



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

Condensed Consolidated Financial Statements
For the Third Quarter Ended
31 December 2020

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
(THE FIGURES HAVE NOT BEEN AUDITED)**

	Note	Current quarter		9 months cumulative	
		Current year quarter 31-12-2020	Preceding year corresponding quarter 31-12-2019	Current year to date 31-12-2020	Preceding year corresponding period 31-12-2019
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	124,827	135,745	358,151	379,135
Cost of sales		(73,560)	(97,756)	(215,502)	(253,061)
Gross profit		51,267	37,989	142,649	126,074
Other income		2,527	4,236	7,569	9,127
Other items of expense					
Administrative expenses		(22,501)	(21,607)	(65,300)	(60,240)
Selling and marketing expenses		(1,889)	(2,261)	(4,958)	(6,374)
Other operating expenses		(6,468)	(3,941)	(16,232)	(19,867)
		(30,858)	(27,809)	(86,490)	(86,481)
Finance costs		(856)	(855)	(2,660)	(2,575)
Share of results of associates		931	579	3,331	1,592
Profit before tax	A9/A10	23,011	14,140	64,399	47,737
Income tax expense	B5	(5,045)	(4,596)	(14,624)	(15,308)
Profit net of tax		17,966	9,544	49,775	32,429
Other comprehensive (expense)/income					
Foreign currency translation differences for foreign operations		(1,052)	(1,976)	(1,267)	1,836
Total comprehensive income for the period		16,914	7,568	48,508	34,265
Profit attributable to :					
Equity holders of the Company		15,007	9,115	41,768	29,338
Non-controlling interests		2,959	429	8,007	3,091
Profit for the period		17,966	9,544	49,775	32,429
Total comprehensive income attributable to :					
Equity holders of the Company		13,628	7,181	39,495	30,650
Non-controlling interests		3,286	387	9,013	3,615
Total comprehensive income for the period		16,914	7,568	48,508	34,265
Earnings per share attributable to equity holders of the Company :					
Basic/diluted earnings per share (sen)	B12	5.37	3.24	14.94	10.43

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements).

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	As at 31-12-2020	As at 31-03-2020
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	368,702	366,672
Right-of-use assets	199,413	210,487
Investment properties	62,326	63,554
Investment in associates	36,568	33,237
Deferred tax assets	10,794	8,718
Goodwill on consolidation	12,710	12,710
	<u>690,513</u>	<u>695,378</u>
Current assets		
Inventories	68,258	75,473
Biological assets	7,912	6,865
Trade receivables	88,962	140,555
Other receivables	52,931	39,315
Short term cash investments	257,061	171,591
Cash and bank balances	108,912	124,329
	<u>584,036</u>	<u>558,128</u>
TOTAL ASSETS	<u>1,274,549</u>	<u>1,253,506</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	311,670	311,670
Treasury shares	(5,570)	(2,972)
Other reserves	53,443	55,716
Retained earnings	453,989	437,360
	<u>813,532</u>	<u>801,774</u>
Non-controlling interests	231,068	236,897
Total equity	<u>1,044,600</u>	<u>1,038,671</u>
Non-current liabilities		
Lease liabilities	42,479	48,648
Retirement benefit obligations	2,313	2,073
Deferred tax liabilities	42,610	43,251
	<u>87,402</u>	<u>93,972</u>
Current liabilities		
Lease liabilities	10,782	11,789
Short term borrowings	39,641	33,490
Trade and other payables	77,887	63,217
Provisions	7,647	8,765
Tax payable	6,590	3,602
	<u>142,547</u>	<u>120,863</u>
Total liabilities	<u>229,949</u>	<u>214,835</u>
TOTAL EQUITY AND LIABILITIES	<u>1,274,549</u>	<u>1,253,506</u>
Net assets per share (RM)	<u>2.88</u>	<u>2.84</u>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements).

