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

Condensed Consolidated Financial Statements
For The First Quarter Ended 30 June 2018

KUMPULAN FIMA BERHAD (11817-V)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	Current quarter Current year quarter 30-6-2018 RM'000	Current quarter Preceding year corresponding quarter 30-6-2017 (Restated) RM'000	3 months cumulative Current year to date 30-6-2018 RM'000	3 months cumulative Preceding year corresponding period 30-6-2017 (Restated) RM'000
Revenue	A9	95,579	121,147	95,579	121,147
Cost of sales		(56,305)	(77,819)	(56,305)	(77,819)
Gross profit		**39,274**	**43,328**	**39,274**	**43,328**
Other income		1,718	1,437	1,718	1,437
Other items of expense					
Administrative expenses		(17,374)	(18,870)	(17,374)	(18,870)
Selling and marketing expenses		(1,628)	(1,635)	(1,628)	(1,635)
Other expenses		(6,095)	(8,263)	(6,095)	(8,263)
		(25,097)	(28,768)	(25,097)	(28,768)
Finance costs		(366)	(141)	(366)	(141)
Share of profit of associates		230	(455)	230	(455)
Profit before tax	A9/A10	**15,759**	**15,401**	**15,759**	**15,401**
Income tax expense	B5	(3,163)	(6,560)	(3,163)	(6,560)
Profit net of tax		12,596	8,841	12,596	8,841
Other comprehensive income					
Foreign currency translation differences for foreign operations		2,929	(4,380)	2,929	(4,380)
Total comprehensive income for the period		15,525	4,461	15,525	4,461
Profit attributable to :					
Equity holders of the Company		10,338	4,365	10,338	4,365
Non-controlling interests		2,258	4,476	2,258	4,476
Profit for the period		12,596	8,841	12,596	8,841
Total comprehensive income attributable to :					
Equity holders of the Company		12,860	1,086	12,860	1,086
Non-controlling interests		2,665	3,375	2,665	3,375
Total comprehensive income for the period		15,525	4,461	15,525	4,461
Earnings per share attributable to equity holders of the Company :					
Basic/diluted earnings per share (sen)	B12	3.67	1.55	3.67	1.55

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements).

KUMPULAN FIMA BERHAD (11817-V)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	As At 30-6-2018	As At 31-3-2018 (Restated)	As At 1-4-2017 (Restated)
	RM'000	RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	511,354	508,759	475,327
Investment properties	66,417	66,829	68,464
Investment in associates	42,481	43,647	46,516
Deferred tax assets	9,393	9,206	6,966
Goodwill on consolidation	12,710	12,710	12,710
	642,355	641,151	609,983
Current assets			
Inventories	102,806	77,424	82,812
Biological assets	3,204	3,908	5,388
Trade receivables	116,949	141,507	108,149
Other receivables	41,848	20,941	32,552
Short term cash investments	109,655	51,886	-
Cash and bank balances	178,442	235,297	390,780
	552,904	530,963	619,681
TOTAL ASSETS	1,195,259	1,172,114	1,229,664
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	311,670	311,670	311,670
Treasury shares	(789)	(440)	-
Other reserves	47,380	44,858	66,896
Retained earnings	410,555	400,217	394,555
	768,816	756,305	773,121
Non-controlling interests	246,942	245,197	258,674
Total equity	1,015,758	1,001,502	1,031,795
Non-current liabilities			
Finance lease obligations	15,436	15,588	16,176
Retirement benefit obligations	1,787	1,813	1,837
Deferred tax liabilities	36,745	37,140	32,922
	53,968	54,541	50,935
Current liabilities			
Finance lease obligations	611	611	624
Short term borrowings	27,622	33,419	14,516
Trade and other payables	80,256	65,820	112,459
Provisions	11,726	12,081	16,947
Tax payable	5,318	4,140	2,388
	125,533	116,071	146,934
Total liabilities	179,501	170,612	197,869
TOTAL EQUITY AND LIABILITIES	1,195,259	1,172,114	1,229,664
Net assets per share (RM)	2.72	2.68	2.74

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements).

KUMPULAN FIMA BERHAD (11817-V)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2018

	Attributable to equity holders of the Company										
	Non-distributable							*Distributable*			
	Share capital	Treasury shares	Other reserves	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiary	Foreign exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2018	311,670	(440)	119,616	81,848	437	66,459	(29,128)	322,333	753,179	244,415	997,594
Effects from adoption of MFRS	-	-	(74,758)	(81,848)	-	-	7,090	77,884	3,126	782	3,908
	311,670	(440)	44,858	-	437	66,459	(22,038)	400,217	756,305	245,197	1,001,502
Total comprehensive income for the period	-	-	2,522	-	-	-	2,522	10,338	12,860	2,665	15,525
Transactions with owners											
Purchase of treasury shares	-	(349)	-	-	-	-	-	-	(349)	(920)	(1,269)
At 30 June 2018	311,670	(789)	47,380	-	437	66,459	(19,516)	410,555	768,816	246,942	1,015,758
At 1 April 2017	311,670	-	141,654	81,848	437	66,459	(7,090)	315,379	768,703	257,704	1,026,407
Effects from adoption of MFRS	-	-	(74,758)	(81,848)	-	-	7,090	79,176	4,418	970	5,388
	311,670	-	66,896	-	437	66,459	-	394,555	773,121	258,674	1,031,795
Total comprehensive income for the period	-	-	(3,279)	-	-	-	(3,279)	4,365	1,086	3,375	4,461
Transactions with owners											
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(4,347)	(4,347)
As 30 June 2017 (Restated)	311,670	-	63,617	-	437	66,459	(3,279)	398,920	774,207	257,702	1,031,909

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements).

