



FIMA CORPORATION BERHAD (21185-P)

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

| | <i>Current Quarter</i> | | <i>12 Months Cumulative</i> | |
|---|------------------------|-----------------------|-----------------------------|-----------------------|
| | <i>Current Year</i> | <i>Preceding Year</i> | <i>Current Year</i> | <i>Preceding Year</i> |
| | <i>Quarter</i> | <i>Corresponding</i> | <i>To Date</i> | <i>Corresponding</i> |
| | <i>31/03/17</i> | <i>Quarter</i> | <i>31/03/17</i> | <i>Period</i> |
| | <i>RM'000</i> | <i>31/03/16</i> | <i>RM'000</i> | <i>31/03/16</i> |
| | | <i>RM'000</i> | | <i>RM'000</i> |
| Revenue | 80,726 | 85,444 | 372,101 | 375,207 |
| Cost of sales | (41,509) | (56,807) | (229,651) | (257,517) |
| Gross profit | 39,217 | 28,637 | 142,450 | 117,690 |
| Interest income | 3,488 | 2,170 | 7,679 | 5,680 |
| Other income | 12 | 1,169 | 78 | 3,483 |
| Administrative expenses | (10,524) | (4,825) | (30,230) | (22,027) |
| Selling and marketing expenses | (5,947) | (6,295) | (8,392) | (8,889) |
| Other operating expenses | (4,408) | (1,288) | (23,558) | (20,116) |
| Finance costs | (26) | 6 | (81) | (72) |
| Share of results from associates | 975 | 473 | 2,687 | 1,551 |
| Profit before tax | 22,787 | 20,047 | 90,633 | 77,300 |
| Income tax expense | (10,982) | (7,807) | (29,321) | (22,428) |
| Profit net of tax | 11,805 | 12,240 | 61,312 | 54,872 |
| Other comprehensive income, net of tax | | | | |
| Foreign currency translation gain | (643) | (4,714) | 11,516 | 3,097 |
| Remeasurement of defined benefit liability | (75) | 265 | (75) | 265 |
| Other comprehensive income/(loss) for the period | (718) | (4,449) | 11,441 | 3,362 |
| Total comprehensive income for the period | 11,087 | 7,791 | 72,753 | 58,234 |
| Profit attributable to : | | | | |
| Equity holders of the Company | 11,023 | 11,819 | 58,146 | 51,282 |
| Non-controlling interests | 782 | 421 | 3,166 | 3,590 |
| Profit for the period | 11,805 | 12,240 | 61,312 | 54,872 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 10,451 | 8,260 | 67,301 | 53,972 |
| Non-controlling interests | 636 | (469) | 5,452 | 4,262 |
| Total comprehensive income for the period | 11,087 | 7,791 | 72,753 | 58,234 |
| Earnings per share attributable to equity holders of the Company | | | | |
| Basic/diluted earnings per share (sen) (Note B11) | 4.57 | 4.90 | 24.11 | 21.24 |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at End Of Current Quarter 31/03/17 (unaudited) | As at Preceding Financial Year End 31/03/16 (audited) |
|--|--|--|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant & equipment | 117,812 | 125,855 |
| Biological assets | 57,809 | 49,611 |
| Investment properties | 62,177 | 63,684 |
| Goodwill on consolidation | 510 | 510 |
| Investments in associates | 41,061 | 40,238 |
| Deferred tax assets | 9,408 | 8,952 |
| | <u>288,777</u> | <u>288,850</u> |
| Current Assets | | |
| Inventories | 37,431 | 51,003 |
| Trade and other receivables | 97,537 | 167,079 |
| Due from related companies | 19 | 34 |
| Cash and cash equivalents | 336,309 | 177,593 |
| | <u>471,296</u> | <u>395,709</u> |
| TOTAL ASSETS | <u>760,073</u> | <u>684,559</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 122,662 | 122,662 |
| Treasury shares | (4,181) | (3,789) |
| Other reserves | 2,563 | (6,674) |
| Retained earnings | 469,990 | 442,048 |
| | <u>591,034</u> | <u>554,247</u> |
| Non-controlling interests | 33,593 | 28,141 |
| Total Equity | <u>624,627</u> | <u>582,388</u> |
| Non-Current Liabilities | | |
| Retirement benefit obligations | 1,837 | 1,391 |
| Finance lease obligations | 16,176 | 16,799 |
| Deferred tax liabilities | 10,183 | 10,730 |
| | <u>28,196</u> | <u>28,920</u> |
| Current Liabilities | | |
| Trade and other payables | 82,761 | 49,698 |
| Provisions | 16,947 | 19,234 |
| Tax payable | 6,291 | 3,013 |
| Due to related companies | 627 | 660 |
| Finance lease obligations | 624 | 646 |
| | <u>107,250</u> | <u>73,251</u> |
| Total Liabilities | <u>135,446</u> | <u>102,171</u> |
| TOTAL EQUITY AND LIABILITIES | <u>760,073</u> | <u>684,559</u> |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | <u>2.45</u> | <u>2.30</u> |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements)



