



KUMPULAN FIMA BERHAD (197201000167)(11817-V)
(Incorporated in Malaysia)

Condensed Consolidated Financial Statements
For the Fourth Quarter Ended and Financial Year Ended
31 March 2020

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2020
(THE FIGURES HAVE NOT BEEN AUDITED)**

| | Note | Current quarter | | 12 months cumulative | |
|---|--------|---------------------------------------|--|---------------------------------------|---|
| | | Current year quarter 31-03-2020 | Preceding year corresponding quarter 31-03-2019 | Current year to date 31-03-2020 | Preceding year corresponding period 31-03-2019 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | A9 | 121,766 | 135,075 | 500,901 | 469,473 |
| Cost of sales | | (73,570) | (84,069) | (326,631) | (278,854) |
| Gross profit | | 48,196 | 51,006 | 174,270 | 190,619 |
| Other income | | 2,671 | 3,032 | 11,798 | 9,762 |
| Other items of expense | | | | | |
| Administrative expenses | | (21,020) | (26,833) | (81,260) | (76,760) |
| Selling and marketing expenses | | (6,350) | (7,098) | (12,724) | (12,283) |
| Other operating expenses | | (72) | (5,109) | (19,939) | (19,089) |
| (Impairment)/writeback of impairment on property, plant and equipment | | (17,791) | - | (17,791) | 23,631 |
| | | (45,233) | (39,040) | (131,714) | (84,501) |
| Finance costs | | (1,911) | (553) | (4,486) | (1,925) |
| Share of results of associates | | 371 | 920 | 1,963 | 930 |
| Profit before tax | A9/A10 | 4,094 | 15,365 | 51,831 | 114,885 |
| Income tax expense | B5 | (9,538) | (10,705) | (24,846) | (29,677) |
| Profit net of tax | | (5,444) | 4,660 | 26,985 | 85,208 |
| Other comprehensive income | | | | | |
| Foreign currency translation differences for foreign operations | | (7,263) | 10,699 | (5,427) | 14,857 |
| Remeasurement of defined benefit liability | | (151) | 82 | (151) | 82 |
| Total comprehensive income for the period/year | | (12,858) | 15,441 | 21,407 | 100,147 |
| Profit attributable to : | | | | | |
| Equity holders of the Company | | (811) | 3,257 | 28,527 | 59,840 |
| Non-controlling interests | | (4,633) | 1,403 | (1,542) | 25,368 |
| Profit for the period/year | | (5,444) | 4,660 | 26,985 | 85,208 |
| Total comprehensive income attributable to : | | | | | |
| Equity holders of the Company | | (6,106) | 14,023 | 24,544 | 74,127 |
| Non-controlling interests | | (6,752) | 1,418 | (3,137) | 26,020 |
| Total comprehensive income for the period/year | | (12,858) | 15,441 | 21,407 | 100,147 |
| Earnings per share attributable to equity holders of the Company : | | | | | |
| Basic/diluted earnings per share (sen) | B12 | (0.29) | 1.16 | 10.15 | 21.25 |

(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).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