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

Group	Attributable to equity holders of the Company						Retained earnings	Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Other reserves	Capital reserve	Capital reserve arising from bonus issue in subsidiary	Foreign exchange reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2020	311,670	(2,972)	55,716	437	66,459	(11,180)	437,360	801,774	236,897	1,038,671
Total comprehensive (expense)/income for the period	-	-	(2,273)	-	-	(2,273)	41,768	39,495	9,013	48,508
Transactions with equity holders										
Dividend	-	-	-	-	-	-	(25,139)	(25,139)	-	(25,139)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	(13,328)	(13,328)
Purchase of treasury shares	-	(2,598)	-	-	-	-	-	(2,598)	(1,514)	(4,112)
Total transaction with equity holders	-	(2,598)	-	-	-	-	(25,139)	(27,737)	(14,842)	(42,579)
At 31 December 2020	311,670	(5,570)	53,443	437	66,459	(13,453)	453,989	813,532	231,068	1,044,600
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	-	-	1,312	-	-	1,312	29,338	30,650	3,615	34,265
Transactions with equity holders										
Dividend	-	-	-	-	-	-	(25,295)	(25,295)	-	(25,295)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	(11,560)	(11,560)
Purchase of treasury shares	-	(1,143)	-	-	-	-	-	(1,143)	(1,015)	(2,158)
Total transaction with equity holders	-	(1,143)	-	-	-	-	(25,295)	(26,438)	(12,575)	(39,013)
At 31 December 2019	311,670	(2,286)	60,375	437	66,459	(6,521)	437,605	807,364	244,847	1,052,211

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements).

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020**

	← 9 months ended →	
	31-12-2020	31-12-2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	64,399	47,737
Adjustments for:		
Depreciation of investment properties	1,228	1,227
Depreciation for property, plant and equipment	17,682	18,964
Depreciation of right-of-use assets	11,074	8,456
Fair value changes on biological assets	(1,047)	(494)
Net provision for impairment on trade and other receivables	709	632
Interest expense	2,660	2,575
Profit income	(905)	(748)
Interest income	(44)	(785)
Distribution from short term cash investment	(3,290)	(4,226)
Net provision for retirement benefit obligation	104	50
Net reversal of provision for warranty	(1,118)	(1,479)
Net unrealised forex loss/(gain)	7,486	(156)
Net gain on disposal of property, plant and equipment	(27)	(56)
Share of results of associates	(3,331)	(1,592)
Write (back)/down of inventories	(62)	796
Operating profit before working capital changes	<u>95,518</u>	<u>70,901</u>
Decrease/(increase) in inventories	7,277	(2,499)
Decrease/(increase) in receivables	35,019	(17,073)
Increase in payables	14,670	18,552
Cash generated from operations	<u>152,484</u>	<u>69,881</u>
Interest paid	(836)	(2,575)
Taxes paid	(12,653)	(14,255)
Retirement benefits paid	(23)	(63)
Net cash generated from operating activities	<u>138,972</u>	<u>52,988</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	27	56
Purchase of property, plant and equipment	(23,909)	(24,373)
Acquisition of treasury shares	(2,598)	(1,143)
Profit income received	905	748
Interest income received	44	785
Distribution received from short term cash investment	3,290	4,226
Net placement of short term cash investments	(85,470)	(36,286)
Net cash used in investing activities	<u>(107,711)</u>	<u>(55,987)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	6,151	2,819
Repayment of lease liabilities	(9,001)	(8,347)
Dividend paid	(25,139)	(25,295)
Dividend paid by a subsidiary to non-controlling interests	(13,328)	(11,560)
Net cash used in financing activities	<u>(41,317)</u>	<u>(42,383)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,056)	(45,382)
EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	(5,361)	1,014
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>124,329</u>	<u>142,196</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>108,912</u>	<u>97,828</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	83,544	70,927
Fixed deposits with financial institutions	25,368	26,901
	<u>108,912</u>	<u>97,828</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2020 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 2020. 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 2020.