FIMA CORPORATION BERHAD (21185-P)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINAL QUARTER ENDED 31 MARCH 2017**

| | <----- Attributable to Owners of the Parent -----> | | | <----- Non-Distributable -----> | | | Distributable | | | |
|--|--|--------------------|-------------------|---------------------------------|-----------------------------------|---------------------------------------|----------------------|----------|----------------------------------|-----------------|
| | Share Capital | Treasury Shares | Other Reserves | Asset Revaluation Reserve | Foreign Translation Reserve | Equity Contribution From Parent | 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 |
| At 1 April 2015 | 122,662 | (3,604) | (9,257) | 16,823 | (30,203) | 4,123 | 420,728 | 530,529 | 29,990 | 560,519 |
| Total comprehensive income for the period | - | - | 2,478 | - | 2,478 | - | 51,494 | 53,972 | 4,262 | 58,234 |
| Transaction with owners | | | | | | | | | | |
| Grant of equity-settled share options | - | - | 105 | - | - | 105 | - | 105 | - | 105 |
| Acquisition of subsidiary | - | - | - | - | - | - | - | - | 1,800 | 1,800 |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | (7,911) | (7,911) |
| Dividends paid | - | - | - | - | - | - | (30,174) | (30,174) | - | (30,174) |
| Acquisition of Treasury Shares | - | (185) | - | - | - | - | - | (185) | - | (185) |
| Total transactions with owners | - | (185) | 105 | - | - | 105 | (30,174) | (30,254) | (6,111) | (36,365) |
| As 31 March 2016 | 122,662 | (3,789) | (6,674) | 16,823 | (27,725) | 4,228 | 442,048 | 554,247 | 28,141 | 582,388 |
| At 1 April 2016 | 122,662 | (3,789) | (6,674) | 16,823 | (27,725) | 4,228 | 442,048 | 554,247 | 28,141 | 582,388 |
| Total comprehensive income for the period | - | - | 9,215 | - | 9,215 | - | 58,086 | 67,301 | 5,452 | 72,753 |
| Transaction with owners | | | | | | | | | | |
| Grant of equity-settled share options | - | - | 22 | - | - | 22 | - | 22 | - | 22 |
| Dividend paid | - | - | - | - | - | - | (30,144) | (30,144) | - | (30,144) |
| Acquisition of Treasury Shares | - | (392) | - | - | - | - | - | (392) | - | (392) |
| Total transactions with owners | - | (392) | 22 | - | - | 22 | (30,144) | (30,514) | - | (30,514) |
| At 31 March 2017 | 122,662 | (4,181) | 2,563 | 16,823 | (18,510) | 4,250 | 469,990 | 591,034 | 33,593 | 624,627 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINAL QUARTER ENDED 31 MARCH 2017**

