



FIMA CORPORATION BERHAD (197401004110) (21185-P)
(Incorporated in Malaysia)

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

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

	Note	Current Quarter		12 Months Cumulative	
		Current Year Quarter 31/03/20	Preceding Year Corresponding Quarter 31/03/19	Current Year To Date 31/03/20	Preceding Year Corresponding Period 31/03/19
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	70,561	69,762	243,127	244,720
Cost of sales		(40,344)	(38,602)	(159,404)	(145,239)
Gross profit		30,217	31,160	83,723	99,481
Interest income		966	1,290	5,918	5,475
Other income		976	194	3,257	1,189
Administrative expenses		(12,232)	(10,403)	(35,282)	(28,354)
Selling and marketing expenses		(5,278)	(5,887)	(7,718)	(8,075)
Other operating (expenses)/profit		1,456	(7,246)	(15,570)	(17,425)
(Impairment)/write back of impairment loss on property, plant and equipment		(17,791)	-	(17,791)	23,631
Finance costs		(89)	(49)	(371)	(177)
Share of results from associate		371	1,239	1,963	3,732
(Loss)/profit before tax	A9/A10	(1,404)	10,298	18,129	79,477
Income tax expense	B5	(2,283)	(2,629)	(8,813)	(14,151)
(Loss)/profit net of tax		(3,687)	7,669	9,316	65,326
Other comprehensive (expense)/income, net of tax					
Foreign currency translation (loss)/gain		(11,122)	218	(8,497)	1,871
Remeasurement of defined benefit liability		(151)	82	(151)	82
Other comprehensive (expense)/income for the period/year		(11,273)	300	(8,648)	1,953
Total comprehensive (expense)/income for the period/year		(14,960)	7,969	668	67,279
(Loss)/profit attributable to:					
Equity holders of the Company		(1,020)	7,869	11,821	57,446
Non-controlling interests		(2,667)	(200)	(2,505)	7,880
(Loss)/profit for the period/year		(3,687)	7,669	9,316	65,326
Total comprehensive (expense)/ income attributable to:					
Equity holders of the Company		(10,039)	8,110	4,902	59,009
Non-controlling interests		(4,921)	(141)	(4,234)	8,270
Total comprehensive (expense)/income for the period/year		(14,960)	7,969	668	67,279
Earnings per share attributable to equity holders of the Company					
Basic/diluted earnings per share (sen)	B10	(0.43)	3.27	4.93	23.90

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	As at 31/03/20	As at 31/03/19
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	177,864	195,033
Investment properties	57,656	59,163
Right-of-use assets	1,731	-
Goodwill on consolidation	510	510
Investment in associate	33,237	31,274
Deferred tax assets	6,167	6,635
	277,165	292,615
Current assets		
Biological assets	3,347	1,019
Inventories	43,751	63,316
Trade and other receivables	131,543	110,275
Due from related companies	2,606	525
Short term cash investments	127,030	148,122
Cash and bank balances	47,551	57,855
	355,828	381,112
TOTAL ASSETS	632,993	673,727
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	122,662	122,662
Treasury shares	(7,631)	(6,156)
Other reserves	(9,864)	(3,067)
Retained earnings	442,070	460,336
	547,237	573,775
Non-controlling interests	19,149	23,383
Total equity	566,386	597,158
Non-current liabilities		
Retirement benefit obligations	2,073	1,831
Lease obligations	14,235	14,868
Deferred tax liabilities	4,372	6,803
	20,680	23,502
Current liabilities		
Trade and other payables	29,852	36,839
Provisions	10,198	11,312
Tax payable	1,844	3,761
Due to related companies	1,627	512
Lease obligations	2,406	643
	45,927	53,067
Total liabilities	66,607	76,569
TOTAL EQUITY AND LIABILITIES	632,993	673,727
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.29	2.39

