved a single-tier final dividend of 9.0 sen or the financial year ended 31 March 2018 amounting to dividend payable of RM25.4 million. The dividend was subsequently paid on 5 October 2018.

A9. Segmental information

(i) Segmental revenue and results for business segments

	Quarter ended		6 months cumulative	
	30-9-2018	**30-9-2017**	**30-9-2018**	**30-9-2017**
Revenue	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Manufacturing*	36,438	38,899	67,296	74,705
Plantation	37,124	32,914	59,457	77,882
Bulking	20,716	12,371	37,019	22,532
Food	37,906	31,863	62,745	60,752
Others	4,188	6,188	8,253	9,890
	136,372	122,235	234,770	245,761
Eliminations	(2,893)	(4,832)	(5,712)	(7,211)
	133,479	117,403	229,058	238,550
Profit before tax				
Manufacturing*	10,977	9,636	15,387	14,809
Plantation	26,522	8,827	27,437	16,431
Bulking	11,247	5,497	20,341	9,128
Food	8,501	1,783	10,081	1,440
Others	(381)	(103)	(851)	(312)
	56,866	25,640	72,395	41,496
Associated companies	(354)	(269)	(124)	(724)
	56,512	25,371	72,271	40,772

* Production and trading of security documents.

A9. Segmental information (cont'd.)

(ii) Geographical segments

	Quarter ended		6 months cumulative	
	30-9-2018	30-9-2017	30-9-2018	30-9-2017
Revenue	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Malaysia	67,534	63,603	123,815	117,925
Indonesia	32,427	28,353	51,369	70,271
Papua New Guinea	36,411	30,279	59,586	57,565
	136,372	122,235	234,770	245,761
Eliminations	(2,893)	(4,832)	(5,712)	(7,211)
	133,479	117,403	229,058	238,550
Profit before tax				
Malaysia	17,419	14,165	25,941	18,734
Indonesia	31,096	9,914	36,788	21,728
Papua New Guinea	8,351	1,561	9,666	1,034
	56,866	25,640	72,395	41,496
Eliminations	(354)	(269)	(124)	(724)
	56,512	25,371	72,271	40,772

	6 months cumulative			
Assets and liabilities	Current year to date 30-9-2018		Preceding year corresponding period 30-9-2017	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Malaysia	1,440,924	291,570	1,295,022	265,614
Indonesia	106,613	14,521	118,537	23,361
Papua New Guinea	165,186	65,985	159,817	70,124
	1,712,723	372,076	1,573,376	359,099
Eliminations	(465,822)	(153,742)	(387,703)	(180,301)
	1,246,901	218,334	1,185,673	178,798

A10. Profit before tax

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

	Quarter ended		6 months cumulative	
	30-9-2018	30-9-2017	30-9-2018	30-9-2017
Other income	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Interest income	2,377	2,770	3,955	3,999
Operating expenses				
Depreciation	7,221	6,029	13,132	12,444
Interest expense	488	573	854	714
Unrealised foreign exchange (gain)/loss	(3,831)	1,770	(4,925)	3,606
Realised forex exchange loss/(gain)	605	(437)	1,175	(1,131)
Impairment loss on trade receivables	1,156	3	1,897	50
Write back of impairment loss on trade receivables	(246)	(3)	(1,803)	(5)
Fair value changes on biological assets	770	(859)	1,244	(300)
Net (reversal of)/provision for warranty	(633)	331	(988)	652
Inventories written (back)/down	(1,194)	(17)	(1,088)	962
Net provision for retirement benefit obligations	5	25	-	33
Write back of impairment loss on property, plant and equipment (Note B10(ii))	(23,631)	-	(23,631)	-

A11. Valuation of property, plant and equipment

The Group upon adoption of MFRS has elected to use cost model from previous revaluation model. This change in accounting policy has resulted in revaluation amount on the transition date to be recorded as deemed cost.

A12. Subsequent events

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

A13. Inventories

During the quarter, there was no significant write down or write back of inventories except as disclosed in Note A10 above.

A14. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to date.