| | 12 months ended | |
|--|-----------------|----------|
| | 31/03/17 | 31/03/16 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 90,633 | 77,300 |
| Adjustments for: | | |
| Depreciation for property, plant and equipment | 15,074 | 19,980 |
| Depreciation of investment properties | 1,507 | 1,507 |
| Amortisation of biological assets | 4,555 | 3,235 |
| Write off of biological assets | 70 | 28 |
| Impairment loss on trade receivables | 16 | 1,434 |
| Impairment loss on other receivables | 3,491 | 2 |
| Write back of impairment loss on trade receivables | (481) | (748) |
| Write back of impairment loss on other receivables | - | (50) |
| Write down of inventories | 3,177 | 88 |
| Provision for retirement benefit obligations | 284 | 69 |
| Provision for warranty | (2,287) | 622 |
| Gain on disposal of property, plant and equipment | - | (71) |
| Gain from plantation investment compensation | - | (346) |
| Grant of equity-settled share options to employees | 22 | 105 |
| Share of results of associate | (2,687) | (1,551) |
| Interest income | (7,679) | (5,680) |
| Operating profit before working capital changes | 105,695 | 95,924 |
| Decrease in trade and other receivables | 65,211 | 16,865 |
| Decrease in inventories | 10,255 | 40,143 |
| Decrease in related companies balances | (18) | (644) |
| Increase/(decrease) in trade and other payables | 33,283 | (64,870) |
| Cash generated from operations | 214,426 | 87,418 |
| Taxes paid | (25,772) | (29,206) |
| Retirement benefits paid | (50) | (14) |
| Interest income received | 7,679 | 5,680 |
| Net cash generated from operating activities | 196,283 | 63,878 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (5,302) | (10,796) |
| Additions to biological assets | (8,682) | (6,985) |
| Proceeds from disposal of property, plant and equipment | - | 71 |
| Proceeds from plantation investment compensation | - | 711 |
| Acquisition of subsidiary, net cash acquired | - | (4,162) |
| Repayment of obligations under finance lease | (645) | (442) |
| Dividends received | 1,864 | |
| Net cash used in investing activities | (12,765) | (21,603) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Dividends paid | (30,144) | (30,174) |
| Dividends paid by a subsidiary to non-controlling interests | - | (7,911) |
| Acquisition of Treasury Shares | (392) | (185) |
| Net cash used in financing activities | (30,536) | (38,270) |
| CASH AND CASH EQUIVALENTS | | |
| Net increase in cash and cash equivalents | 152,982 | 4,005 |
| Effect of exchange rate changes in cash and cash equivalents | 5,734 | 948 |
| Cash and cash equivalents balances at beginning of the year | 177,593 | 172,640 |
| Cash and cash equivalents at end of year | 336,309 | 177,593 |
| CASH AND CASH EQUIVALENTS COMPRISE OF : | | |
| Cash and bank balances | 70,718 | 5,154 |
| Deposits with licensed banks | 265,591 | 172,439 |
| | 336,309 | 177,593 |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements)

PART A - Explanatory notes pursuant to FRS 134

A1. Basis of Preparation and Accounting Policies

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2016. The 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 2016.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 March 2016 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations.

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

On 1 April 2016, the Group adopted the following FRSs and Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations:-

- Annual Improvements to FRSs 2012 - 2014 Cycle
- Amendments to FRS 11: Accounting for Acquisition of Interests in Joint Operations
- Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 127: Equity Method in Separate Financial Statements
- Amendments to FRS 101: Disclosure Initiatives
- Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception
- FRS 14: Regulatory Deferral Accounts

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

(b) Standards and Interpretations issued but not yet effective

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

| | Effective for annual period beginning on or after |
|---|--|
| Annual Improvements to FRSs 2014 - 2016 Cycle | 1 January 2017 |
| Amendments to FRS 107: Disclosure initiative | 1 January 2017 |
| Amendments to FRS 112: Recognition of deferred tax assets for unrealised losses | 1 January 2017 |
| FRS 9: Financial Instruments | 1 January 2018 |
| Amendments to FRS 2: Classification and measurement of share-based payment transactions | 1 January 2018 |
| Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |

A2. Significant Accounting Policies (Contd.)