| | As at 31-03-2020 | As at 31-3-2019 |
|---|-----------------------------|----------------------------|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 533,904 | 548,078 |
| Right-of-use assets | 43,255 | - |
| Investment properties | 63,554 | 65,191 |
| Investment in associates | 33,237 | 31,274 |
| Deferred tax assets | 9,029 | 11,207 |
| Goodwill on consolidation | 12,710 | 12,710 |
| | <u>695,689</u> | <u>668,460</u> |
| Current assets | | |
| Inventories | 77,480 | 104,669 |
| Biological assets | 6,865 | 4,504 |
| Trade receivables | 141,128 | 129,159 |
| Other receivables | 41,299 | 36,789 |
| Short term cash investments | 171,591 | 148,122 |
| Cash and bank balances | 124,329 | 142,196 |
| | <u>562,692</u> | <u>565,439</u> |
| TOTAL ASSETS | <u>1,258,381</u> | <u>1,233,899</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 311,670 | 311,670 |
| Treasury shares | (2,972) | (1,143) |
| Other reserves | 55,202 | 59,063 |
| Retained earnings | 436,672 | 433,562 |
| | <u>800,572</u> | <u>803,152</u> |
| Non-controlling interests | 237,635 | 253,807 |
| Total equity | <u>1,038,207</u> | <u>1,056,959</u> |
| Non-current liabilities | | |
| Lease obligations | 51,056 | 14,868 |
| Retirement benefit obligations | 2,073 | 1,831 |
| Deferred tax liabilities | 43,539 | 42,031 |
| | <u>96,668</u> | <u>58,730</u> |
| Current liabilities | | |
| Lease obligations | 9,381 | 643 |
| Short term borrowings | 33,490 | 34,506 |
| Trade and other payables | 66,302 | 64,360 |
| Provisions | 10,198 | 11,312 |
| Tax payable | 4,135 | 7,389 |
| | <u>123,506</u> | <u>118,210</u> |
| Total liabilities | <u>220,174</u> | <u>176,940</u> |
| TOTAL EQUITY AND LIABILITIES | <u>1,258,381</u> | <u>1,233,899</u> |
| | | |
| Net assets per share (RM) | <u>2.84</u> | <u>2.85</u> |

(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).

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

| Group | Attributable to equity holders of the Company | | | | | | | | | | |
|--|---|-----------------|----------------|---------------------|-----------------|--|--------------------------|-------------------|----------|---------------------------|--------------|
| | Share capital | Treasury shares | Other reserves | Non-distributable | | | | Distributable | | | |
| | RM'000 | RM'000 | RM'000 | Revaluation reserve | Capital reserve | Capital reserve arising from bonus issue in subsidiary | 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 |
| 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 year | - | - | (3,861) | - | - | - | (3,861) | 28,405 | 24,544 | (3,137) | 21,407 |
| Transactions with owners | | | | | | | | | | | |
| Dividend | - | - | - | - | - | - | - | (25,295) | (25,295) | - | (25,295) |
| Dividend paid to minority shareholders of a subsidiary | - | - | - | - | - | - | - | - | - | (11,560) | (11,560) |
| Purchase of treasury shares | - | (1,829) | - | - | - | - | - | - | (1,829) | (1,475) | (3,304) |
| Total transaction with owners | - | (1,829) | - | - | - | - | - | (25,295) | (27,124) | (13,035) | (40,159) |
| At 31 March 2020 | 311,670 | (2,972) | 55,202 | - | 437 | 66,459 | (11,694) | 436,672 | 800,572 | 237,635 | 1,038,207 |
| At 1 April 2018, as previously stated | 311,670 | (440) | 119,616 | 81,848 | 437 | 66,459 | (29,128) | 322,333 | 753,179 | 244,415 | 997,594 |
| Effect from adoption of MFRS | - | - | (74,758) | (81,848) | - | - | 7,090 | 76,660 | 1,902 | 429 | 2,331 |
| At 1 April 2018, restated | 311,670 | (440) | 44,858 | - | 437 | 66,459 | (22,038) | 398,993 | 755,081 | 244,844 | 999,925 |
| Total comprehensive income for the year | - | - | 14,205 | - | - | - | 14,205 | 59,922 | 74,127 | 26,020 | 100,147 |
| Transactions with owners | | | | | | | | | | | |
| Dividend | - | - | - | - | - | - | - | (25,353) | (25,353) | - | (25,353) |
| Dividend paid to minority shareholders of a subsidiary | - | - | - | - | - | - | - | - | - | (15,488) | (15,488) |
| Purchase of treasury shares | - | (703) | - | - | - | - | - | - | (703) | (1,569) | (2,272) |
| Total transaction with owners | - | (703) | - | - | - | - | - | (25,353) | (26,056) | (17,057) | (43,113) |
| At 31 March 2019 | 311,670 | (1,143) | 59,063 | - | 437 | 66,459 | (7,833) | 433,562 | 803,152 | 253,807 | 1,056,959 |

