



FIMA CORPORATION BERHAD (21185-P)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2017
(THE FIGURES HAVE NOT BEEN AUDITED)**

	<i>Current Quarter</i>		<i>3 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>30/06/17</i>	<i>30/06/16</i>	<i>30/06/17</i>	<i>30/06/16</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Revenue	79,153	83,198	79,153	83,198
Cost of sales	(50,100)	(55,112)	(50,100)	(55,112)
Gross profit	29,053	28,086	29,053	28,086
Interest income	1,003	1,359	1,003	1,359
Other income	142	26	142	26
Administrative expenses	(5,917)	(4,944)	(5,917)	(4,944)
Selling and marketing expenses	(793)	(810)	(793)	(810)
Other operating expenses	(8,204)	(4,868)	(8,204)	(4,868)
Finance costs	(25)	(14)	(25)	(14)
Share of results from associates	427	1,530	427	1,530
Profit before tax	15,686	20,365	15,686	20,365
Income tax expense	(4,865)	(5,351)	(4,865)	(5,351)
Profit net of tax	10,821	15,014	10,821	15,014
Other comprehensive income, net of tax				
Foreign currency translation (loss)/gain	(3,044)	3,108	(3,044)	3,108
Total comprehensive income for the period	7,777	18,122	7,777	18,122
Profit attributable to :				
Equity holders of the Company	9,087	14,318	9,087	14,318
Non-controlling interests	1,734	696	1,734	696
Profit for the period	10,821	15,014	10,821	15,014
Total comprehensive income attributable to:				
Equity holders of the Company	3,608	16,804	3,608	16,804
Non-controlling interests	4,169	1,318	4,169	1,318
Total comprehensive income for the period	7,777	18,122	7,777	18,122
Earnings per share attributable to equity holders of the Company				
Basic/diluted earnings per share (sen) (Note B11)	3.77	5.93	3.77	5.93

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements)



FIMA CORPORATION BERHAD (21185-P)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at End Of Current Quarter 30/06/17 (unaudited) RM'000	As at Preceding Financial Year End 31/03/17 (audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	95,930	97,856
Biological assets	33,071	33,030
Investment properties	61,801	62,177
Goodwill on consolidation	510	510
Investment in associate	39,576	41,061
Deferred tax assets	9,231	9,408
	240,119	244,042
Current Assets		
Inventories	35,933	37,431
Trade and other receivables	132,384	97,537
Due from related companies	-	19
Cash and cash equivalents	263,459	336,309
	431,776	471,296
TOTAL ASSETS	671,895	715,338
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	122,662	122,662
Treasury shares	(4,181)	(4,181)
Other reserves	(9,090)	(6,655)
Retained earnings	458,950	449,559
	568,341	561,385
Non-controlling interests	21,716	25,415
Total Equity	590,057	586,800
Non-Current Liabilities		
Retirement benefit obligations	1,805	1,837
Finance lease obligations	16,012	16,176
Deferred tax liabilities	3,223	3,275
	21,040	21,288
Current Liabilities		
Trade and other payables	33,072	82,761
Provisions	17,268	16,947
Tax payable	8,566	6,291
Due to related companies	1,268	627
Finance lease obligations	624	624
	60,798	107,250
Total Liabilities	81,838	128,538
TOTAL EQUITY AND LIABILITIES	671,895	715,338
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.36	2.33

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 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 FIRST QUARTER ENDED 30 JUNE 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 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	-	-	2,486	-	2,486	-	14,318	16,804	1,318	18,122
Transaction with owners										
Acquisition of Treasury Shares	-	(347)		-	-	-	-	(347)	-	(347)
Total transactions with owners	-	(347)	-	-	-	-	-	(347)	-	(347)
As 30 June 2016	122,662	(4,136)	(4,188)	16,823	(25,239)	4,228	456,366	570,704	29,459	600,163
At 1 April 2017	122,662	(4,181)	(6,655)	7,605	(18,510)	4,250	449,559	561,385	25,415	586,800
Total comprehensive income for the period	-	-	(2,435)	-	(2,435)	-	9,391	6,956	648	7,604
Transaction with owners										
Dividend paid	-	-	-	-	-	-	-	-	(4,347)	(4,347)
Total transactions with owners	-	-	-	-	-	-	-	-	(4,347)	(4,347)
At 30 June 2017	122,662	(4,181)	(9,090)	7,605	(20,945)	4,250	458,950	568,341	21,716	590,057