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 2020 except for the adoption of the following new and revised Malaysian Financial Reporting Standards ("MFRSs"), Amendments to MFRSs and IC Interpretations.

On 1 April 2020, the Group adopted the following new and amended MFRSs and IC Interpretation:

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101: Definition of Material
- Amendments to MFRS 108: Definition of Material

The adoption of the above standards and interpretation did not have a significant impact on the financial statements in the period of initial application.

(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 16: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	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
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
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 2020 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 585,900 of its issued ordinary shares from open market at an average price of RM1.58. The total transaction paid for the repurchase including transaction costs was RM899,000. Of the total 282,231,600 issued ordinary shares, 3,668,600 shares are held as treasury shares by the Company.

A8. Dividend paid

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

		9 months cumulative	
		31-12-2020	31-12-2019
		RM'000	RM'000
Final dividend			
2019	Single-tier final dividend of 9.0 sen (paid on 7 October 2019)	-	25,295
Interim dividend			
2020	Single-tier interim dividend of 9.0 sen (Paid on 14 September 2020)	25,139	-

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

	Quarter ended		9 months cumulative	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
	RM'000	RM'000	RM'000	RM'000
Revenue				
Manufacturing*	28,340	33,453	81,297	99,672
Plantation	37,103	31,997	102,026	82,815
Bulking	21,260	31,191	66,679	82,261
Food	35,632	37,745	102,871	110,523
Others	9,031	2,483	14,974	11,682
	131,366	136,869	367,847	386,953
Eliminations	(6,539)	(1,124)	(9,696)	(7,818)
	124,827	135,745	358,151	379,135

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

	Quarter ended		9 months cumulative	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Profit before tax	RM'000	RM'000	RM'000	RM'000
Manufacturing*	3,256	4,155	12,084	17,379
Plantation	5,433	(1,711)	11,946	(4,735)
Bulking	10,592	10,434	32,561	27,901
Food	3,545	3,482	9,231	11,983
Others	(746)	(2,799)	(4,754)	(6,383)
	22,080	13,561	61,068	46,145
Associated companies	931	579	3,331	1,592
	23,011	14,140	64,399	47,737

* Production and trading of security documents.

(ii) Geographical segments

	Quarter ended		9 months cumulative	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Revenue	RM'000	RM'000	RM'000	RM'000
Malaysia	71,578	75,155	196,163	214,690
Indonesia	24,781	25,239	70,856	66,054
Papua New Guinea	35,007	36,475	100,828	106,209
	131,366	136,869	367,847	386,953
Eliminations	(6,539)	(1,124)	(9,696)	(7,818)
	124,827	135,745	358,151	379,135
Profit before tax				
Malaysia	14,026	8,299	39,345	28,265
Indonesia	4,376	1,956	12,316	6,259
Papua New Guinea	3,678	3,306	9,407	11,621
	22,080	13,561	61,068	46,145
Associated companies	931	579	3,331	1,592
	23,011	14,140	64,399	47,737

← 9 months cumulative →

	Current year to date		Preceding year	
	31-12-2020		corresponding period	
Assets and liabilities	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,666,141	227,687	1,622,705	209,773
Indonesia	99,274	11,052	112,542	16,663
Papua New Guinea	153,461	68,697	142,280	60,961
	1,918,876	307,436	1,877,527	287,397
Eliminations	(644,327)	(77,487)	(603,171)	(65,252)
	1,274,549	229,949	1,274,356	222,145

A10. Profit before tax

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

	Quarter ended		9 months cumulative	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
	RM'000	RM'000	RM'000	RM'000
Other income				
Profit income	317	195	905	748
Interest income	11	167	44	785
Distribution from short term cash investment	944	1,064	3,290	4,226
Operating expenses				
Depreciation	9,895	10,273	29,984	28,647
Interest expense	856	855	2,660	2,575
Unrealised foreign exchange loss/(gain)	3,699	426	7,486	(156)
Realised forex exchange (gain)/loss	(379)	508	346	98
Net provision for/(writeback of) impairment on trade and other receivables	145	(1,464)	709	632
Net gain on disposal of property, plant and equipment	(9)	-	(27)	(56)
Fair value changes on biological assets	(190)	267	(1,047)	(494)
Net provision for retirement benefit obligations	-	11	104	50
Net reversal of provision for warranty	(370)	(460)	(1,118)	(1,479)
Inventories written down/(back)	155	(142)	(62)	796

