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

Condensed Consolidated Financial Statements
For the First Quarter Ended
30 June 2019

KUMPULAN FIMA BERHAD (11817-V)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FISRT QUARTER ENDED 30 JUNE 2019
(THE FIGURES HAVE NOT BEEN AUDITED)

		Current quarter		3 months cumulative	
	Note	Current year quarter 30-6-2019 RM'000	Preceding year corresponding quarter 30-6-2018 RM'000	Current year to date 30-6-2019 RM'000	Preceding year corresponding period 30-6-2018 RM'000
Revenue	A9	114,753	95,579	114,753	95,579
Cost of sales		(72,953)	(56,305)	(72,953)	(56,305)
Gross profit		**41,800**	**39,274**	**41,800**	**39,274**
Other income		2,446	1,718	2,446	1,718
Other items of expense					
Administrative expenses		(18,894)	(17,374)	(18,894)	(17,374)
Selling and marketing expenses		(1,941)	(1,628)	(1,941)	(1,628)
Other operating expenses		(7,558)	(6,095)	(7,558)	(6,095)
		(28,393)	(25,097)	(28,393)	(25,097)
Finance costs		(927)	(366)	(927)	(366)
Share of results of associates		525	230	525	230
Profit before tax	A9/A10	**15,451**	**15,759**	**15,451**	**15,759**
Income tax expense	B5	(4,177)	(3,163)	(4,177)	(3,163)
Profit net of tax		11,274	12,596	11,274	12,596
Other comprehensive income					
Foreign currency translation differences for foreign operations		2,715	2,929	2,715	2,929
Total comprehensive income for the period		13,989	15,525	13,989	15,525
Profit attributable to :					
Equity holders of the Company		10,112	10,338	10,112	10,338
Non-controlling interests		1,162	2,258	1,162	2,258
Profit for the period		11,274	12,596	11,274	12,596
Total comprehensive income attributable to :					
Equity holders of the Company		12,409	12,860	12,409	12,860
Non-controlling interests		1,580	2,665	1,580	2,665
Total comprehensive income for the period		13,989	15,525	13,989	15,525
Earnings per share attributable to equity holders of the Company :					
Basic/diluted earnings per share (sen)	B12	3.59	3.67	3.59	3.67

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2019 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 JUNE 2019

	As at 30-6-2019 RM'000	As at 31-3-2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	551,413	548,078
Right-of-use assets	30,851	-
Investment properties	64,782	65,191
Investment in associates	31,799	31,274
Deferred tax assets	10,348	11,207
Goodwill on consolidation	12,710	12,710
	701,903	668,460
Current assets		
Inventories	113,619	104,669
Biological assets	4,355	4,504
Trade receivables	130,057	129,159
Other receivables	50,417	36,789
Short term cash investments	165,243	148,122
Cash and bank balances	118,747	142,196
	582,438	565,439
TOTAL ASSETS	1,284,341	1,233,899
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	311,670	311,670
Treasury shares	(1,350)	(1,143)
Other reserves	61,360	59,063
Retained earnings	443,674	433,562
	815,354	803,152
Non-controlling interests	255,169	253,807
Total equity	1,070,523	1,056,959
Non-current liabilities		
Lease obligations	37,797	14,868
Retirement benefit obligations	1,869	1,831
Deferred tax liabilities	42,080	42,031
	81,746	58,730
Current liabilities		
Lease obligations	8,629	643
Short term borrowings	36,758	34,506
Trade and other payables	68,337	64,360
Provisions	10,808	11,312
Tax payable	7,540	7,389
	132,072	118,210
Total liabilities	213,818	176,940
TOTAL EQUITY AND LIABILITIES	1,284,341	1,233,899
Net assets per share (RM)	2.89	2.85

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2019 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 FIRST QUARTER ENDED 30 JUNE 2019