(b) Standards and Interpretations issued but not yet effective (Contd.)

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 except as discussed below:

FRS 9 Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

(c) Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for the Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS interim financial statements for the quarter ending 30 June 2018. In presenting its first MFRS financial statements, the Group will be required to adjust the comparative financial statements prepared under FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2019.

A3. Audit Qualification

The preceding annual financial statements of the Group were not subject to any audit qualification.

A4. Seasonality or cyclical nature of the interim operations

The production of security and confidential documents is influenced by cyclical changes in volume of certain products whilst the oil palm production and processing division is affected by seasonal crop production, weather conditions and fluctuating commodity prices.

A5. Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A6. Changes in estimates

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

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

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities for the current financial year to date.

During the current quarter, the Company did not repurchase any of its issued ordinary shares. Of the total 245,324,330 issued ordinary shares, 4,172,500 shares are held as treasury shares by the Company.

A8. Dividends paid

| | | Cumulative Quarter Ended | |
|-------------------------|--|---------------------------------|-----------------|
| | | 31/03/17 | 31/03/16 |
| | | RM'000 | RM'000 |
| Final Dividend | | | |
| 2015 | 15% single-tier final dividend (Paid on 9 October 2015) | - | 18,104 |
| 2016 | 15% single-tier final dividend (Paid on 22 September 2016) | 18,086 | - |
| Interim Dividend | | | |
| 2016 | 10% single-tier interim dividend (Paid on 31 December 2015) | - | 12,070 |
| 2017 | 10% single-tier interim dividend (Paid on 30 December 2016) | 12,058 | - |
| | | <u>30,144</u> | <u>30,174</u> |

A9. Segmental Information

| | 12 Months Cumulative | | | |
|---|-----------------------------|-------------------|-----------------------------|-------------------|
| | Current Year to date | | Preceding Year | |
| | 31/03/17 | | Corresponding Period | |
| | Revenue | Profit | Revenue | Profit |
| | RM'000 | Before Tax | RM'000 | Before Tax |
| | | RM'000 | RM'000 | RM'000 |
| Segments | | | | |
| Production and trading of security and confidential documents | 234,822 | 59,608 | 268,302 | 54,007 |
| Oil palm production and processing | 133,214 | 28,618 | 102,614 | 21,357 |
| Property management | 5,332 | 766 | 5,607 | 1,121 |
| Others | - | (1,046) | - | (736) |
| | <u>373,368</u> | <u>87,946</u> | <u>376,523</u> | <u>75,749</u> |
| Share of results of associate | - | 2,687 | - | 1,551 |
| | <u>373,368</u> | <u>90,633</u> | <u>376,523</u> | <u>77,300</u> |
| Eliminations | (1,267) | - | (1,316) | - |
| Group Results | <u>372,101</u> | <u>90,633</u> | <u>375,207</u> | <u>77,300</u> |

A10. Profit Before Tax

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

| | <i>Quarter ended</i> | | <i>12 Months Cumulative</i> | |
|---|----------------------|-----------------|-----------------------------|-----------------|
| | <i>31/03/17</i> | <i>31/03/16</i> | <i>31/03/17</i> | <i>31/03/16</i> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Other income | | | | |
| Management fees | 6 | 6 | 24 | 24 |
| Others | 6 | 1,163 | 54 | 3,459 |
| Operating expenses | | | | |
| Depreciation and amortisation | 5,271 | 5,379 | 21,136 | 24,722 |
| Foreign exchange (gain)/loss | 103 | (2,423) | 121 | (3,060) |
| Impairment loss on trade receivables | (19) | 666 | 16 | 1,434 |
| Impairment loss on other receivables | 3,491 | - | 3,491 | 2 |
| Write back of impairment loss on trade receivables | (110) | (4) | (481) | (748) |
| Inventories written down/(back) | 3,041 | 303 | 3,177 | (88) |

A11. Valuation of property, plant and equipment

The carrying amounts of property, plant and equipment have been brought forward without amendment from the previous audited financial statements.