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements)



FIMA CORPORATION BERHAD (21185-P)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2017**

	3 months ended	
	30/06/17	30/06/16
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,686	20,365
Adjustments for:		
Depreciation for property, plant and equipment	2,149	3,776
Depreciation of investment properties	376	376
Amortisation of biological assets	906	1,048
Impairment loss on trade receivables	5	20
Write back of impairment loss on trade receivables	(2)	(253)
Write back of inventories	-	(161)
Write down of inventories	979	-
Provision for retirement benefit obligations	8	20
Provision for warranty	321	98
Share of results of associate	(427)	(1,530)
Interest income	(1,003)	(1,359)
Operating profit before working capital changes	18,998	22,400
Increase in trade and other receivables	(34,640)	(14,055)
Decrease/(increase) in inventories	519	(3,965)
Increase/(decrease) in related companies balances	660	(14)
(Decrease)/increase in trade and other payables	(49,385)	5,625
Cash generated (used)/from operations	(63,848)	9,991
Taxes paid	(2,675)	(3,275)
Retirement benefits paid	-	(5)
Interest income received	1,003	1,359
Net cash (used)/generated from operating activities	(65,520)	8,070
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(526)	(951)
Additions to biological assets	(1,330)	(2,274)
Acquisition of non-controlling interests	(173)	-
Repayment of obligations under finance lease	(164)	(158)
Dividends received	1,912	-
Net cash used in investing activities	(281)	(3,383)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid by a subsidiary to non-controlling interests	(4,347)	-
Acquisition of Treasury Shares	-	(347)
Net cash used in financing activities	(4,347)	(347)
CASH AND CASH EQUIVALENTS		
Net (decrease)/increase in cash and cash equivalents	(70,148)	4,340
Effect of exchange rate changes in cash and cash equivalents	646	1,569
Cash and cash equivalents balances at beginning of the year	336,309	177,593
Cash and cash equivalents at end of year	266,807	183,502
CASH AND CASH EQUIVALENTS COMPRISE OF :		
Cash and bank balances	9,778	15,933
Deposits with licensed banks	253,681	167,569
	263,459	183,502

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2017 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 2017. 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 2017.

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 2017 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 2017, 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 107: Disclosure initiative
- Amendments to FRS 112: Recognition of deferred tax assets for unrealised losses

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
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

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.

(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").

A2. Significant Accounting Policies (Contd.)

(c) Malaysian Financial Reporting Standards (MFRS Framework) (Contd.)

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 cyclicity 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

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

A9. Segmental Information

(i) Business Segments

	3 Months Cumulative			
	Current Year to date		Preceding Year	
	30/06/17		Corresponding Period	
	30/06/16		30/06/16	
	Revenue	Profit	Revenue	Profit
	RM'000	Before Tax	RM'000	Before Tax
		RM'000	RM'000	RM'000
Production and trading of security and confidential documents	36,220	5,173	53,224	13,574
Oil palm production and processing	41,924	10,300	28,866	5,122
Property management	1,346	116	1,436	296
Others	-	(330)	-	(157)
	<u>79,490</u>	<u>15,259</u>	<u>83,526</u>	<u>18,835</u>
Share of results of associate	-	427	-	1,530
	<u>79,490</u>	<u>15,686</u>	<u>83,526</u>	<u>20,365</u>
Eliminations	(337)	-	(328)	-
Group Results	<u>79,153</u>	<u>15,686</u>	<u>83,198</u>	<u>20,365</u>