(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 FINANCIAL YEAR ENDED 31 MARCH 2020**

| | ← 12 months ended → | |
|--|---------------------|------------|
| | 31-03-2020 | 31-03-2019 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 51,831 | 114,885 |
| Adjustments for: | | |
| Depreciation of investment properties | 1,637 | 1,638 |
| Depreciation for property, plant and equipment | 26,967 | 25,417 |
| Amortisation of right-of-use assets | 11,441 | - |
| Fair value changes on biological assets | (2,559) | 744 |
| Write back of impairment on trade and other receivables | (365) | (1,518) |
| Interest expense | 4,486 | 1,925 |
| Interest income | (7,622) | (8,144) |
| Net provision for retirement benefit obligation | 273 | 240 |
| Net reversal of provision for warranty | (1,114) | (769) |
| Net unrealised forex gain | (4,655) | (4,232) |
| Net gain on disposal of property, plant and equipment | (83) | (46) |
| Share of results of associates | (1,963) | (930) |
| Write down/(back) of inventories | 909 | (810) |
| Provision for/(write back of) impairment loss on property, plant and equipment | 17,791 | (23,631) |
| Operating profit before working capital changes | 96,974 | 104,769 |
| Decrease/(increase) in inventories | 26,280 | (26,435) |
| (Increase)/decrease in receivables | (16,114) | 15 |
| Increase/(decrease) in payables | 1,942 | (1,371) |
| Cash generated from operations | 109,082 | 76,978 |
| Interest paid | (4,486) | (1,925) |
| Taxes paid | (24,413) | (22,132) |
| Retirement benefits paid | (68) | (141) |
| Net cash generated from operating activities | 80,115 | 52,780 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from disposal of property, plant and equipment | 2,590 | 72 |
| Purchase of property, plant and equipment | (32,567) | (40,467) |
| Net dividend received from an associated company | - | 13,303 |
| Acquisition of treasury shares | (1,829) | (703) |
| Interest income received | 7,622 | 8,144 |
| Net placement of short term cash investments | (23,469) | (96,236) |
| Net cash used in investing activities | (47,653) | (115,887) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net (repayment)/drawdown of borrowings | (1,016) | 1,087 |
| Repayment of lease obligations | (12,522) | (865) |
| Dividend paid | (25,295) | (25,353) |
| Dividend paid by a subsidiary to non-controlling interests | (11,560) | (15,488) |
| Net cash used in financing activities | (50,393) | (40,619) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (17,931) | (103,726) |
| EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS | 64 | 10,625 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 142,196 | 235,297 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 124,329 | 142,196 |
| CASH AND CASH EQUIVALENTS COMPRISE: | | |
| Cash and bank balances | 94,410 | 72,781 |
| Fixed deposits with financial institutions | 29,919 | 69,415 |
| | 124,329 | 142,196 |

(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. Lessees 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 | 54,696 |
| Lease liabilities | <u>(54,696)</u> |

In the 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 flows, 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 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform | 1 January 2020 |
| Amendments to MFRS 101: Definition of Material | 1 January 2020 |
| Amendments to MFRS 101: Classification of Liabilities as Current or Non-current | 1 January 2022 |
| Amendments to MFRS 108: Definition of Material | 1 January 2020 |
| Amendments to MFRS 16: Covid-19-Related Rent Concessions | 1 June 2020 |
| MFRS 17: Insurance Contracts | 1 January 2021 |
| Amendments to MFRS 3: Reference to Conceptual Framework | 1 January 2022 |
| Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use | 1 January 2022 |
| Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract | 1 January 2022 |
| Annual improvements to MFRS 2018 - 2020 | 1 January 2022 |
| 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(2).

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 490,500 of its issued ordinary shares from open market at an average price of RM1.39. The total transaction paid for the repurchase including transaction costs was RM686,000. Of the total 282,231,600 issued ordinary shares, 1,933,000 shares are held as treasury shares by the Company.