A12. Subsequent events

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

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 and contingent assets

There were no contingent liabilities or contingent assets since the last annual balance sheet (other than as disclosed in Note B9).

A15. Capital Commitments

| | As at 31/03/17 RM'000 |
|--|--------------------------------------|
| Property, plant and equipment: | |
| Approved and contracted for | 2,749 |
| Approved but not contracted for | 11,130 |
| Share of capital commitments of associated companies: | |
| Property, plant and equipment | |
| Approved and contracted for | 2,290 |
| Approved but not contracted for | 5 |

A16. Acquisition of Property, Plant and Equipment

As at the end of the financial period to date, the Group has acquired the following assets.

| | Current Year to date 31/03/17 |
|--------------------------------|--|
| | RM'000 |
| Buildings | 2,564 |
| Plant and machinery | 1,043 |
| Computer hardware and software | 1,340 |
| Motor vehicles | 176 |
| Office equipment and fittings | 179 |
| | 5,302 |

A17. Related Party Transactions

| | Current Year to date 31/03/17 |
|---|--|
| | RM'000 |
| Penultimate Holding Company | |
| Kumpulan Fima Berhad | |
| Rental income receivable | (756) |
| Fellow Subsidiaries : | |
| Fima Instanco Sdn Bhd | |
| Rental income receivable | (120) |
| Related by virtue of director/(s) of the Company and/or Group having substantial interest: | |
| Nationwide Express Courier Services Berhad | |
| Rental income receivable | (78) |
| Purchases made - Delivery services | 199 |
| PT Pohon Emas Lestari | |
| Purchase of fresh fruit bunches | 6,029 |
| TD Technologies Sdn Bhd | |
| Services payable - IT services | 102 |

A18. Inventories

During the quarter, the amount of inventories written down was RM5.0 million.

B1. Review of Performance

| | Year to date | | Variance | |
|-------------------|--------------|----------|----------|-------|
| | 31/03/17 | 31/03/16 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Group | | | | |
| Revenue | 372,101 | 375,207 | (3,106) | (0.8) |
| Profit before tax | 90,633 | 77,300 | 13,333 | 17.2 |

For the financial year ended 31 March 2017, the Group's revenue decreased by RM3.1 million or 0.8% to RM372.1 million from RM375.2 million last year. On the back of favourable sales mix, lower depreciation and higher contribution from oil palm production and processing, profit before tax increased by RM13.3 million or 17.2% to RM90.6 million from RM77.3 million in the previous year.

| | Year to date | | Variance | |
|--|--------------|----------|----------|--------|
| | 31/03/17 | 31/03/16 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Production and trading of security and confidential documents | | | | |
| Revenue | 234,822 | 268,302 | (33,480) | (12.5) |
| Profit before tax | 59,608 | 54,007 | 5,601 | 10.4 |

Revenue from this segment of RM234.8 million closed RM33.5 million or 12.5% lower compared to RM268.3 million revenue recorded last year, mainly due to lower sales volume of certain documents. Pretax profit improved by RM5.6 million to RM59.6 million from RM54.0 million posted last year. The improvement was mainly due to favourable sales mix and lower depreciation.

| | Year to date | | Variance | |
|--|--------------|----------|----------|-------|
| | 31/03/17 | 31/03/16 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Oil palm production and processing | | | | |
| Revenue | 133,214 | 102,614 | 30,600 | 29.8 |
| Profit before tax | 28,618 | 21,357 | 7,261 | 34.0 |
| Sales Quantity (mt) | | | | |
| Crude palm oil (CPO) | 43,647 | 44,228 | (580) | (1.3) |
| Crude palm kernel oil (CPKO) | 3,076 | 3,314 | (238) | (7.2) |
| Palm kernel (PK) | - | 1,899 | (1,899) | - |
| Average CIF selling price, net of duty (RM/mt) | | | | |
| CPO | 2,625 | 2,064 | 561 | 27.2 |
| CPKO | 5,894 | 2,863 | 3,031 | 105.9 |
| PK | - | 835 | (835) | - |

Revenue for the financial year from oil palm production and processing of RM133.2 million was RM30.6 million or 29.8% higher than last year, mainly due to higher selling price of CPO and CPKO. On the back of higher revenue, this segment posted a profit before tax of RM28.6 million, RM7.2 million or 34.0% higher than last year.