	Attributable to equity holders of the Company										
	Non-distributable							*Distributable*			
	Share capital	Treasury shares	Other reserves	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiary	Foreign exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2019	311,670	(1,143)	59,063	-	437	66,459	(7,833)	433,562	803,152	253,807	1,056,959
Total comprehensive income for the period	-	-	2,297	-	-	-	2,297	10,112	12,409	1,580	13,989
Transactions with owners											
Purchase of treasury shares	-	(207)	-	-	-	-	-	-	(207)	(218)	(425)
Total transaction with owners	-	(207)	-	-	-	-	-	-	(207)	(218)	(425)
At 30 June 2019	311,670	(1,350)	61,360	-	437	66,459	(5,536)	443,674	815,354	255,169	1,070,523
At 1 April 2018	311,670	(440)	44,858	-	437	66,459	(22,038)	398,993	755,081	244,844	999,925
Total comprehensive income for the period	-	-	2,522	-	-	-	2,522	10,338	12,860	2,665	15,525
Transactions with owners											
Purchase of treasury shares	-	(349)	-	-	-	-	-	-	(349)	(920)	(1,269)
Total transaction with owners	-	(349)	-	-	-	-	-	-	(349)	(920)	(1,269)
As 30 June 2018	311,670	(789)	47,380	-	437	66,459	(19,516)	409,331	767,592	246,589	1,014,181

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2019 and the accompanying explanatory notes attached to the interim financial statements).

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2019

	3 months ended 30-6-2019 RM'000	3 months ended 30-6-2018 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,451	15,759
Adjustments for:		
Depreciation of investment properties	409	408
Depreciation for property, plant and equipment	5,638	5,503
Depreciation of right-of-use assets	2,818	-
Fair value changes on biological assets	149	474
Impairment loss/(write back) on trade and other receivables	521	(816)
Interest expense	927	366
Interest income	(2,114)	(1,578)
Net provision for retirement benefit obligation	10	(5)
Net reversal of provision for warranty	(504)	(355)
Net unrealised forex gain	(753)	(1,094)
Net gain on disposal of property, plant and equipment	(56)	-
Share of results of associates	(525)	(230)
Write down of inventories	1,064	106
Operating profit before working capital changes	23,035	18,538
Increase in inventories	(10,014)	(25,382)
(Increase)/decrease in receivables	(15,019)	7,034
Increase in payables	4,290	14,081
Cash generated from operations	2,292	14,271
Interest paid	(927)	(366)
Taxes paid	(3,431)	(1,718)
Retirement benefits paid	-	(21)
Net cash (used in)/generated from operating activities	(2,066)	12,166
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	95	1,395
Purchase of property, plant and equipment	(9,012)	(9,913)
Acquisition of treasury shares	(207)	(349)
Interest income received	2,114	1,578
Net placement of short term cash investments	(17,121)	(57,769)
Net cash used in investing activities	(24,131)	(65,058)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown/(repayment) of borrowings	2,252	(5,797)
Repayment of lease obligations	(2,304)	(200)
Net cash used in financing activities	(52)	(5,997)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(26,249)	(58,889)
EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	2,800	2,034
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	142,196	235,297
CASH AND CASH EQUIVALENTS AT END OF PERIOD	118,747	178,442
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	49,927	110,794
Fixed deposits with financial institutions	68,820	67,648
	118,747	178,442

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2019 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 2019. 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 2019.

A2. Changes in accounting policies

(a) Adoption of MFRSs, amendments to MFRSs and IC Interpretation

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 March 2019 except for the adoption of the following new and revised Malaysian Financial Reporting Standards ("MFRSs"), Amendments to MFRSs and IC Interpretations.