(ii) Geographical Segments

	3 Months Cumulative			
	Current Year to date		Preceding Year	
	30/06/17		Corresponding Period	
	30/06/16		30/06/16	
	Revenue	Profit	Revenue	Profit
	RM'000	Before Tax	RM'000	Before Tax
		RM'000	RM'000	RM'000
Malaysia	37,572	2,934	54,660	13,381
Indonesia	41,918	12,325	28,866	5,454
	<u>79,490</u>	<u>15,259</u>	<u>83,526</u>	<u>18,835</u>
Eliminations	(337)	427	(328)	1,530
Group	<u>79,153</u>	<u>15,686</u>	<u>83,198</u>	<u>20,365</u>

	3 Months Cumulative			
	Current Year to date		Preceding Year	
	30/06/17		Corresponding Period	
	30/06/16		30/06/16	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Malaysia	691,261	55,744	689,873	87,452
Indonesia	107,593	23,567	112,087	12,509
	<u>798,854</u>	<u>79,311</u>	<u>801,960</u>	<u>99,961</u>
Eliminations	(126,959)	2,527	(91,885)	9,951
Group	<u>671,895</u>	<u>81,838</u>	<u>710,075</u>	<u>109,912</u>

A10. Profit Before Tax

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

	<i>Quarter ended</i>		<i>3 Months Cumulative</i>	
	<i>30/06/17</i>	<i>30/06/16</i>	<i>30/06/17</i>	<i>30/06/16</i>
	RM'000	RM'000	RM'000	RM'000
Other income				
Management fees	6	6	6	6
Others	136	20	136	20
Operating expenses				
Depreciation and amortisation	3,431	5,200	3,431	5,200
Foreign exchange loss	124	29	124	29
Impairment loss on trade receivables	5	20	5	20
Write back of impairment loss on trade receivables	(2)	(253)	(2)	(253)
Inventories written down/(back)	979	(161)	979	(161)
Provision for retirement benefit obligations	8	20	8	20

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

Saved as disclosed below, there were no changes in the composition of the Group for the current quarter and financial period to date.

On 29 May 2017, wholly-owned subsidiary FCB Plantation Holdings Sdn Bhd acquired 110 ordinary shares of the total issued and paid-up capital of Next Oasis Sdn Bhd ("Next Oasis"), representing the remaining 11% of the equity interest in Next Oasis for a purchase consideration of RM173,000.

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 30/06/17 RM'000
Property, plant and equipment:	
Approved and contracted for	2,330
Approved but not contracted for	15,684
Share of capital commitments of associated companies:	
Property, plant and equipment	
Approved and contracted for	263
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 30/06/17 RM'000
Office equipment and fittings	335
Plant and machinery	126
Buildings	36
Computer hardware and software	29
	<u>526</u>

A17. Related Party Transactions

	Current Year to date 30/06/17 RM'000
Penultimate Holding Company	
Kumpulan Fima Berhad	
Rental income receivable	(193)
Fellow Subsidiaries :	
Fima Instanco Sdn Bhd	
Rental income receivable	(30)
Related by virtue of common shareholder of the Company	
Nationwide Express Courier Services Berhad	
Rental income receivable	(20)
Purchases made - Delivery services	31
PT Pohon Emas Lestari	
Purchase of fresh fruit bunches	<u>1,703</u>

A18. Inventories

During the quarter, the amount of inventories written down was RM979,000

**PART B - Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A**

B1. Review of Performance

	Year to date		Variance	
	30/06/17	30/06/16		
	RM'000	RM'000	RM'000	%
Group				
Revenue	79,153	83,198	(4,045)	(4.9)
Profit before tax	15,686	20,365	(4,679)	(23.0)
Profit after tax	10,821	15,014	(4,193)	(27.9)
Profit attributable to Equity Holders of the Company	9,087	14,318	(5,231)	(36.5)

The Group recorded a lower revenue and profit before tax of RM79.2 million and RM15.7 million respectively for the first quarter, as compared to RM83.2 million and RM20.4 million respectively for the corresponding period last year. The decrease was mainly due to lower revenue from the production of security and confidential documents coupled with RM1.8 million withholding tax on dividend income from subsidiary company in Indonesia, RM0.9 million write down of inventories and RM1.1 million lower share of profit from associate company.