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	13,812
Vehicles	1,492
Land and buildings	71
Equipment, furniture and fittings and motor vehicles	1,391
Bearer plants and infrastructure	5,633
Work in progress	1,510
	23,909

A16. Capital commitments

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

	Current year to date
	RM'000
Property, plant and equipment	
- Approved and contracted for	1,501

A17. Related party transactions

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

	Current year to date
	RM'000
Transactions with subsidiaries	
- Fima Corporation Berhad - Rental expenses payable	641
- Fima Corporation Berhad - Management fees receivable	879
- Fima Corporation Berhad - Services payable	67
- Fima Instanco Sdn. Bhd. - Rental income	135
Transactions with related parties*	
- BHR Enterprise Sdn. Bhd. - Services payable	90
- PT Pohon Emas Lestari - Purchase of fresh fruit bunch	4,159
- TD Technologies Sdn. Bhd. - Services payable	106
- Nationwide Express Courier Services Berhad - Delivery services	28
- Nationwide Express Courier Services Berhad - Rental income	57

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

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
PART B - Bursa Securities Listing Requirements
B1. Review of performance
Group Performance

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	358.15	379.14	(20.99)	(5.5)
Profit before tax	64.40	47.74	16.66	34.9

Group revenue for the third quarter ended 31 December 2020 decreased by 5.5% to RM358.15 million as compared to RM379.14 million recorded in the corresponding period last year. Lower revenue by RM20.99 million was mainly attributed to the decrease in revenue generated by manufacturing, bulking and food division.

Despite of lower revenue, Group profit before tax ("PBT") has improved by 34.9% to RM64.40 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	81.30	99.67	(18.37)	(18.4)
Profit before tax	12.08	17.38	(5.30)	(30.5)

Revenue from **Manufacturing Division** recorded a decrease by 18.4% or RM18.37 million to RM81.30 million from RM99.67 million last year, mainly contributed by lower sales volume for most of documents due to COVID-19 pandemic. On the back of lower revenue, the division's PBT decreased by RM5.30 million or 30.5% to RM12.08 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)	62.30	66.05	(3.75)	(5.7)
- Crude palm kernel oil (CPKO)	8.55	-	8.55	100.0
<u>Malaysia</u>				
- Fresh fruit bunch (FFB)	29.55	14.55	15.00	103.1
- Pineapple	1.63	2.22	(0.59)	(26.6)
Total	102.03	82.82	19.21	23.2
Profit/(Loss) before tax	11.95	(4.74)	16.69	352.1
FFB produced (mt)	158,437	146,882	11,555	7.9
CPO produced (mt)	27,095	30,817	(3,722)	(12.1)

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020
B1. Review of performance (cont'd.)
Plantation Division (cont'd.)

	Current YTD	Previous YTD	Variance	%
Sales Quantity (mt)				
- CPO	27,336	32,978	(5,642)	(17.1)
- CPKO	2,739	-	2,739	100.0

Total Group's Hectarage
Palm profiles (ha)

- Mature	13,101.4	12,215.6
- Immature	1,578.2	2,263.5
Total planted area	<u>14,679.6</u>	<u>14,479.1</u>

Revenue from **Plantation Division** recorded an improvement by RM19.21 million to RM102.03 million as compared to the same period last year, mainly contributed by higher CPO price and higher FFB produced by plantation estates in Malaysia for the current period. On the back of higher revenue, the division has recorded a pre-tax profit of RM11.95 million during the period.