On 1 April 2019, the Group adopted the following new and amended MFRSs and IC Interpretation:

- MFRS 16: Leases
- Amendments to MFRS 9: Prepayment feature with compensation
- Amendments to MFRS 119: Plan amendment, curtailment or settlement
- Amendments to MFRS 128: Long term interest in associates and joint ventures
- Annual Improvements to MFRS Standards 2015 - 2017 Cycle
- IC Interpretation 23: Uncertainty over income tax treatments

The adoption of the above standards and interpretation did not have a significant impact on the financial statements in the period of initial application except as discussed below:

MFRS 16: Leases

MFRS 16 replaced MFRS 117: Leases, IC Interpretation 4: Determining whether an Arrangement contains a Lease, IC Interpretation 115: Operating Lease-Incentives and IC Interpretation 127: Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee recognised a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Leases are required to recognise interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors continued to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

The standard affected primarily the accounting for the Group's non-cancellable operating leases. The Group recognised right-of-use assets and corresponding liabilities by applying the modified retrospective approach and not restate comparative amounts for the year prior to initial adoption. Right-of-use assets is measured at an amount equal to the lease liability amount on the date of transition.

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

(a) Adoption of MFRSs, amendments to MFRSs and IC Interpretation (cont'd.)

MFRS 16: Leases (cont'd.)

In summary, upon the adoption of MFRS 16, the Group recognised the following balances as at 1 April 2019:

	Assets/ (Liabilities) RM'000
Right-of-use assets	33,669
Lease liabilities	(33,669)

In the statement of profit and loss, expenses which were previously recognised as lease expenses in the cost of sales are now replaced by interest expense on lease liabilities (included within the finance costs line) and depreciation of right-of use assets. In the statement of cash flow, lease payments for the principal portion are now classified under financing activities compared to operating activities in the past.

(b) 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**
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 108: Definition of Material	1 January 2020
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

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.

A3. Auditors' report on preceding annual financial statements

The financial statements of the Group for the financial year ended 31 March 2019 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 in 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 repurchased 124,100 of its issued ordinary shares from open market at an average price of RM1.66. The total transaction paid for the repurchase including transaction costs was RM207,000. Of the total 282,231,600 issued ordinary shares, 886,500 shares are held as treasury shares by the Company.

A8. Dividend paid

There were no dividends paid in the current quarter (preceding year corresponding period: nil).

A9. Segmental information

(i) Segmental revenue and results for business segments

	Quarter ended		3 months cumulative	
	30-6-2019	30-6-2018	30-6-2019	30-6-2018
Revenue	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Manufacturing*	30,179	30,859	30,179	30,859
Plantation	27,793	22,333	27,793	22,333
Bulking	20,299	16,303	20,299	16,303
Food	35,274	24,839	35,274	24,839
Others	6,163	4,064	6,163	4,064
	119,708	98,398	119,708	98,398
Eliminations	(4,955)	(2,819)	(4,955)	(2,819)
	114,753	95,579	114,753	95,579
Profit before tax				
Manufacturing*	4,440	4,087	4,440	4,087
Plantation	(1,878)	915	(1,878)	915
Bulking	10,550	9,094	10,550	9,094
Food	4,388	1,580	4,388	1,580
Others	(2,574)	(147)	(2,574)	(147)
	14,926	15,529	14,926	15,529
Associated companies	525	230	525	230
	15,451	15,759	15,451	15,759

* Production and trading of security documents.

A9. Segmental information (cont'd.)

(ii) Geographical segments

	Quarter ended		3 months cumulative	
	30-6-2019	30-6-2018	30-6-2019	30-6-2018
Revenue	RM'000	RM'000	RM'000	RM'000
Malaysia	62,223	56,281	62,223	56,281
Indonesia	23,670	18,942	23,670	18,942
Papua New Guinea	33,815	23,175	33,815	23,175
	119,708	98,398	119,708	98,398
Eliminations	(4,955)	(2,819)	(4,955)	(2,819)
	114,753	95,579	114,753	95,579
Profit before tax				
Malaysia	8,108	8,522	8,108	8,522
Indonesia	2,528	5,692	2,528	5,692
Papua New Guinea	4,290	1,315	4,290	1,315
	14,926	15,529	14,926	15,529
Associated companies	525	230	525	230
	15,451	15,759	15,451	15,759