A8. Dividend paid

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

| Final dividend | | Cumulative quarter ended | |
|----------------|---|--------------------------|------------|
| | | 31-03-2020 | 31-03-2019 |
| | | RM'000 | RM'000 |
| 2018 | 9.0% single-tier final dividend (paid on 5 October 2018) | - | 25,353 |
| 2019 | 9.0% single-tier final dividend (paid on 7 October 2019) | 25,295 | - |

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

| Revenue | Quarter ended | | 12 months cumulative | |
|----------------|---------------|------------|----------------------|------------|
| | 31-03-2020 | 31-03-2019 | 31-03-2020 | 31-03-2019 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Manufacturing* | 34,332 | 32,923 | 134,004 | 134,780 |
| Plantation | 40,567 | 37,560 | 123,382 | 118,345 |
| Bulking | 24,403 | 21,884 | 106,664 | 81,146 |
| Food | 21,168 | 41,599 | 131,691 | 130,316 |
| Others | 5,543 | 3,754 | 16,837 | 15,644 |
| | 126,013 | 137,720 | 512,578 | 480,231 |
| Eliminations | (4,247) | (2,645) | (11,677) | (10,758) |
| | 121,766 | 135,075 | 500,901 | 469,473 |

A9. Segmental information (cont'd.)
(i) Segmental revenue and results for business segments (cont'd.)

| | Quarter ended | | 12 months cumulative | |
|--------------------------|---------------|------------|----------------------|------------|
| | 31-03-2020 | 31-03-2019 | 31-03-2020 | 31-03-2019 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Profit before tax | | | | |
| Manufacturing* | 8,609 | 6,074 | 25,988 | 30,558 |
| Plantation | (13,699) | (122) | (18,434) | 32,808 |
| Bulking | 7,393 | 10,495 | 35,294 | 43,130 |
| Food | 2,932 | (588) | 14,915 | 8,331 |
| Others | (1,512) | (1,414) | (7,895) | (872) |
| | 3,723 | 14,445 | 49,868 | 113,955 |
| Associated companies | 371 | 920 | 1,963 | 930 |
| | 4,094 | 15,365 | 51,831 | 114,885 |

* Production and trading of security documents.

(ii) Geographical segments

| | Quarter ended | | 12 months cumulative | |
|--------------------------|---------------|------------|----------------------|------------|
| | 31-03-2020 | 31-03-2019 | 31-03-2020 | 31-03-2019 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | |
| Malaysia | 72,250 | 63,737 | 286,552 | 253,834 |
| Indonesia | 33,802 | 33,836 | 99,856 | 102,384 |
| Papua New Guinea | 19,961 | 40,147 | 126,170 | 124,013 |
| | 126,013 | 137,720 | 512,578 | 480,231 |
| Eliminations | (4,247) | (2,645) | (11,677) | (10,758) |
| | 121,766 | 135,075 | 500,901 | 469,473 |
| Profit before tax | | | | |
| Malaysia | 9,406 | 9,077 | 37,671 | 54,565 |
| Indonesia | (8,963) | 6,076 | (2,704) | 51,942 |
| Papua New Guinea | 3,280 | (708) | 14,901 | 7,448 |
| | 3,723 | 14,445 | 49,868 | 113,955 |
| Associated companies | 371 | 920 | 1,963 | 930 |
| | 4,094 | 15,365 | 51,831 | 114,885 |

← 12 months cumulative →

| | Current year to date | | Preceding year corresponding period | |
|-------------------------------|----------------------|--------------------|-------------------------------------|--------------------|
| | 31-03-2020 | | 31-03-2019 | |
| Assets and liabilities | Assets | Liabilities | Assets | Liabilities |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Malaysia | 1,637,027 | 206,437 | 1,430,593 | 165,049 |
| Indonesia | 93,897 | 12,576 | 103,857 | 16,697 |
| Papua New Guinea | 118,311 | 69,788 | 126,694 | 58,624 |
| | 1,849,235 | 288,801 | 1,661,144 | 240,370 |
| Eliminations | (590,854) | (68,627) | (427,245) | (63,430) |
| | 1,258,381 | 220,174 | 1,233,899 | 176,940 |