Our plantation estates in Malaysia which are newly matured and still in the process of land development or newly planted registered a total pre-tax loss of RM3.73 million as compared to RM9.42 million pre-tax loss recorded in the corresponding period last year.

Bulking Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	66.68	82.26	(15.58)	(18.9)
Profit before tax	32.56	27.90	4.66	16.7

Bulking Division had recorded lower revenue of RM15.58 million to RM66.68 million as compared to last year, mainly attributed to lower sales of palm methyl ester ("PME") from biodiesel operation. Despite this, PBT has recorded an increase of RM4.66 million to RM32.56 million as compared to the same period last year, mainly attributable to lower pre-tax losses recorded by its biodiesel segment as well as stronger contribution from edible oil products.

Food Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Papua New Guinea (PNG)	100.83	106.21	(5.38)	(5.1)
Malaysia	2.04	4.31	(2.27)	(52.7)
	<u>102.87</u>	<u>110.52</u>	<u>(7.65)</u>	<u>(6.9)</u>
Profit before tax	9.23	11.98	(2.75)	(23.0)

Food Division's revenue slipped by RM7.65 million or 6.9% to RM102.87 million, as compared to RM110.52 million recorded in the previous financial period, mainly attributable to the lower sales volume of tuna loin and export canned tuna. Its revenue from Malaysian operation has also decreased by RM2.27 million mainly due to lower demand as a result of COVID-19 pandemic. On the back of lower revenue, the division PBT has declined by RM2.75 million to RM9.23 million as compared to the same period last year.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

B2. Comparison with preceding quarter's results

Group Performance

(RM Million)	QTR 3 FY 2021	QTR 2 FY 2021	Variance	%
Revenue	124.83	130.56	(5.73)	(4.4)
Profit before tax	23.01	27.47	(4.46)	(16.2)

The Group revenue decreased by RM5.73 million to RM124.83 million as compared to the preceding quarter, as a result of lower revenue contribution by most of divisions.

In line with lower revenue, the Group PBT has declined by RM4.46 million to RM23.01 million as compared to RM27.47 million recorded in the preceding quarter.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	QTR 3 FY 2021	QTR 2 FY 2021	Variance	%
Revenue	28.34	31.64	(3.30)	(10.4)
Profit before tax	3.26	5.89	(2.63)	(44.7)

Manufacturing Division's revenue decreased by RM3.30 million to RM28.34 million in the current quarter, mainly due to lower sales volume for travelling documents. In line with lower revenue coupled with unfavourable sales mix, PBT has also dropped to RM3.26 million in the current quarter.

Plantation Division

(RM Million)	QTR 3 FY 2021	QTR 2 FY 2021	Variance	%
Revenue				
<u>Indonesia</u>				
- CPO	21.21	21.82	(0.61)	(2.8)
- CPKO	3.56	2.73	0.83	30.4
<u>Malaysia</u>				
- Fresh fruit bunch	11.83	11.01	0.82	7.4
- Pineapple	0.50	0.55	(0.05)	(9.1)
Total	37.10	36.11	0.99	2.7
Profit before tax	5.43	5.52	(0.09)	(1.6)
CPO produced (mt)	8,655	7,384	1,271	17.2
Sales Quantity (mt)				
- CPO	8,019	11,019	(3,000)	(27.2)
- CPKO	1,006	998	8	0.8

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

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

Plantation Division (cont'd.)

Plantation Division's revenue for the quarter posted a slight increase of RM0.99 million or 2.7%, as compared to the preceding quarter. However, the Division has posted a lower PBT by 1.6% due to higher loss incurred by plantation estates in Malaysia as a result of lower FFB produced during the current quarter.

Bulking Division

(RM Million)	<u>QTR 3</u> <u>FY 2021</u>	<u>QTR 2</u> <u>FY 2021</u>	Variance	%
Revenue	21.26	23.72	(2.46)	(10.4)
Profit before tax	10.59	11.09	(0.50)	(4.5)

Revenue from **Bulking Division** of RM21.26 million has slightly decreased by 10.4% or RM2.46 million as compared to the preceding quarter. On the back of lower revenue, PBT has also decreased by 4.5% to RM10.59 million in the current quarter.