	3 months cumulative			
Assets and liabilities	Current year to date 30-6-2019		Preceding year corresponding period 30-6-2018	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,259,726	202,224	1,207,926	250,774
Indonesia	104,037	16,604	94,219	18,139
Papua New Guinea	135,939	60,402	156,467	65,985
	1,499,702	279,230	1,458,612	334,898
Eliminations	(215,361)	(65,412)	(263,353)	(155,397)
	1,284,341	213,818	1,195,259	179,501

A10. Profit before tax

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

	Quarter ended		3 months cumulative	
	30-6-2019	30-6-2018	30-6-2019	30-6-2018
Other income	RM'000	RM'000	RM'000	RM'000
Interest income	2,114	1,578	2,114	1,578
Operating expenses				
Depreciation	8,865	5,911	8,865	5,911
Interest expense	927	366	927	366
Unrealised foreign exchange gain	(753)	(1,094)	(753)	(1,094)
Realised forex exchange (gain)/loss	(429)	570	(429)	570
Impairment loss/(write back) on trade and other receivables	521	(816)	521	(816)
Net gain on disposal of property, plant and equipment	(56)	-	(56)	-
Fair value changes on biological assets	149	474	149	474
Net provision for/(reversal of) retirement benefit obligations	10	(5)	10	(5)
Reversal of provision for warranty	(504)	(355)	(504)	(355)
Inventories written down	1,064	106	1,064	106

A11. Subsequent events

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

A12. Inventories

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

A13. 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.

A14. Changes in contingent liabilities

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

A15. 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 machinery	2,454
Land and buildings	235
Equipment, furniture and fittings and motor vehicles	1,242
Bearer plants and infrastructure	3,534
Work in progress	1,547
	9,012

A16. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 June 2019 were as follows:

	Current year to date
	RM'000
Property, plant and equipment	
- Approved and contracted for	3,246

A17. 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	213
Advisory services rendered by corporate shareholder	
- BHR Enterprise Sdn. Bhd.	30
Transactions with subsidiaries	
- Fima Instanco Sdn. Bhd. - Rental income	45
Transactions with related parties*	
- PT Pohon Emas Lestari - Purchase of fresh fruit bunch	1,361
- Nationwide Express Courier Services Berhad - Delivery services	27
- Nationwide Express Courier Services Berhad - Rental income	22

*Related parties by virture 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	114.75	95.58	19.17	20.1
Profit before tax	15.45	15.76	(0.31)	(2.0)

Group revenue for the first quarter ended 30 June 2019 increased to RM114.75 million as compared to RM95.58 million recorded in the corresponding period last year. The increase of RM19.17 million was attributed to the higher revenue generated by food, plantation and bulking division.

However, Group profit before tax ("PBT") has slightly decreased by RM0.31 million or 2.0% to RM15.45 million as compared to the corresponding period last year.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	30.18	30.86	(0.68)	(2.2)
Profit before tax	4.44	4.09	0.35	8.6

Revenue from **Manufacturing Division** has slightly decreased by 2.2% to RM30.18 million from RM30.86 million last year. However, the division recorded a marginal increase in PBT by RM0.35 million or 8.6% from RM4.09 million last year.

Plantation Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Indonesia				
- Crude palm oil (CPO)	23.66	18.94	4.72	24.9
Malaysia				
- Fresh fruit bunch (FFB)	3.51	2.39	1.12	46.9
- Pineapple	0.62	1.00	(0.38)	(38.0)
Total	27.79	22.33	5.46	24.5
(Loss)/Profit before tax	(1.88)	0.92	(2.80)	(304.3)

FFB produced (mt)	44,803	38,980	5,823	14.9
FFB yield/ha (mt)	4.34	4.71	(0.37)	(7.8)
Cost of FFB produced (RM/mt)	337.58	226.61	110.97	49.0
CPO produced (mt)	10,249	10,142	107	1.1
CPO extraction rate (%)	22.01	22.50	(0.49)	(2.2)

B1. Review of performance (cont'd.)