Plantation estates in Malaysia which are presently in the process of land development or palm planting registered a total pretax loss of RM2.5 million (2016: RM1.8 million)

B1. Review of Performance (Contd.)

| | Year to date | | Variance | |
|----------------------------|--------------|----------|----------|--------|
| | 31/03/17 | 31/03/16 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Property Management | | | | |
| Revenue | 5,332 | 5,607 | (275) | (4.9) |
| Profit before tax | 766 | 1,121 | (355) | (31.7) |

Revenue from the property management division decreased by RM275,000 due to lower rental income and carpark collection. Pretax profit decreased by RM355,000 on the back of lower revenue and interest income.

B2. Material change in profit before taxation for the quarter reported as compared with the preceding quarter

| | Current | Preceding | Variance | |
|-------------------|---------|-----------|----------|--------|
| | Quarter | Quarter | | |
| | RM'000 | RM'000 | RM'000 | % |
| Group | | | | |
| Revenue | 80,726 | 95,159 | (14,433) | (15.2) |
| Profit before tax | 22,787 | 21,364 | 1,423 | 6.7 |

For the final quarter, the Group registered a revenue of RM80.7 million with a pretax profit of RM22.8 million compared to RM21.4 million pretax profit on the back of RM95.2 million revenue in the third quarter.

| | Current | Preceding | Variance | |
|--|---------|-----------|----------|--------|
| | Quarter | Quarter | | |
| | RM'000 | RM'000 | RM'000 | % |
| Production and trading of security and confidential documents | | | | |
| Revenue | 41,673 | 66,023 | (24,350) | (36.9) |
| Profit before tax | 11,184 | 16,052 | (4,868) | (30.3) |

Revenue from production of security and confidential documents for the quarter under review of RM41.7 million was RM24.4 million lower than the preceding quarter. The decrease was attributable to lower sales volume of a certain travelling document. Pretax profit decreased by RM4.9 million to RM11.2 million mainly due to lower revenue.

| | Current | Preceding | Variance | |
|--|---------|-----------|----------|-------|
| | Quarter | Quarter | | |
| | RM'000 | RM'000 | RM'000 | % |
| Oil palm production and processing | | | | |
| Revenue | 38,058 | 28,174 | 9,884 | 35.1 |
| Profit before tax | 10,849 | 4,615 | 6,234 | 135.1 |
| Sales Quantity (mt) | | | | |
| Crude palm oil (CPO) | 10,582 | 9,126 | 1,456 | 16.0 |
| Crude palm kernel oil (CPKO) | 1,002 | - | 1,002 | - |
| Average CIF selling price, net of duty (RM/mt) | | | | |
| CPO | 2,937 | 2,964 | (27) | (0.9) |
| CPKO | 6,970 | - | 6,970 | - |

This segment's revenue for the quarter under review of RM38.1 million was RM9.9 million higher than the preceding quarter due to sales of CPKO and higher sales volume of CPO. Due to higher revenue, pretax profit increased by RM6.2 million as compared to the previous quarter.

B3. Prospects

Next financial year's outlook for production and trading of security and confidential documents will be challenging due to the expiry of a supply contract for a certain travelling document.

In view of the current prevailing prices of palm oil products, the outlook for oil palm production and processing is expected to be satisfactory.

The Board acknowledges the challenges ahead and expects a lower Group results for 2017/2018.

B4. Variance of actual profit from forecast profit

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

B5. Taxation

| | Current Quarter 31/03/17 RM'000 | Current Year to date 31/03/17 RM'000 |
|-------------------------------|--|---|
| Current year | 10,551 | 28,890 |
| Under provision in prior year | 1,402 | 1,402 |
| | <u>11,953</u> | <u>30,292</u> |
| Deferred tax: | | |
| Current year | (1,747) | (1,747) |
| Over provision in prior year | 776 | 776 |
| | <u>(971)</u> | <u>(971)</u> |
| Total | <u>10,982</u> | <u>29,321</u> |

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, under provision in prior year and no group relief.