Food Division

(RM Million)	<u>QTR 3</u> <u>FY 2021</u>	<u>QTR 2</u> <u>FY 2021</u>	Variance	%
Revenue				
PNG	35.01	36.61	(1.60)	(4.4)
Malaysia	0.62	0.85	(0.23)	(27.1)
	<u>35.63</u>	<u>37.46</u>	<u>(1.83)</u>	<u>(4.9)</u>
Profit before tax	3.55	4.09	(0.54)	(13.2)

Revenue from **Food Division** fell by 4.9% or RM1.83 million to RM35.63 million as compared to the preceding quarter, mainly attributable to lower sales volume of mackerel products. In line with decrease in revenue by the Division, its PBT has slipped to RM3.55 million in the 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 THIRD QUARTER ENDED 31 DECEMBER 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.

We expect the challenging environment to remain in the current 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 31-12-2020 <u>RM'000</u>	Current year to date 31-12-2020 <u>RM'000</u>
Current taxation	5,045	14,624

The effective tax rate on the Group's profit to date is in line with the statutory tax rate.

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 31-12-2020 <u>RM'000</u>	As at 31-03-2020 <u>RM'000</u>
Secured:		
Current		
Bankers' acceptance	4,641	3,490
Short term revolving credit	35,000	30,000
	<u>39,641</u>	<u>33,490</u>

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

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

On 19 April 2019, FimaCorp announced that the settlement negotiation between the parties have failed. Accordingly, the High Court Judge has fixed the matter for case management on 13 May 2019 (for compliance with pre-trial directions) and trial on 12 July 2019, 9 August 2019, 8 January 2020 and 9 January 2020.

Subsequently, the trial dates have been changed to 21 January 2020, 22 January 2020, 23 January 2020 and 24 January 2020. During the case management on 26 November 2019, the trial dates which were fixed on 21-24 January 2020 have been changed to 13,14,27 and 28 August 2020.

On 30 July 2020, the High Court has vacated the trial dates on 13,14,27 and 28 August 2020 and set the new trial dates for 9 and 10 November 2020.

Subsequently, the Plaintiff has filed a Notice of Application dated 22 November 2019 to amend its Writ and Statement of Claim ("SOC"). During the decision held on 7 August 2020, the High Court Judge has dismissed the Plaintiff's amendment application with costs.

On 13 August 2020, the Plaintiff has filed its notice of appeal against the decision of High Court in dismissing the Plaintiff's application to amend its SOC. On 4 November 2020, the Court of Appeal allowed the Plaintiff's appeal with costs to be paid by the Defendant to the Plaintiff.

The trial date on 9 November 2020 was vacated in light of the Conditional Movement Control Order. On 5 November 2020, the Court had at the request of the Defendant vacated the 10 November 2020 trial date.

The new trial date(s) have yet to be fixed by the Court to-date.

2. (a) On 13 May 2003, the National Land Body of Indonesia ("NLB") issued a certificate, Hak Guna Usaha No.1/ Nunukan Barat ("HGU") providing PT Nunukan Jaya Lestari ("PTNJL") a right to use a land covering a total size of 19,974 hectares ("Total Parcel") for the purposes of plantation. The HGU is set to expire on 12 May 2038.

Notwithstanding the HGU, the Minister of Agrarian Affairs and Spatial Planning ("Minister") vide letter dated 25 July 2016 ("Revocation Letter") informed PTNJL among others, of the following:

- there were administrative irregularities performed by officer(s) of the Regional Land Body of East Kalimantan at the time of the issuance of the HGU in 2003, resulting in parts of the area within the HGU to overlap with forestry area measuring approximately 17,165 hectares ("Irregular Parcel").
- a third party situated adjacent to the Total Parcel ("Third Party") has requested to revise/amend the HGU as there are overlaps between the Total Parcel with the Third Party's interests on the land pursuant to their operating permits (approximately 3,500 hectares) ("Overlapping Parcel").