Plantation Division (cont'd.)

	Current YTD	Previous YTD	Variance	%
Sales Quantity (mt)				
- CPO	12,037	9,012	3,025	33.6
Average CIF selling price, net of duty (RM/mt)				
- CPO	1,966	2,102	(136)	(6.5)
Palm profiles (ha)				
- Mature	10,315.1	8,275.5		
- Immature	4,233.3	5,065.1		
- Rehab	-	566.2		
Total planted area	14,548.4	13,906.8		

Revenue from **Plantation Division** increased by 24.5% to RM27.79 million as compared to the corresponding period last year attributable to higher sales volume of CPO and production of FFB. However, the division has recorded loss before tax of RM1.88 million as compared to same period last year, mainly due to higher manuring cost incurred by its Indonesian subsidiary.

Our plantation estates in Malaysia which are newly matured and still in the process of land development or palm planting registered a total pretax loss of RM3.57 million as compared to RM2.88 million pretax loss recorded in the corresponding period last year.

Bulking Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	20.30	16.30	4.00	24.5
Profit before tax	10.55	9.09	1.46	16.1

Bulking Division recorded an increase of RM4.00 million or 24.5% higher in revenue from RM16.3 million recorded last year. The increase was mainly due to higher revenue recorded by edible oil and industrial chemicals product. In line with the increase in revenue, the division's PBT increased by RM1.46 million to RM10.55 million as compared to the same corresponding period last year.

Food Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Papua New Guinea (PNG)	33.82	23.18	10.64	45.9
Malaysia	1.45	1.66	(0.21)	(12.7)
	35.27	24.84	10.43	42.0
Profit before tax	4.39	1.58	2.81	177.8

Food Division's revenue increased to RM35.27 million as compared to RM24.84 million recorded in the previous financial period. The increase in revenue was mainly due to higher sales of tuna and mackerel products. On the back of higher revenue, the division's PBT has increased to RM4.39 million as compared to RM1.58 million recorded in the same period last year.

B2. Comparison with preceding quarter's results

Group Performance

(RM Million)	QTR 1 FY 2020	QTR 4 FY 2019	Variance	%
Revenue	114.75	135.08	(20.33)	(15.1)
Profit before tax	15.45	15.37	0.08	0.5

The Group revenue decreased by RM20.33 million to RM114.75 million as compared to the preceding quarter, as a result of lower revenue recorded by all four main divisions.

However, the Group PBT recorded a marginal increase by RM0.08 million to RM15.45 million as compared to RM15.37 million recorded in the preceding quarter.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	QTR 1 FY 2020	QTR 4 FY 2019	Variance	%
Revenue	30.18	32.92	(2.74)	(8.3)
Profit before tax	4.44	6.07	(1.63)	(26.9)

Manufacturing Division's revenue decreased by RM2.74 million or 8.3% in the current quarter as compared to the preceding quarter. The decline was mainly due to decrease volume of certain travel documents. On the back of lower revenue coupled with additional inventories written down, PBT has also decreased to RM4.44 million in current quarter.

Plantation Division

(RM Million)	QTR 1 FY 2020	QTR 4 FY 2019	Variance	%
Revenue				
Indonesia				
- CPO	23.66	31.28	(7.62)	(24.4)
- CPKO	-	2.56	(2.56)	(100.0)
Malaysia				
- Fresh fruit bunch	3.51	3.05	0.46	15.1
- Pineapple	0.62	0.67	(0.05)	(7.5)
Total	27.79	37.56	(9.77)	(26.0)
Loss before tax	(1.88)	(0.12)	(1.76)	(1,466.7)
CPO produced (mt)	10,249	12,268	(2,019)	(16.5)
Sales Quantity (mt)				
- CPO	12,037	16,956	(4,919)	(29.0)
- CPKO	-	977	(977)	(100.0)
Average CIF selling price, net of duty (RM/mt)				
- CPO	1,966	1,845	121	6.6
- CPKO	-	2,619	(2,619)	(100.0)

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

Plantation Division (cont'd.)