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

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

	<----- Attributable to Equity Holders of the Company ----->					<----- Non-Distributable -----> Distributable			
	Share capital	Treasury shares	Other reserves	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
At 1 April 2018	122,662	(4,577)	(4,564)	(8,814)	4,250	432,872	546,393	18,958	565,351
Total comprehensive income for the period/ year	-	-	1,497	1,497	-	57,512	59,009	8,270	67,279
Transactions with owners									
Acquisition of treasury shares	-	(1,579)	-	-	-	-	(1,579)	-	(1,579)
Dividend paid	-	-	-	-	-	(30,048)	(30,048)	(3,845)	(33,893)
Total transactions with owners	-	(1,579)	-	-	-	(30,048)	(31,627)	(3,845)	(35,472)
At 31 March 2019	122,662	(6,156)	(3,067)	(7,317)	4,250	460,336	573,775	23,383	597,158
At 1 April 2019	122,662	(6,156)	(3,067)	(7,317)	4,250	460,336	573,775	23,383	597,158
Total comprehensive (expense)/income for the period/year	-	-	(6,797)	(6,797)	-	11,699	4,902	(4,234)	668
Transactions with owners									
Acquisition of treasury shares	-	(1,475)	-	-	-	-	(1,475)	-	(1,475)
Dividend paid	-	-	-	-	-	(29,965)	(29,965)	-	(29,965)
Total transactions with owners	-	(1,475)	-	-	-	(29,965)	(31,440)	-	(31,440)
At 31 March 2020	122,662	(7,631)	(9,864)	(14,114)	4,250	442,070	547,237	19,149	566,386

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2020

	12 months ended	
	31/03/20	31/03/19
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	18,129	79,477
Adjustments for:		
Depreciation for property, plant and equipment	14,098	13,287
Depreciation of investment properties	1,507	1,507
Depreciation of right-of-use assets	2,194	-
Impairment loss on trade and other receivables	757	24
Write back of impairment loss on trade and other receivables	(49)	(932)
Fair value changes on biological assets	(2,526)	1,272
Inventories written down/(back)	909	(810)
Net provision for retirement benefit obligations	273	240
Net reversal of provision for warranty	(1,114)	(769)
Gain on disposal of property, plant and equipment	(58)	(1)
Impairment loss on property, plant and equipment	17,791	-
Write back of impairment loss on property, plant and equipment	-	(23,631)
Share of results of associate	(1,963)	(3,732)
Interest expense	371	177
Interest income	(5,918)	(5,475)
Operating profit before working capital changes	44,401	60,634
(Increase)/decrease in trade and other receivables	(21,240)	12,613
Decrease/(increase) in inventories	19,161	(22,768)
Decrease in related companies balances	(966)	(151)
Decrease in trade and other payables	(7,208)	(343)
Cash generated from operations	34,148	49,985
Taxes paid	(12,693)	(14,781)
Retirement benefits paid	(68)	(141)
Net cash generated from operating activities	21,387	35,063
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(16,988)	(22,912)
Proceeds from disposal of property, plant and equipment	61	2
Interest income received	5,918	5,475
Dividends received	-	13,303
Net investment in short term cash investments	21,092	(104,239)
Net cash generated from/(used in) investing activities	10,083	(108,371)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(29,965)	(30,048)
Dividends paid by a subsidiary to non-controlling interests	-	(3,845)
Repayment of lease obligations	(3,166)	(865)
Acquisition of treasury shares	(1,475)	(1,579)
Net cash used in financing activities	(34,606)	(36,337)



FIMA CORPORATION BERHAD (197401004110) (21185-P)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D.)

	12 months ended	
	31/03/20	31/03/19
	RM'000	RM'000
CASH AND CASH EQUIVALENTS		
Net decrease in cash and cash equivalents	(3,136)	(109,645)
Effect of exchange rate changes in cash and cash equivalents	(7,168)	1,904
Cash and cash equivalents balances at beginning of the year	57,855	165,596
Cash and cash equivalents at end of year	<u>47,551</u>	<u>57,855</u>
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	20,210	32,184
Deposits with licensed banks	<u>27,341</u>	<u>25,671</u>
Cash and cash equivalents	<u>47,551</u>	<u>57,855</u>

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

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

PART A - Explanatory notes pursuant to MFRS 134

A1. Basis of preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2019. 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 2019.

A2. Changes in accounting policies

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

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

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

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

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

MFRS 16: Leases

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

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

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

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

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

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

MFRS 16: Leases (cont'd.)

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

	Assets/ (Liabilities) RM'000
Right-of-use assets	3,925
Lease liabilities	<u>(3,925)</u>

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

(b) Standards and Interpretations issued but not yet effective

The Group has not early adopted the following new and amended MFRSs and IC Interpretation that are not yet effective:

	Effective for annual period beginning on or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual improvements to MFRS 2018 - 2020	1 January 2022
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards and interpretation will have no material impact on the financial statements in the period of initial application.

A3. Auditors' report on preceding annual financial statements

The financial statements of the Group for the financial year ended 31 March 2019 were not subject to any audit qualification.