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

	Current year to date RM'000
Plant and equipment	4,468
Vehicles	4
Land and buildings	427
Furniture and fittings	987
Bearer plants	15,369
	21,255

A17. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 September 2018 were as follows:

	Current year to date RM'000
Property, plant and equipment	
- Approved and contracted for	4,686
- Approved but not contracted for	38,880

A18. Related party transactions

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

	Current year to date RM'000
Rental expenses payable to a subsidiary	
- Fima Corporation Berhad	384
Advisory services rendered by corporate shareholder, BHR Enterprise Sdn. Bhd.	60
Rental income receivables from	
- Fima Instanco Sdn. Bhd.	90
Transactions with related parties*	
- PT Pohon Emas Lestari - Purchase of fresh fruit bunch	3,262
- Nationwide Express - Delivery services	29
- Nationwide Express - Rental income	44

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

PART B - Bursa Securities Listing Requirements

B1. Review of performance

Group Performance

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	229.06	238.55	(9.49)	(4.0)
Profit before tax	72.27	40.77	31.50	77.3

Group revenue for the second quarter ended 30 September 2018 decreased to RM229.06 million as compared to RM238.55 million recorded in the corresponding period last year. The decreased of RM9.49 million was attributed to the lower revenue generated by manufacturing and plantation division.

However, Group profit before tax ("PBT") increased by RM31.50 million to RM72.27 million as compared to the corresponding period last year, mainly due to the significant write back of impairment loss on property, plant and equipment amounting RM23.6 million pursuant to the Mahkamah Agung's decision as disclosed in Note B10(ii). In addition, higher Group PBT also contributed by strong performance by bulking and food division.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	67.30	74.71	(7.41)	(9.9)
Profit before tax	15.39	14.81	0.58	3.9

Revenue from **Manufacturing Division** decreased by 9.9% to RM67.30 million from RM74.71 million last year, primarily due to expiration of the contract to supply certain travel documents in Q1 FY2018.

Plantation Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Indonesia				
- Crude palm oil (CPO)	44.18	60.59	(16.41)	(27.1)
- Crude palm kernel oil (CPKO)	7.19	9.68	(2.49)	(25.7)
Malaysia				
- Fresh fruit bunch (FFB)	6.18	6.23	(0.05)	(0.8)
- Pineapple	1.91	1.38	0.53	38.4
Total	59.46	77.88	(18.42)	(23.7)
Profit before tax and write back*	3.81	16.43	(12.62)	(76.8)
Profit before tax	27.44	16.43	11.01	67.0

***** *The amount is before the significant write back of impairment loss on property, plant and equipment amounting to RM23.6 million pursuant to Mahkamah Agung's decision as disclosed in Note B10(ii).*

FFB produced (mt)	86,632	98,615	(11,983)	(12.2)
FFB yield/ha (mt)	9.54	11.46	(1.92)	(16.8)
Cost of FFB produced (RM/mt)	257.70	244.58	13.12	5.4
CPO produced (mt)	21,714	26,988	(5,274)	(19.5)
CPO extraction rate (%)	22.83	22.57	0.26	1.2

B1. Review of performance (cont'd.)

Plantation Division (cont'd.)

	Current YTD	Previous YTD	Variance	%
Sales Quantity (mt)				
- CPO	21,975	25,257	(3,282)	(13.0)
- CPKO	2,070	2,378	(308)	(13.0)
Average CIF selling price, net of duty (RM/mt)				
- CPO	2,010	2,376	(366)	(15.4)
- CPKO	3,476	4,069	(593)	(14.6)
Palm profiles (ha)				
- Mature	9,079.7	8,602.4		
- Immature	5,570.2	4,607.9		
Total planted area	14,649.9	13,210.3		

Revenue from **Plantation Division** decreased by 23.7% to RM59.46 million as compared to the corresponding period last year. It is primarily attributable to lower sales volume and selling price of CPO and CPKO. The division posted higher PBT of RM27.44 million, RM11.01 million higher than last year mainly due to significant write back of impairment loss on property, plant and equipment amounting RM23.6 million pursuant to Mahkamah Agung's decision as disclosed in Note B10(ii).

Our plantation estates in Malaysia which are still in the process of land development or palm planting registered a total pretax loss of RM6.12 million as compared to RM4.08 million pretax loss recorded in the corresponding period last year.

Bulking Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	37.02	22.53	14.49	64.3
Profit before tax	20.34	9.13	11.21	122.8

Bulking Division recorded an increase of RM14.49 million or 64.3% higher in revenue from RM22.53 million recorded last year. The increase was mainly due to higher revenue recorded by most of products segment. In line with the increase in revenue, the division's PBT increased by RM11.21 million to RM20.34 million.