B6. 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

B7. Finance lease obligations

| | As at 31/03/17 RM'000 | As at 31/03/16 RM'000 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Obligations under finance leases | | |
| Current | 624 | 646 |
| Non-current | 16,176 | 16,799 |
| | <u>16,800</u> | <u>17,445</u> |

B7. Finance lease obligations (Contd.)

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 will expire 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 Reli, 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.

B8. Realised/unrealised profits/(losses)

| | <u>As at</u> <u>31/03/17</u> <u>RM'000</u> | <u>As at</u> <u>31/03/16</u> <u>RM'000</u> |
|---|--|--|
| Total retained profits of | | |
| Fima Corporation Berhad and its subsidiaries: | | |
| - Realised | 459,103 | 429,858 |
| - Unrealised | (20,992) | (31,599) |
| | <u>438,111</u> | <u>398,259</u> |
| Total share of retained profits from | | |
| associated company: | | |
| - Realised | 35,164 | 34,389 |
| - Unrealised | (4,103) | (4,151) |
| | <u>31,061</u> | <u>30,238</u> |
| Add: Consolidation adjustments | 818 | 13,551 |
| Total group retained profits as per consolidated accounts | <u>469,990</u> | <u>442,048</u> |

B9. Changes in material litigation

- (i) On 21 October 2016, the Company 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 PT NJL'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 ("PTUN") in Jakarta, Indonesia seeking an order to annul the Ministerial Order. Simultaneously, in the said application, PTNJL has also sought an order from PTUN to postpone the enforcement of the Ministerial Order pending full and final determination of the matter by the Indonesian courts. The suit is still on-going and the Defendant, together with a third party intervener, PT Adindo Hutani Lestari, have filed a defence against the said suit.

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

B9. Changes in material litigation (Contd.)

- (ii) Following the termination of the Tenancy Agreement by Malaysia Airports Holding Berhad ("MAHB") on 11 May 2000, the Company as the Principal Tenant had 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, the Company 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 their renovation costs and general damages. The Board had sought the opinion from the solicitors who were of the opinion that there should be no compensation payable to the Plaintiff as the demised premise was acquired by a relevant authority which was provided in the Tenancy Agreement between the Company 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, the Company had filed its Record of Appeal to the Court of Appeal to appeal against the decision. The Company had made full provision for the compensation claim of RM2.12 million during the financial year ended 31 March 2009.

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

B10. Dividend

The Board of Directors recommend the payment of a single-tier final dividend of 7.5 sen per share (last year: 7.5 sen) and a single-tier special dividend of 5.0 sen per share (last year: nil) for the year ending 31 March 2017, which is subject to the shareholders' approval at the forthcoming Annual General Meeting. The proposed final dividend will amount to approximately RM30.1 million (last year: RM18.1 million) and will be paid on a date to be determined.

B11. Earnings per share

| | <i>Individual Quarter</i> | | <i>Cumulative Quarter</i> | |
|---|-----------------------------|---|-----------------------------|--|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To Date | Preceding Year Corresponding Period |
| | 31/03/17 | 31/03/16 | 31/03/17 | 31/03/16 |
| <i>Earnings</i> | | | | |
| Profit attributable to owners of the Company (RM'000) | 11,023 | 11,819 | 58,146 | 51,282 |
| Basic Earning per Share | | | | |
| Weighted average number of ordinary shares in issue | 241,178,880 | 241,404,497 | 241,178,880 | 241,404,497 |
| Basic earnings per share (sen) | 4.57 | 4.90 | 24.11 | 21.24 |

BY ORDER OF THE BOARD

JASMIN BINTI HOOD (LS 0009071)

LEE MO LENG (MIA 9505)

Company Secretaries

Kuala Lumpur

Date: 24 May 2017