A10. Profit before tax

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

| | Quarter ended | | 12 months cumulative | |
|--|---------------|------------|----------------------|------------|
| | 31-03-2020 | 31-03-2019 | 31-03-2020 | 31-03-2019 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Other income | | | | |
| Interest income | 1,863 | 2,709 | 7,622 | 8,144 |
| Operating expenses | | | | |
| Depreciation and amortisation | 11,398 | 9,202 | 40,045 | 27,055 |
| Interest expense | 1,911 | 553 | 4,486 | 1,925 |
| Unrealised foreign exchange (gain)/loss | (4,499) | 2,438 | (4,655) | (4,232) |
| Realised forex exchange (gain)/loss | (354) | (33) | (256) | 2,151 |
| Write back of impairment on trade and other receivables | (997) | (2,977) | (365) | (1,518) |
| Net gain on disposal of property, plant and equipment | (27) | (46) | (83) | (46) |
| Fair value changes on biological assets | (2,065) | (612) | (2,559) | 744 |
| Net provision for retirement benefit obligations | 223 | 293 | 273 | 240 |
| Provision for/(reversal of) provision for warranty | 365 | 713 | (1,114) | (769) |
| Inventories written down/(back) | 113 | 441 | 909 | (810) |
| Provision for/(write back of) impairment loss on property, plant and equipment (Note B10(2)) | 17,791 | - | 17,791 | (23,631) |

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 | 7,028 |
| Vehicles | 2,096 |
| Land and buildings | 1,780 |
| Equipment, furniture and fittings and motor vehicles | 2,112 |
| Bearer plants and infrastructure | 11,501 |
| Work in progress | 8,050 |
| | 32,567 |

A16. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 March 2020 were as follows:

| | Current year to date |
|--|---------------------------------|
| | RM'000 |
| Property, plant and equipment - Approved and contracted for | 10,740 |

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 | 853 |
| Advisory services rendered by corporate shareholder - BHR Enterprise Sdn. Bhd. | 120 |
| Transactions with subsidiaries - Fima Instanco Sdn. Bhd. - Rental income | 180 |
| Transactions with related parties* - PT Pohon Emas Lestari - Purchase of fresh fruit bunch | 5,925 |
| - Nationwide Express Courier Services Berhad - Delivery services | 80 |
| - Nationwide Express Courier Services Berhad - Rental income | 76 |

*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 | 500.90 | 469.47 | 31.43 | 6.7 |
| Profit before tax | 51.83 | 114.89 | (63.06) | (54.9) |
| Profit before tax and impairment/ write back* | 69.62 | 91.26 | (21.64) | (23.7) |

* The amount excludes significant impairment and write back of impairment loss on property, plant and equipment pursuant to Mahkamah Agung's decision as disclosed in Note A10 and B10(2).

Group revenue for the year ended 31 March 2020 improved by 6.7% to RM500.90 million as compared to RM469.47 million recorded in the corresponding period last year. The increase of RM31.43 million was mainly attributed to the higher revenue generated by bulking, food and plantation division.

However, Group profit before tax ("PBT")(excludes impairment/write back) has decreased by RM21.64 million or 23.7% to RM69.62 million as compared to the same period last year.

The performance of each business division is as follows:

Manufacturing Division

| (RM Million) | Current YTD | Previous YTD | Variance | % |
|-------------------|------------------------|-------------------------|-----------------|----------|
| Revenue | 134.00 | 134.78 | (0.78) | (0.6) |
| Profit before tax | 25.99 | 30.56 | (4.57) | (15.0) |

Revenue from **Manufacturing Division** recorded a marginal decrease by 0.6% to RM134.00 million from RM134.78 million last year. On the back of unfavourable sales mix, the division's PBT decreased by RM4.57 million or 15.0% to RM25.99 million as compared to the same corresponding period last year.

Plantation Division

| (RM Million) | Current YTD | Previous YTD | Variance | % |
|--|------------------------|-------------------------|-----------------|----------------|
| Revenue | | | | |
| <u>Indonesia</u> | | | | |
| - Crude palm oil (CPO) | 91.26 | 90.20 | 1.06 | 1.2 |
| - Crude palm kernel oil (CPKO) | 3.46 | 12.19 | (8.73) | (71.6) |
| - Palm kernel (PK) | 5.12 | - | 5.12 | - |
| <u>Malaysia</u> | | | | |
| - Fresh fruit bunch (FFB) | 20.55 | 12.41 | 8.14 | 65.6 |
| - Pineapple | 2.99 | 3.55 | (0.56) | (15.8) |
| Total | 123.38 | 118.35 | 5.03 | 4.3 |
| (Loss)/Profit before tax | (18.43) | 32.81 | (51.24) | (156.2) |
| (Loss)/Profit before tax and impairment/write back* | (0.64) | 9.18 | (9.82) | (107.0) |