A4. 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 other than as disclosed in Note B8(2).

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

Saved as disclosed below, there were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities for the current quarter.

During the current quarter, the Company repurchased 326,900 of its issued ordinary shares from the open market at an average price of RM1.41. The total transaction paid for the repurchase including transaction costs was RM459,743. Of the total 245,324,330 issued ordinary shares, 6,070,300 shares are held as treasury shares by the Company.

A8. Dividends paid

		12 months cumulative	
		31/03/20	31/03/19
		RM'000	RM'000
Interim Dividend			
2019	10% single-tier interim dividend (Paid on 28 December 2018)	-	12,011
2020	10% single-tier interim dividend (Paid on 30 December 2019)	11,983	-
Final Dividend			
2018	15% single-tier final dividend (Paid on 20 September 2018)	-	18,037
2019	15% single-tier final dividend (Paid on 30 September 2019)	17,982	-
		29,965	30,048

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

	Quarter ended		12 months cumulative	
	31/03/20	31/03/19	31/03/20	31/03/19
	RM'000	RM'000	RM'000	RM'000
Revenue				
Production and trading of security and confidential documents	34,332	32,923	134,004	134,780
Oil palm production and processing	34,767	34,013	103,117	102,836
Property management	1,879	3,119	7,736	8,283
Others	1,751	15,991	27,076	72,620
	72,729	86,046	271,933	318,519
Eliminations	(2,168)	(16,284)	(28,806)	(73,799)
	70,561	69,762	243,127	244,720

A9. Segmental information (cont'd.)

(a) Segmental revenue and results for business segments (cont'd.)

	Quarter ended		12 months cumulative	
	31/03/20	31/03/19	31/03/20	31/03/19
	RM'000	RM'000	RM'000	RM'000
Profit before tax				
Production and trading of security and confidential documents	8,609	6,074	25,988	30,558
Oil palm production and processing	(10,696)	4,803	(8,499)	47,434
Property management	315	354	1,603	1,453
Others	1,667	13,819	24,288	68,920
	(105)	25,050	43,380	148,365
Share of results of associate	371	1,239	1,963	3,732
	266	26,289	45,343	152,097
Eliminations	(1,670)	(15,991)	(27,214)	(72,620)
	(1,404)	10,298	18,129	79,477

(b) Geographical segments

	Quarter ended		12 months cumulative	
	31/03/20	31/03/19	31/03/20	31/03/19
	RM'000	RM'000	RM'000	RM'000
Revenue				
Malaysia	38,927	52,210	172,077	216,135
Indonesia	33,802	33,836	99,856	102,384
	72,729	86,046	271,933	318,519
Eliminations	(2,168)	(16,284)	(28,806)	(73,799)
	70,561	69,762	243,127	244,720
Profit before tax				
Malaysia	9,229	20,213	48,047	100,155
Indonesia	(8,963)	6,076	(2,704)	51,942
	266	26,289	45,343	152,097
Eliminations	(1,670)	(15,991)	(27,214)	(72,620)
	(1,404)	10,298	18,129	79,477

	Quarter ended/12 months cumulative			
	31/03/20		31/03/19	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Malaysia	708,754	75,040	720,540	85,967
Indonesia	93,897	12,576	103,857	16,697
	802,651	87,616	824,397	102,664
Eliminations	(169,658)	(21,009)	(144,043)	(18,496)
Group	632,993	66,607	680,354	84,168

A10. Profit before tax

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

	Quarter ended		12 months cumulative	
	31/03/20	31/03/19	31/03/20	31/03/19
	RM'000	RM'000	RM'000	RM'000
Other income				
Management fees	-	-	-	10
Gain on disposal of property, plant and equipment	2	-	58	1
Others	974	194	3,199	1,178
Operating expenses				
Depreciation	6,101	3,734	17,799	14,794
Foreign exchange (gain)/loss	(3,959)	2,063	(3,967)	(48)
Impairment loss on trade and other receivables	31	(3)	757	24
Write back of impairment loss on trade and other receivables	-	(898)	(49)	(932)
Fair value changes on biological assets	(2,024)	(17)	(2,526)	1,272
Inventories written down/(back)	113	441	909	(810)
Net provision for retirement benefit obligations	223	293	273	240
Net reversal of provision for warranty	365	713	(1,114)	(769)
Impairment loss on property, plant and equipment	17,791	-	17,791	-
Write back of impairment loss on property, plant and equipment	-	-	-	(23,631)

A11. Subsequent events

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

A12. 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.