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

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

Following the above, the Minister vide the Revocation Letter has provided the following decisions:

- the HGU is revoked effectively immediately (“Revocation”);
- PTNJL to apply for a new certificate for the remaining 2,809 hectares of land located at Land Allocated for Other Purposes (“APL”); and
- the Irregular Parcel is to be surrendered to the Minister of Environmental Affairs and Forestry of Republic of Indonesia.

On 21 October 2016, PTNJL initiated an action in the State Administrative Court in Jakarta, Indonesia against the Minister seeking an order to annul the Revocation Letter and also sought an order to postpone the enforcement of the Revocation Letter pending full and final determination of the matter by the Indonesian courts (“Lawsuit”).

PTNJL’s basis for the Lawsuit are inter alia as follows:

- (i) the status of the Total Parcel is State Land, aligned with the condition imposed by prevailing laws and regulations in Indonesia; and
- (ii) the revocation of the HGU certificate is contrary to the prevailing laws and regulations in Indonesia.

On 13 June 2017, the State Administrative Court dismissed the Lawsuit (“State Administrative Court’s Decision”) resulting in an appeal filed by PTNJL in the High Administrative Court (“High Court”) of Jakarta, Indonesia, on 24 July 2017 (“Appeal”).

Vide written decision dated 11 December 2017, the High Court partly allowed the Appeal with costs and ordered that (i) the Revocation to be void and the Revocation Letter be annulled, save for the Overlapping Parcel measuring 5,138 hectares. (“High Court Decision”).

On 23 January 2018, PTNJL has filed an appeal to the Supreme Court of Indonesia (“Supreme Court”) against the High Court Decision. On 21 August 2018, the Supreme Court allowed PTNJL’s appeal and similarly ordered that the Revocation Letter be annulled (“Decision of the Supreme Court”). The Supreme Court also ordered the Minister to simultaneously:

- (i) issue an order cancelling PTNJL’s HGU rights over the Overlapping Parcel measuring 3,500 hectares; and
- (ii) ensure the issuance of a new certificate in favour of PTNJL to use the remaining area measuring 16,474.130 hectares, (which is 19,974.130 hectares less the 3,500 hectares referred to in paragraph (i) above).

On 8 February 2019, the Minister filed an application in the Supreme Court to review the Decision of the Supreme Court (“JR Application”).

On 27 November 2019 the Supreme Court overturned the Decision of the Supreme Court in favor of the Minister upholding the legitimacy and the validity of the Revocation (“JR Decision”).

On 23 January 2020, PTNJL subsequently filed a further application for judicial review against the JR Decision (“2nd JR Application”) on the grounds that the JR Decision contradicts some aspects of other established cases and the discovery of new material evidences that were not previously available. As at today, the Supreme Court has not issued any decision in respect of the 2nd JR Application.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2020

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

- (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 Pertahanan 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, all parties have filed their respective cause papers to the court. The Defendants in their defence are challenging the jurisdiction and competency of the district court to examine the case. The Third Party has inter alia submitted a claim to seize PTNJL’s assets within the overlapping area and other loss.

On 15 September 2020, Pengadilan Negeri Jakarta Selatan had delivered an oral judgement and dismissed the civil suit filed by the PTNJL against the Defendant. On 28 September 2020, PTNJL has filed its notice of appeal against the decision of the court.

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		9 months cumulative	
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
Profit net of tax attributable to equity holders of the Company used in the computation of earnings per share (RM'000)	15,007	9,115	41,768	29,338
Weighted average number of ordinary shares in issues ('000)	279,579	281,210	279,579	281,210
Basic/diluted earnings per share (sen)	5.37	3.24	14.94	10.43

By order of the Board

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

Kuala Lumpur
Dated : 23 February 2021