* The amount excludes significant impairment and write back of impairment loss on property, plant and equipment pursuant to Mahkamah Agung's decision as disclosed in Note A10 and B10(2).

| | | | | |
|-------------------|---------|---------|---------|--------|
| FFB produced (mt) | 198,334 | 198,910 | (576) | (0.3) |
| CPO produced (mt) | 40,934 | 47,966 | (7,032) | (14.7) |

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

| | Current YTD | Previous YTD | Variance | % |
|----------------------------|------------------------|-------------------------|-----------------|----------|
| Sales Quantity (mt) | | | | |
| - CPO | 44,022 | 46,954 | (2,932) | (6.2) |
| - CPKO | 1,067 | 4,042 | (2,975) | (73.6) |
| - PK | 6,013 | - | 6,013 | 100.0 |

Total Group's Hectarage
Palm profiles (ha)

| | | |
|--------------------|-----------------|-----------------|
| - Mature | 12,535.8 | 10,291.6 |
| - Immature | 2,037.1 | 3,587.2 |
| Total planted area | <u>14,572.9</u> | <u>13,878.8</u> |

Revenue from **Plantation Division** recorded an improvement by 4.3% to RM123.38 million as compared to the same period last year, in line with higher mature area of plantation estates in Malaysia for the current period. Despite this, the division PBT (excludes impairment/write back) has decreased by RM9.82 million as compared to last year, mainly attributable to lower yield, higher operational cost and lower CPKO sales.

Our plantation estates in Malaysia which are newly matured and still in the process of land development or palm planting registered a total pre-tax loss of RM14.54 million as compared to RM13.87 million pretax loss recorded in the corresponding period last year.

Bulking Division

| (RM Million) | Current YTD | Previous YTD | Variance | % |
|-------------------|------------------------|-------------------------|-----------------|----------|
| Revenue | 106.66 | 81.15 | 25.51 | 31.4 |
| Profit before tax | 35.29 | 43.13 | (7.84) | (18.2) |

Bulking Division had recorded a growth of RM25.51 million or 31.4% in revenue to RM106.66 million as compared to last year. The increase was attributed to sales of palm methyl ester ("PME") from biodiesel operation, as well as higher contribution by edible oil and industrial chemicals products. However, PBT had dropped by RM7.84 million to RM35.29 million as compared to last year, mainly contributed by pre-tax losses from biodiesel operation, which is in the process of optimising its biodiesel plant.

Food Division

| (RM Million) | Current YTD | Previous YTD | Variance | % |
|------------------------|------------------------|-------------------------|-----------------|------------|
| Revenue | | | | |
| Papua New Guinea (PNG) | 126.17 | 124.01 | 2.16 | 1.7 |
| Malaysia | 5.52 | 6.31 | (0.79) | (12.5) |
| | <u>131.69</u> | <u>130.32</u> | <u>1.37</u> | <u>1.1</u> |
| Profit before tax | 14.92 | 8.33 | 6.59 | 79.1 |

Food Division's revenue had improved by RM1.37 million or 1.1% to RM131.69 million as compared to the previous financial period, mainly attributed to higher sales volume of export canned tuna products. In line with higher revenue, the division's PBT rose by RM6.59 million to RM14.92 million as compared to the same period last year, mainly attributable to lower direct costs and writeback of impairment loss on receivables, as well as net gain on forex of RM1.79 million (FY2019: RM0.68 million).

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2020

B2. Comparison with preceding quarter's results

Group Performance

| (RM Million) | QTR 4 | QTR 3 | Variance | % |
|-----------------------------------|---------|---------|----------|--------|
| | FY 2020 | FY 2020 | | |
| Revenue | 121.77 | 135.75 | (13.98) | (10.3) |
| Profit before tax | 4.09 | 14.14 | (10.05) | (71.1) |
| Profit before tax and impairment* | 21.88 | 14.14 | 7.74 | 54.7 |

* The amount excludes significant impairment loss on property, plant and equipment pursuant to Mahkamah Agung's decision as disclosed in Note A10 and B10(2).