A13. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 March 2019 other than as disclosed in Note B8.

A14. Capital commitments

	As at
	31/03/20
	RM'000
Property, plant and equipment:	
Approved and contracted for	3,111

A15. Acquisition of property, plant and equipment

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

	Current year to date 31/03/20
	RM'000
Buildings	970
Plant and machinery	3,070
Factory and office renovations	3
Equipment, furniture and fittings and motor vehicles	2,039
Bearer plants and infrastructure	9,261
Work in progress	1,645
	16,988

A16. Related party transactions

	Current year to date 31/03/20
	RM'000
Penultimate Holding Company	
Kumpulan Fima Berhad	
Rental income receivable	853
Management fees payable	1,339
Service receivable	97
Fellow Subsidiary	
Fima Instanco Sdn Bhd	
Rental income receivable	180
Service receivable	157
Related by virtue of common shareholder of the Company	
Nationwide Express Courier Services Berhad	
Rental income receivable	76
Purchases made - Delivery services	79
Related by virtue of director/(s) of the Company and/or Group having substantial interest	
TD Technologies Sdn. Bhd.	
Service payable	136
First Zanzibar Sdn. Bhd.	
Service payable	229
PT Pohon Emas Lestari	
Purchase of fresh fruit bunches	5,925

A17. Inventories

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

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

B1. Review of performance

	Year to date		Variance	
	31/03/20	31/03/19	RM'000	%
	RM'000	RM'000	RM'000	%
Group				
Revenue	243,127	244,720	(1,593)	(0.7)
Profit before tax and impairment/write back*	35,920	55,846	(19,926)	(35.7)
Profit before tax	18,129	79,477	(61,348)	(77.2)
Profit after tax	9,316	65,326	(56,010)	(85.7)
Profit attributable to equity holders of the Company	11,821	57,446	(45,625)	(79.4)

* The amount is before the significant impairment and write back of impairment loss on property, plant and equipment pursuant to the Mahkamah Agung's decision as disclosed in Note A10 and Note B8(2).

The Group recorded lower revenue by RM1.6 million primarily due to lower revenue contribution from manufacturing and property management divisions. The Group profit before tax and impairment/write back has reduced from RM55.9 million last year to RM35.9 million this year mainly due to higher operating cost in plantation division.

The performances of each business divisions are as follows:

	Year to date		Variance	
	31/03/20	31/03/19	RM'000	%
	RM'000	RM'000	RM'000	%
Production and trading of security and confidential documents				
Revenue	134,004	134,780	(776)	(0.6)
Profit before tax	25,988	30,558	(4,570)	(15.0)

Revenue from this segment was consistent as compared to corresponding period last year with minimal decrease of 0.6% or RM0.8 million. On the back of unfavourable sales mix, the pretax profit decreased by RM4.6 million as compared to corresponding period last year.

	Year to date		Variance	
	31/03/20	31/03/19	RM'000	%
	RM'000	RM'000	RM'000	%
Oil palm production and processing				
Revenue	103,117	102,836	281	0.3
Profit before tax and write back *	9,292	23,803	(14,511)	(61.0)
Profit before tax	(8,499)	47,434	(55,933)	(117.9)

* The amount is before the significant impairment and write back of impairment loss on property, plant and equipment pursuant to the Mahkamah Agung's decision as disclosed in Note A10 and Note B8(2).

Below are the key operating statistics for the segment:

	Year to date		Variance	
	31/03/20	31/03/19	RM'000	%
	RM'000	RM'000	RM'000	%
Indonesia				
Fresh fruit bunch (FFB) produced (mt)	148,637	164,770	(16,133)	(9.8)
FFB yield/ha (mt)	23.58	25.98	(2.40)	(9.2)
Crude palm oil (CPO) produced (mt)	40,934	47,966	(7,032)	(14.7)
CPO extraction rate (%)	21.68	22.34	(0.66)	(3.0)
Sales quantity (mt)				
CPO	44,022	46,954	(2,932)	(6.2)
Crude palm kernel oil (CPKO)	1,067	4,042	(2,975)	(73.6)
Palm kernel (PK)	6,013	-	6,013	-
Malaysia				
Fresh fruit bunch (FFB) produced (mt)	7,813	1,310	6,503	496.4
FFB yield/ha (mt)	8.21	9.39	(1.18)	(12.6)

B1. Review of performance (cont'd.)