	Year to date		Variance	
	30/06/17	30/06/16		
	RM'000	RM'000	RM'000	%
Production and trading of security and confidential documents				
Revenue	36,220	53,224	(17,004)	(31.9)
Profit before tax	5,173	13,574	(8,401)	(61.9)

Revenue from this segment decreased by 31.9% to RM36.2 million from RM53.2 million last year, primarily due to a decrease in sales volume for a certain travel document.

On the back of lower revenue and write down of inventories, pretax profit decreased by RM8.4 million or 61.9% compared to the corresponding period last year.

	Year to date		Variance	
	30/06/17	30/06/16		
	RM'000	RM'000	RM'000	%
Oil palm production and processing				
Revenue	41,924	28,866	13,058	45.2
Profit before tax	10,300	5,122	5,178	101.1

	Year to date		Variance	
	30/06/17	30/06/16		
Fresh fruit bunch (FFB) produced (mt)	43,356	32,065	11,291	35.2
FFB yield/ha (mt)	6.80	4.98	1.82	36.5
Cost of FFB produced (RM/mt)	223.41	297.82	74.41	25.0
Crude palm oil (CPO) produced (MT)	13,165	10,680	2,485	23.3
CPO extraction rate (%)	22.44	22.82	(0.38)	(1.7)
Sales Quantity (mt)				
CPO	14,334	11,016	3,318	30.1
Crude palm kernel oil (CPKO)	1,388	1,022	366	35.8
Average CIF selling price, net of duty (RM/mt)				
CPO	2,570	2,204	366	16.6
CPKO	4,170	4,492	(322)	(7.2)
Palm profiles (ha)				
Mature	6,379.8	6,433.0		
Immature	1,100.8	489.1		
Total planted area	7,480.6	6,922.1		

B1. Review of Performance (Contd.)**Oil palm production and processing (Contd.)**

This segment registered a 101.1% increase in pretax profit compared to the corresponding period last year, mainly due to higher sales of CPO and lower cost of FFB produced. CPO quantity sold and average selling price was 3,318 mt or 30.1% and RM366 or 16.6% higher than last year respectively. FFB and CPO produced increased by 35.2% and 23.3% respectively while cost of production of FFB decreased by 25%.

Plantation estates in Malaysia which are presently in the process of land development or palm planting registered a total pretax loss of RM647,000 (2017: RM658,000).

	Year to date		Variance	
	30/06/17 RM'000	30/06/16 RM'000	RM'000	%
Property Management				
Revenue	1,346	1,436	(90)	(6.3)
Profit before tax	116	296	(180)	(60.8)

Revenue from the property management division decreased by RM90,000 due to lower rental income and carpark collection. Pretax profit decreased by RM180,000 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 Quarter	Preceding Quarter	Variance	
	RM'000	RM'000	RM'000	%
Group				
Revenue	79,153	80,726	(1,573)	(1.9)
Profit before tax	15,686	(6,585)	22,271	338.2
Profit after tax	10,821	(14,500)	25,321	174.6
Profit attributable to Equity Holders of the Company	9,087	(9,408)	18,495	196.6

During the quarter under review, the Group posted a revenue of RM79.2 million with a pretax profit of RM15.7 million as compared RM6.6 million pretax loss on the back of RM80.7 million revenue in the preceding quarter.

In the preceding quarter, a pretax impairment loss of RM29.4 million was recognised pursuant to a Ministerial Order received by subsidiary, PT Nunukan Jaya Lestari ("PTNJL") to revoke PTNJL's land title for the cultivation of oil palm in Kalimantan Utara. Further details are disclosed in Note B9(i).

	Current Quarter	Preceding Quarter	Variance	
	RM'000	RM'000	RM'000	%
Production and trading of security and confidential documents				
Revenue	36,220	41,673	(5,453)	(13.1)
Profit before tax	5,173	11,184	(6,011)	(53.7)

Revenue from production of security and confidential documents decreased by RM5.5 million or 13.1% from the preceding quarter, mainly due to reduced sales volume for a certain travel document. In line with the decrease in revenue coupled with less favourable sales mix, pretax profit registered for the current quarter was lower by 53.7%.