The Group revenue dropped by RM13.98 million to RM121.77 million as compared to the preceding quarter, as a result of lower revenue contribution by bulking and food division.

Despite of lower revenue, the Group PBT (excludes impairment) has increased by RM7.74 million to RM21.88 million as compared to RM14.14 million recorded in the preceding quarter.

The performance of each business division is as follows:

Manufacturing Division

| (RM Million) | QTR 4 | QTR 3 | Variance | % |
|-------------------|---------|---------|----------|-------|
| | FY 2020 | FY 2020 | | |
| Revenue | 34.33 | 33.45 | 0.88 | 2.6 |
| Profit before tax | 8.61 | 4.16 | 4.45 | 107.0 |

Manufacturing Division's revenue improved slightly by 2.6% to RM34.33 million as compared to the preceding quarter. On the back of higher revenue and favourable sales mix, PBT has also improved to RM8.61 million in the current quarter.

Plantation Division

| (RM Million) | QTR 4 | QTR 3 | Variance | % |
|---|----------------|---------------|----------------|----------------|
| | FY 2020 | FY 2020 | | |
| Revenue | | | | |
| <u>Indonesia</u> | | | | |
| - CPO | 25.21 | 25.24 | (0.03) | (0.1) |
| - CPKO | 3.46 | - | 3.46 | 100.0 |
| - PK | 5.12 | - | 5.12 | 100.0 |
| <u>Malaysia</u> | | | | |
| - Fresh fruit bunch | 6.00 | 6.09 | (0.09) | (1.5) |
| - Pineapple | 0.77 | 0.67 | 0.10 | 14.9 |
| Total | 40.56 | 32.00 | 8.56 | 26.8 |
| Loss before tax | (13.70) | (1.71) | (11.99) | 701.2 |
| Profit/(loss) before tax and impairment* | 4.09 | (1.71) | 5.80 | (339.2) |

* The amount excludes significant impairment loss on property, plant and equipment pursuant to Mahkamah Agung's decision as disclosed in Note A10 and B10(2).

| | | | | |
|----------------------------|--------|--------|-------|-------|
| CPO produced (mt) | 10,117 | 10,035 | 82 | 0.8 |
| Sales Quantity (mt) | | | | |
| - CPO | 11,044 | 11,909 | (865) | (7.3) |
| - CPKO | 1,067 | - | 1,067 | 100.0 |
| - PK | 6,013 | - | 6,013 | 100.0 |

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

Plantation Division's revenue for the quarter posted an increase of RM8.56 million or 26.8%, as compared to the preceding quarter mainly due to higher sales volume CPO and PK. On the back of higher revenue, coupled with forex gain, the Division's PBT (excludes impairment) has improved to RM4.09 million in the current quarter.

Bulking Division

| (RM Million) | QTR 4 | QTR 3 | | |
|-------------------|----------------|----------------|-----------------|----------|
| | FY 2020 | FY 2020 | Variance | % |
| Revenue | 24.40 | 31.19 | (6.79) | (21.8) |
| Profit before tax | 7.39 | 10.43 | (3.04) | (29.1) |

Bulking Division's revenue dropped by 21.8% or RM6.79 million to RM24.40 million as compared to the preceding quarter, as a result of lower revenue contributed by PME, edible oil and industrial chemical. On the back of lower revenue, PBT has recorded a decrease of RM3.04 million to RM7.39 million as compared to the preceding quarter, mainly attributable to higher pre-tax losses recorded by the biodiesel segment, which is in the process of optimising its biodiesel plant.