Food Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Papua New Guinea (PNG)	59.59	57.57	2.02	3.5
Malaysia	3.16	3.18	(0.02)	(0.6)
	62.75	60.75	2.00	3.3
Profit before tax	10.08	1.44	8.64	600.0

Food Division's revenue increased to RM62.75 million compared to RM60.75 million recorded in the previous financial year. The increase in revenue was mainly due to the higher sales of tuna loin. The division's PBT increased by RM8.64 milion as compared to RM1.44 million recorded in the same period last year mainly attributable to forex gain of RM3.48 million (Q2 FY2018: Forex loss of RM2.29 million).

B2. Comparison with preceding quarter's results

Group Performance

(RM Million)	QTR 2 FY 2019	QTR 1 FY 2019	Variance	%
Revenue	133.48	95.58	37.90	39.7
Profit before tax	56.51	15.76	40.75	258.6

The Group's revenue increased by RM37.90 million to RM133.48 million as compared to the preceding quarter, as a result of higher revenue recorded by most of the divisions.

In line with higher revenue registered in the current quarter, Group PBT increased by RM40.75 million to RM56.51 million as compared to RM15.76 million recorded in the preceding quarter.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	QTR 2 FY 2019	QTR 1 FY 2019	Variance	%
Revenue	36.44	30.86	5.58	18.1
Profit before tax	10.98	4.41	6.57	149.0

Manufacturing Division's revenue increased by RM5.58 million or 18.1% in the current quarter as compared to the preceding quarter. The improvement was mainly due to increased volume from confidential documents. On the back of higher revenue, coupled with more favourable sales mix and higher write back of inventories and reversal of provision for warranty by RM1.8 million, PBT has also increased from RM4.41 million in preceding quarter to RM10.98 million in current quarter.

Plantation Division

(RM Million)	QTR 2 FY 2019	QTR 1 FY 2019	Variance	%
Revenue				
Indonesia				
- CPO	25.24	18.94	6.30	33.3
- CPKO	7.19	-	7.19	-
Malaysia				
- Fresh fruit bunch	3.78	2.39	1.39	58.2
- Pineapple	0.91	1.00	(0.09)	(9.0)
Total	37.12	22.33	14.79	66.2
Profit before tax and write back*	2.89	0.92	1.97	214.1
Profit before tax	26.52	0.92	25.60	2,782.6

* *The amount is before the significant write back of impairment loss on property, plant and equipment amounting to RM23.6 million pursuant to Mahkamah Agung's decision as disclosed in Note B10(ii).*

	QTR 2 FY 2019	QTR 1 FY 2019	Variance	%
CPO produced (mt)	11,572	10,142	1,430	14.1
Sales Quantity (mt)				
- CPO	12,963	9,012	3,951	43.8
- CPKO	2,070	-	2,070	100.0
Average CIF selling price, net of duty (RM/mt)				
- CPO	1,947	2,102	(155)	(7.4)
- CPKO	3,476	-	3,476	100.0

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

Plantation Division (cont'd.)

Plantation Division's revenue for the quarter increased by RM14.79 million, higher than the preceding quarter due to higher sales volume of CPO and CPKO. As a results of higher revenue, PBT increased by RM25.60 million as compared to the preceding quarter following to the significant write back of impairment loss on property, plant and equipment amounting RM23.6 million, pursuant to Mahkamah Agung's decision as disclosed in Note B10(ii).

Bulking Division

(RM Million)	QTR 2 FY 2019	QTR 1 FY 2019	Variance	%
Revenue	20.72	16.30	4.42	27.1
Profit before tax	11.25	9.09	2.16	23.8

Revenue from **Bulking Division** of RM20.72 million was 27.1% higher than the preceding quarter, mainly contributed by edible oil segment. In line with increase in revenue, PBT has also increased by 23.8% or RM2.16 million as compared to the preceding quarter.

Food Division

(RM Million)	QTR 2 FY 2019	QTR 1 FY 2019	Variance	%
Revenue				
PNG	36.41	23.18	13.23	57.1
Malaysia	1.50	1.66	(0.16)	(9.6)
	37.91	24.84	13.07	52.6
Profit before tax	8.50	1.58	6.92	438.0

Revenue from **Food Division** increased by RM13.07 million or 52.6% to RM37.91 million as compared to the preceding quarter due to higher sales volume of canned tuna and tuna loin. On the back of higher revenue, the division registered an improvement in PBT by RM6.92 million as compared to preceding quarter, mainly attributed to the forex gain of RM3.53 million recognised in the current quarter.

B3. Prospects

The Board recognises the challenges ahead faced by **Manufacturing Division** following the expiration of a supply contract for 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. The overall performance of the oil palm production and processing is very much influenced by the direction of palm oil prices and our estates' yield. Nevertheless, we will remain focus in improving our efficiency and productivity in oil palm plantation operation and optimising production cost.