	Year to date	
	31/03/20	31/03/19
Total Group's hectarage		
Palm profiles (ha)		
Mature	7,248.5	6,923.4
Immature	1,594.7	1,225.7
Total planted area	8,843.2	8,149.1

Revenue for this segment was consistent as compared to corresponding period last year with minimal increase of 0.3% or RM0.3 million. Despite this, the division recorded significantly lower profit before tax and impairment/write back of impairment by RM14.5 million this year mainly due to lower yield, higher operational cost and lower CPKO sales as compared to previous year.

Plantation estates in Malaysia which are presently in the development process registered a higher total pretax loss of RM5.8 million (last year: RM4.5 million) mainly due to newly matured area.

	Year to date		Variance	
	31/03/20	31/03/19	RM'000	%
Property Management				
Revenue	7,736	8,283	(547)	(6.6)
Profit before tax	1,603	1,453	150	10.3

The division recorded lower revenue by RM0.6 million or 6.6% as compared to corresponding period last year mainly due to lower revenue from engineering consultation services amounting to RM0.8 million. Despite its lower revenue, engineering consultation services has contributed additional RM0.1 million on its profit before tax as compared to prior year and thus, improved overall profit before tax for the division by RM0.2 million.

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

	Q4	Q3	Variance	
	FY 2020	FY 2020	RM'000	%
Group				
Revenue	70,561	61,197	9,364	15.3
Profit before tax and impairment *	16,387	4,393	11,994	273.0
Profit before tax	(1,404)	4,393	(5,797)	(132.0)
Profit after tax	(3,687)	5,711	(9,398)	(164.6)
Profit attributable to equity holders of the Company	(1,020)	6,036	(7,056)	(116.9)

The performances of each business divisions are as follows:

* The amount is before the significant impairment loss on property, plant and equipment pursuant to the Mahkamah Agung's decision as disclosed in Note A10 and Note B8(2).

	Q4	Q3	Variance	
	FY 2020	FY 2020	RM'000	%
Production and trading of security and confidential documents				
Revenue	34,332	33,453	879	2.6
Profit before tax	8,609	4,155	4,454	107.2

Revenue from production of security and confidential documents was consistent as compared to preceding quarter with minimal increase of RM0.9 million or 2.6%. In line with higher revenue coupled with favourable sales mix, a pretax profit of RM8.6 million was posted, doubled over the preceding quarter.

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

	Q4	Q3	Variance	
	FY 2020	FY 2020	RM'000	%
	RM'000	RM'000	RM'000	%
Oil palm production and processing				
Revenue	34,767	26,155	8,612	32.9
Profit before tax and write back *	7,095	583	6,512	1,117.0
Profit before tax	(10,696)	583	(11,279)	(1,934.6)

* The amount is before the significant impairment loss on property, plant and equipment pursuant to the Mahkamah Agung's decision as disclosed in Note A10 and Note B8(2).

	Q4	Q3	Variance	
	FY 2020	FY 2020	RM'000	%
	RM'000	RM'000	RM'000	%
Crude palm oil (CPO) produced (mt)	10,117	10,035	82	0.8
Sales Quantity (mt)				
Crude palm oil (CPO)	11,044	11,909	(865)	(7.3)
Crude palm kernel oil (CPKO)	1,067	-	1,067	100.0
Palm kernel (PK)	6,013	-	6,013	100.0

Revenue from this segment for the current quarter of RM34.8 million was RM8.6 million or 32.9% higher than the preceding quarter, mainly due to higher sales volume of CPKO and Palm Kernel. In line with higher revenue coupled with foreign exchange gain and higher other income, the profit before tax and impairment for the division increased by RM6.5 million as compared to preceding quarter.

B3. Prospects

The Group anticipated the future revenue from all divisions to be slightly affected by current pandemic Covid-19. In addition, fluctuations in exchange rates and commodity prices may influence the Group's financial performance and position.

To face the challenges ahead, the Group will continue to take necessary measures to ride out this challenging time by enhancing our operational efficiencies. 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 and our plantation division will remain focus in improving its efficiency in oil processing and optimising production cost.

Nevertheless, the Group believe that overall performance for the next financial year will remain 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
	31/03/20	31/03/20
	RM'000	RM'000
Tax charge	2,283	8,813

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

B6. Corporate proposals

(a) Status of corporate proposal

There are no corporate proposal announced but not completed at the date of the report.

(b) Utilisation of proceeds raised from any corporate proposal

Not applicable.