Food Division

| (RM Million) | QTR 4 | QTR 3 | | |
|-------------------|----------------|----------------|-----------------|---------------|
| | FY 2020 | FY 2020 | Variance | % |
| Revenue | | | | |
| PNG | 19.96 | 36.48 | (16.52) | (45.3) |
| Malaysia | 1.21 | 1.27 | (0.06) | (4.7) |
| | <u>21.17</u> | <u>37.75</u> | <u>(16.58)</u> | <u>(43.9)</u> |
| Profit before tax | 2.93 | 3.48 | (0.55) | (15.8) |

Revenue from **Food Division** decrease by 43.9% or RM16.58 million to RM21.17 million as compared to the preceding quarter, mainly due to lower sales volume of tuna products. However, despite lower revenue posted by the Division, its PBT remained consistent with minimal decrease as compared to previous quarter, mainly attributable to the favourable sale mix and net gain on forex of RM1.74 million recognised in current quarter.

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.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2020

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.

The Directors expect the challenging environment to remain in the coming next financial year due to world outbreak of COVID-19 pandemic. Certain division is expecting lesser demand in its products and disruption on supply chain. In addition, fluctuations in exchange rates and commodity prices will influence the Group's financial performance and position.

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 31-03-2020 | Current year to date 31-03-2020 |
|------------------|--|--|
| | RM'000 | RM'000 |
| Current taxation | 9,538 | 24,846 |

The effective tax rate on the Group's profit to date is higher than the statutory tax rate mainly due to under provision in prior year tax expense.

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 31-03-2020 RM'000 | As at 31-3-2019 RM'000 |
|-----------------------------|--|---------------------------------------|
| Secured: | | |
| Current | | |
| Bankers' acceptance | 3,490 | 4,506 |
| Short term revolving credit | 30,000 | 30,000 |
| | 33,490 | 34,506 |

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:

1. 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 3 August 2020. The matter has been fixed for trial on 13, 14, 27 and 28 August 2020.

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

2. (a) 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 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 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 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 FimaCorp 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.

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.

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

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:

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

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.

On 27 November 2019, FimaCorp announced that the judicial review application against PTNJL, was allowed by the Mahkamah Agung vide its written decision which was received by PTNJL's solicitors on 27 November 2019.

On 23 January 2020, PTNJL has filed an application at the Jakarta State Administrative Court (or Pengadilan Tata Usaha Negara Jakarta) for judicial review of the Mahkamah Agung's decision that was delivered to PTNJL on 27 November 2019 which ruled in favour of Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional.

- (b) On 28 November 2019, PTNJL has filed a civil suit in the Pengadilan Negeri Jakarta Selatan against the Defendant and PT Adindo Hutani Lestari ("AHL") (collectively, "Defendants"). The President Republik Indonesia and Menteri Lingkungan Hidup dan Kehutanan Republik Indonesia ("Menteri Kehutanan") have been named as co-defendants in the said suit.

PTNJL is seeking legal recognition of its rights over HGU; an injunction to:

- (i) order Badan Pertanahan Nasional and Menteri Kehutanan to issue permit, recommendation, or approval for PTNJL to undertake its plantation activities;
- (ii) bar AHL from preventing PTNJL from undertaking its plantation activities within the HGU areas which overlap with AHL's operating permits/interests; and
- (iii) restrain Menteri Kehutanan from issuing any new licences permits or approvals to any parties on or within the HGU.

PTNJL is also seeking an order from the court to stay the enforcement of the Ministerial Order dated 25 July 2016 pending full and final determination of the matter by the Indonesian courts.

On 6 May 2020, the mediation held between PTNJL, Defendants and Co-defendants has failed. Accordingly, the matter will now proceed to court for determination.

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

3. 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

The Board of Directors declared a single-tier interim dividend of 9.0 sen per share payable for the year ended 31 March 2020 (FY2019: Nil). The dividend payment will be approximately RM25.23 million (Qtr 4 FY2019: RM Nil).

B12. Earnings per share

The basic earnings per share are calculated as follows:

| | Quarter ended | | Cumulative quarter ended | |
|--|---------------|------------|--------------------------|------------|
| | 31-03-2020 | 31-03-2019 | 31-03-2020 | 31-03-2019 |
| Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000) | (811) | 3,257 | 28,527 | 59,840 |
| Weighted average number of ordinary shares in issues ('000) | 280,971 | 281,630 | 280,971 | 281,630 |
| Basic/diluted earnings per share (sen) | (0.29) | 1.16 | 10.15 | 21.25 |

By order of the Board

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

Kuala Lumpur
Dated : 23 June 2020