Plantation Division's revenue for the quarter decreased by RM9.77 million or 26.0%, as compared to the preceding quarter mainly due to lower sales volume of CPO and CPKO. In line with decrease in revenue, the division recorded lower PBT by RM1.76 million during the quarter.

Bulking Division

(RM Million)	QTR 1 FY 2020	QTR 4 FY 2019	Variance	%
Revenue	20.30	21.88	(1.58)	(7.2)
Profit before tax	10.55	10.72	(0.17)	(1.6)

Revenue from **Bulking Division** of RM20.30 million was slightly lower by 7.2% or RM1.58 million as compared to the preceding quarter mainly due to lower contribution from edible oil segment. In line with lower revenue, PBT has recorded a marginal decrease by RM0.17 million to RM10.55 million as compared to the preceding quarter.

Food Division

(RM Million)	QTR 1 FY 2020	QTR 4 FY 2019	Variance	%
Revenue				
PNG	33.82	40.15	(6.33)	(15.8)
Malaysia	1.45	1.45	0.00	0.0
	35.27	41.60	(6.33)	(15.2)
Profit/(Loss) before tax	4.39	(0.59)	4.98	844.1

Revenue from **Food Division** has decreased by RM6.33 million or 15.2% to RM35.27 million as compared to the preceding quarter due to lower sales volume of mackerel and tuna products. Despite of this, the division registered an improvement in PBT by RM4.98 million as compared to preceding quarter, mainly attributable to forex gain of RM1.03 million (Q4 FY2019: Forex loss of RM2.03 million).

B3. Prospects

Manufacturing Division - 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 focused in improving our efficiency and productivity in oil palm plantation operation and optimising production cost.

Bulking Division - The demand for storage is expected to be satisfactory. 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 30-6-2019 RM'000	Current year to date 30-6-2019 RM'000
Current taxation	4,177	4,177

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.

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 30-6-2019 RM'000	As at 31-3-2019 RM'000
Secured:		
Non-current		
Obligations under finance leases*	14,703	14,868
Obligations under operating leases	23,094	-
	37,797	14,868
Current		
Obligations under finance leases*	643	643
Obligations under operating leases	7,986	-
Bankers' acceptance	6,758	4,506
Short term revolving credit	30,000	30,000
	45,387	35,149
	83,184	50,017

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, 19 October 2018 and 1 March 2019. However, the parties could not reach a resolution.

The next case management has been fixed for 26 November 2019. The matter has been fixed for trial from 21 January 2020 until 24 January 2020.

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.

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.

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

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 in paragraph (a) above).

PTNJL is currently taking 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 previous financial year.

On 20 February 2019, FimaCorp announced that PTNJL has received notice that the Defendant has filed an application for judicial review together with its judicial review memorandum at the Mahkamah Agung on 8 February 2019. The Defendant is seeking to set aside the Mahkamah Agung's written decision dated 21 August 2018 on grounds that the court had among others misapplied the law to the relevant facts in arriving at the decision. PTNJL has on 18 March 2019 filed a counter memorandum at the Mahkamah Agung in response to the said application.

Under Indonesian laws and regulations, commencement of judicial review proceedings does not prevent the implementation of the Mahkamah Agung's written decision as aforesaid.

(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	
	30-6-2019	**30-6-2018**	**30-6-2019**	**30-6-2018**
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	10,112	10,338	10,112	10,338
Weighted average number of ordinary shares in issues ('000)	281,450	281,821	281,450	281,821
Basic/diluted earnings per share (sen)	3.59	3.67	3.59	3.67

By order of the Board

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

Kuala Lumpur
Dated : 27 August 2019