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

	Current Quarter	Preceding Quarter	Variance	
	RM'000	RM'000	RM'000	%
Oil palm production and processing				
Revenue	41,924	38,058	3,866	10.2
Profit before tax	10,300	(18,523)	28,823	155.6

	Current Quarter	Preceding Quarter	Variance	
Sales Quantity (mt)				
Crude palm oil (CPO)	14,334	10,582	3,753	35.5
Crude palm kernel oil (CPKO)	1,388	1,002	386	-
Average CIF selling price, net of duty (RM/mt)				
CPO	2,570	2,937	(367)	(12.5)
CPKO	4,170	6,970	(2,800)	-

Revenue from this segment for the current quarter of RM41.9 million was RM3.9 million or 10.2% higher than the preceding quarter, mainly due to higher sales volume of CPO. A pretax profit of RM10.3 million was posted, an improvement of RM28.8 million compared to the preceding quarter's pretax loss of RM18.5 million.

In the preceding quarter, an impairment loss of RM29.4 million was recognised pursuant to a Ministerial Order received by subsidiary, PT Nunukan Jaya Lestari ("PTNJL") to revoke PTNJL's land title for the cultivation of oil palm in Kalimantan Utara. Further details are disclosed in Note B9(i).

B3. Prospects

The Board recognises the challenges ahead following the expiration of a supply contract for a certain travel document. The production and trading of security and confidential documents segment will continue to put concerted efforts to establish new strategic alliances to develop new products and solutions to complement its existing products.

As the setback in FFB production arising from the consequences of the El Nino experienced in 2015/2016 has ended, the FFB yield is recovering and is anticipated to improve further. Nevertheless, the overall performance of the oil palm production and processing is very much influenced by the direction of palm oil prices. In view of the current prevailing palm oil prices, the Board of Directors expects the results of this financial year to be satisfactory.

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	Current Year to date
	30/06/17	30/06/17
	RM'000	RM'000
Tax charge	4,865	4,865

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 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 30/06/17	As at 30/06/16
	RM'000	RM'000
Obligations under finance leases		
Current	624	646
Non-current	16,012	16,641
	<u>16,636</u>	<u>17,287</u>

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)

	As at 30/06/17	As at 31/03/17
	RM'000	RM'000
Total retained profits of		
Fima Corporation Berhad and its subsidiaries:		
- Realised	432,894	422,793
- Unrealised	(14,160)	(12,182)
	<u>418,734</u>	<u>410,611</u>
Total share of retained profits from		
associated company:		
- Realised	33,855	35,164
- Unrealised	(4,279)	(4,103)
	<u>29,576</u>	<u>31,061</u>
Add: Consolidation adjustments	10,640	7,887
Total group retained profits as per consolidated accounts	<u>458,950</u>	<u>449,559</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 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 PTUN 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 intervener, 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 an appeal to the Pengadilan Tinggi Tata Usaha Negara Jakarta to appeal against the decision of the State Administrative Court.

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.

- (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

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

B11. Earnings per share

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	Current Year Quarter 30/06/17	Preceding Year Corresponding Quarter 30/06/16	Current Year To Date 30/06/17	Preceding Year Corresponding Period 30/06/16
<i>Earnings</i>				
Profit attributable to owners of the Company (RM'000)	<u>9,087</u>	<u>14,318</u>	<u>9,087</u>	<u>14,318</u>
Basic Earning per Share				
Weighted average number of ordinary shares in issue	241,151,830	241,324,963	241,151,830	241,324,963
Basic earnings per share (sen)	3.77	5.93	3.77	5.93

BY ORDER OF THE BOARD

JASMIN BINTI HOOD (LS 0009071)

LEE MO LENG (MIA 9505)

Company Secretaries

Kuala Lumpur

Date: 22 August 2017