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.

B3. Prospects (cont'd.)

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 30-9-2018 RM'000	Current year to date 30-9-2018 RM'000
Current taxation	7,769	10,932

The effective tax rate on the Group's profit to date is lower than the statutory tax rate mainly due to write back of impairment loss on property, plant and equipment which is not subject to tax.

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**
There are no corporate proposals announced but not completed at the date of this report.

(b) **Utilisation of proceeds raised from any corporate proposal**
Not applicable.

B9. Borrowings and debt securities

	As at 30-9-2018 RM'000	As at 31-3-2018 RM'000
Secured:		
Non-current		
*Obligations under finance leases	15,289	15,588
Current		
*Obligations under finance leases	611	611
Bankers' acceptance	10,341	8,419
Short term revolving credit	25,000	25,000
	35,952	34,030
	51,241	49,618

B9. Borrowings and debt securities (cont'd.)

* 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, Daerah 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

Except for the following, there were no other changes in material litigation since the date of the last annual statement of financial position:

(i) On 30 July 2018, a subsidiary, Fima Corporation Berhad ("FimaCorp") announced that its wholly owned subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. ("the Plaintiff"), has on the same day, commenced a High Court action against Datasonic Technologies Sdn. Bhd. ("the Defendant").

The claim is for a sum of RM24,975,000.00 (excluding interest and cost) ("Outstanding Amount"), being the amount due and owing by the Defendant to the Plaintiff for 1.5 million Malaysian passport booklets which were supplied by the Plaintiff to the Defendant.

At the request of the Defendant during the case management on 3 October 2018, the Plaintiff agreed to attempt mediation with the aim of arriving at an amicable resolution. The mediation took place on 17 October 2018 and 19 October 2018. However, the parties could not reach a resolution.

The next case management has been fixed on 7 December 2018.

This civil suit is not expected to give significant impact on the financial and operational position of the Company.

(ii) On 21 October 2016, 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.

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 foresty 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 interverner, PT Adindo Hutani Lestari, have filed a defence against the said suit.

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

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 and appeal to the Pengadilan Tinggi Tata Usaha Negara Jakarta to appeal against the decision of the State Adminstrative 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 FimaCorp on 3 January 2018):

(a) has partly allowed PTNJL's appeal against the State Administrative Court's decision, with costs;

(b) 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

(c) has ordered the Defendant to revoke the Ministerial Order save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares.

Pursuant to Pengadilan Tinggi Tata Usaha Negara Jakarta's decision dated 11 December 2017, PTNJL has filed its statement of appeal on 10 January 2018 and appeal on 23 January 2018 to the Mahkamah Agung Republik Indonesia ("Mahkamah Agung") in respect of the decision of the Pengadilan Tinggi Tata Usaha Negara Jakarta.

Mahkamah Agung, vide its written decision dated 21 August 2018, has allowed PTNJL's appeal and ruled that the Ministerial Order revoking PTNJL's HGU be annulled. The Mahkamah Agung also ordered the Defendant, to simultaneously:

(a) issue an order cancelling PTNJL's HGU rights over the areas overlapping with third party interests measuring 3,500 hectares; and

(b) issue a new HGU certificate in favour of PTNJL for an area measuring 16,474.130 hectares, (which is 19,974.130 hectares less the 3,500 hectares referred to above).

In the circumstances, PTNJL will proceed to take the necessary legal steps to enforce the court's decision.

The amount of write back relating to the impairment of property, plant and equipment previously affected by the Ministerial Order is RM23,631,000 and reflected in the current quarter results.

(iii) 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 to the High Court for a full trial. There has been no development since 27 September 2011.

B11. Dividend

For the current quarter under review, no dividend has been proposed and declared (preceding year corresponding period: nil).

B12. Earnings per share

The basic earnings per share are calculated as follows:

	Quarter ended		Cumulative quarter ended	
	30-9-2018	30-9-2017 (Restated)	30-9-2018	30-9-2017 (Restated)
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	32,045	11,710	42,383	16,075
Weighted average number of ordinary shares in issues ('000)	281,762	282,232	281,762	282,232
Basic/diluted earnings per share (sen)	11.37	4.15	15.04	5.70

By order of the Board

FADZIL BIN AZAHA (MIA20995)
JASMIN BINTI HOOD (LS0009071)
Company Secretaries

Kuala Lumpur
Dated : 27 November 2018