B7. Lease obligations

The leases obligations are in respect of the following:

- (a) 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.
- (b) Sub-leases granted to subsidiaries, Taka Worldwide Trading Sdn Bhd and Etika Gangsa Sdn Bhd over 2 parcels of land measuring approximately 404.6 ha, deemed suitable for oil palm cultivation, situated in Mukim Relai, 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.
- (c) 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 period of 30 years.
- (d) A 30 year lease granted to subsidiary, Percetakan Keselamatan Nasional Sdn Bhd ("PKN") over 1 parcel of land measuring 1.46 ha located at Jalan Chan Sow Lin, Kuala Lumpur. The original lease period has expired on 30 April 2020 and the application for its extension has been submitted and currently under consideration.
- (e) A 4 year lease granted to subsidiary, PT Nunukan Jaya Lestari over 1 barge with 3,000mt capacity. The lease will expire on 11 April 2021.

B8. Changes in material litigation

- (1) On 30 July 2018, the Company 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 (excluding interest and cost), 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.

The next case management has been fixed for 6 April 2020. The matter has been fixed for trial on 13, 14, 27 and 28 August 2020.

This civil suit is not expected to have any material impact on the financial and operational position of the Company.

B8. Changes in material litigation (cont'd.)

- (2) (a) 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.

The Pengadilan Tinggi Tata Usaha Negara Jakarta vide its written decision dated 11 December 2017 (which was received by the Company's solicitors on 2 January 2018 and subsequently forwarded to the Company on 3 January 2018):

- (i) has partly allowed PTNJL's appeal against the State Administrative Court's decision, with costs;
- (ii) has declared that the Ministerial Order revoking PTNJL's HGU to be void, save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares; and
- (iii) has ordered the Defendant to revoke the Ministerial Order save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares.

Pursuant to Pengadilan Tinggi Tata Usaha Negara Jakarta's decision dated 11 December 2017, PTNJL has filed its statement of appeal on 10 January 2018 and appeal on 23 January 2018 to the Mahkamah Agung Republik Indonesia ("Mahkamah Agung") in respect of the decision of the Pengadilan Tinggi Tata Usaha Negara Jakarta.

Mahkamah Agung, vide its written decision dated 21 August 2018, has allowed PTNJL's appeal and ruled that the Ministerial Order revoking PTNJL's HGU be annulled. The Mahkamah Agung also ordered the Defendant, to simultaneously:

- (i) issue an order cancelling PTNJL's HGU rights over the areas overlapping with third party interests measuring 3,500 hectares; and
- (ii) issue a new HGU certificate in favour of PTNJL for an area measuring 16,474.130 hectares, (which is 19,974.130 hectares less the 3,500 hectares referred to in paragraph (i) above).

On 20 February 2019, the Company announced that PTNJL has received notice (which was received by PTNJL's solicitors on 18 February 2019 and subsequently forwarded to the Company on 19 February 2019) that the Defendant has filed an application for judicial review together with its judicial review memorandum at the Mahkamah Agung on 8 February 2019. The Defendant is seeking to set aside the Mahkamah Agung's written decision dated 21 August 2018 on grounds that the court had among others misapplied the law to the relevant facts in arriving at the decision. PTNJL has on 18 March 2019 filed a counter memorandum at the Mahkamah Agung in response to the said application.

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

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

B8. Changes in material litigation (cont'd.)

- (2) (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, the matter will now proceed to court for determination.

- (3) 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.

B9. Dividend

The Board of Directors declared a single-tier second interim dividend of 7.5 sen per share payable for the year ended 31 March 2020 (last year: Nil). The dividend payment will be approximately RM18.0 million (fourth quarter 2019: RM Nil).

B10. Earnings per share

	Quarter ended		12 months cumulative	
	31/03/20	31/03/19	31/03/20	31/03/19
Earnings				
(Loss)/profit attributable to owners of the Company (RM'000)	<u>(1,020)</u>	<u>7,869</u>	<u>11,821</u>	<u>57,446</u>
Basic earnings per share				
Weighted average number of ordinary shares in issue	239,745,355	240,390,212	239,745,355	240,390,212
Basic earnings per share (sen)	<u>(0.43)</u>	<u>3.27</u>	<u>4.93</u>	<u>23.90</u>

BY ORDER OF THE BOARD

JASMIN BINTI HOOD (LS 0009071)

FADZIL AZAHA (MIA20995)

Company Secretaries

Kuala Lumpur

Date: 22 June 2020