KUMPULAN FIMA BERHAD (11817-V)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2018

	3 months ended	
	30-6-2018	30-6-2017 (Restated)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	15,759	15,401
Adjustments for:		
Depreciation of investment properties	408	405
Depreciation for property, plant and equipment	5,503	6,010
Loss on fair value of biological assets	474	559
Impairment loss on trade receivables	741	47
Interest expense	366	141
Interest income	(1,578)	(1,229)
Net (reversal of)/provision for warranty	(355)	321
Net unrealised forex (gain)/loss	(1,094)	1,836
Net (reversal of)/provision for retirement benefit obligation	(5)	8
Share of profit/(loss) of associates	230	(455)
Write back of impairment loss on trade receivables	(1,557)	(2)
Write down of inventories	106	979
Operating profit before working capital changes	18,998	24,021
(Increase)/decrease in inventories	(25,382)	252
Decrease/(increase) in receivables	6,574	(35,848)
Increase/(decrease) in payables	14,081	(45,637)
Cash generated from/(used in) from operations	14,271	(57,212)
Interest paid	(366)	(141)
Taxes paid	(1,718)	(4,404)
Retirement benefits paid	(21)	-
Net cash generated from/(used in) operating activities	12,166	(61,757)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,913)	(7,421)
Net dividend received from an associated company	1,395	1,912
Acquisition of non-controlling interests	-	(173)
Acquisition of treasury shares	(349)	-
Interest income received	1,578	1,229
Net short term cash investments	(57,769)	-
Net cash used in investing activities	(65,058)	(4,453)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net (repayment)/drawdown of borrowings	(5,797)	484
Repayment of obligation under finance lease	(200)	(189)
Dividend paid by a subsidiary to non-controlling interests	-	(4,347)
Net cash used in financing activities	(5,997)	(4,052)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(58,889)	(70,262)
EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	2,034	(2,946)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	235,297	390,780
CASH AND CASH EQUIVALENTS AT END OF PERIOD	178,442	317,572
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	110,794	31,590
Fixed deposits with financial institutions	67,648	285,982
	178,442	317,572

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2018 and the accompanying explanatory notes attached to the interim financial statements).

PART A - Explanatory notes pursuant to MFRS 134

A1. Accounting policies and basis of preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2018. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2018.

The financial statements of the Group for the financial year ending 31 March 2019 are the first set of financial statements prepared in accordance with the Malaysian Financial Reporting Standards (“MFRS”) Framework. The date of transition to the MFRS Framework was on 1 April 2017.

The Group has consistently applied the same accounting policies in its opening MFRS statement of financial position as at 1 April 2017 and throughout all comparable interim periods presented, as if these policies had always been in effect. Comparative information in these interim financial statements have been restated to give effect to these changes and the financial impact on transition from Financial Reporting Standard ("FRS") in Malaysia to MFRS are discussed below:

a) Property, plant and equipment

Under the FRS accounting framework, the Group elected to account for the freehold land, leasehold land and buildings included within property, plant and equipment using the revaluation model, where these assets are measured at fair value less accumulated impairment losses recognised after the date of valuation. The Group decided to change the accounting policy for these assets from the revaluation model to cost model. The change in accounting policy will result in the revaluation amount on the transition date to be recorded as deemed costs for these assets when the Group transited to the MFRS framework. Subsequent to the transition date, these assets will be stated at cost less any accumulated depreciation and accumulated impairment losses.

Under the MFRS framework, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116: Property, Plant and Equipment. After initial recognition, the bearer biological assets will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The Group measures the bearer biological assets at fair value less accumulated impairment losses recognised after the date of valuation. Upon adoption of MFRS framework, the Group decided to apply the cost model for accounting the bearer plants, the change in accounting framework will result in the reclassification of the bearer assets from biological assets to property, plant and equipment, and the revaluation amount on the transition date to be recorded as deemed costs of the bearer plants which will subsequently be stated at cost less any accumulated depreciation and accumulated impairment losses.

b) Biological assets

The amendment also requires the produce that grows on bearer plants to be within the scope of MFRS 141 and are measured at fair value less costs to sell. The biological assets of the Group comprise the fresh fruit bunch ("FFB") prior to harvest.

A1. Accounting policies and basis of preparation (cont'd.)

c) Business combinations

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisition prior to the date of transition:

(i) The classification of former business combinations under FRS is maintained;

(ii) There is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and

(iii) The carrying amount of goodwill recognised under FRS is not adjusted.

d) Financial instruments

MFRS 9 Financial Instruments replaces FRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 April 2018, bringing together all three aspects of the accounting for financial instruments:

(i) Classification and measurement;

(ii) Impairment; and

(iii) Hedge accounting.

With the exception of hedge accounting, the Group has applied MFRS 9 retrospectively, with the initial application date of 1 April 2018 and adjusting the comparative information for the period beginning 1 April 2017.

(i) Classification and measurement

MFRS 9 contains a new classification and measurement approach for the financial assets that reflects the business model in which the assets are managed and their cash flows characteristics.

MFRS 9 contains three principal classification categories for the financial assets which are as follows:

1. Amortised Cost ("AC")
2. Fair Value through Other Comprehensive Income ("FVOCI")
3. Fair Value through Profit or Loss ("FVTPL")

The standard eliminates the existing FRS 139 categories of Held - to - Maturity, Loan and Receivables ("L&R") and Available-for-Sale ("AFS").

The following table shows the original measurement categories in accordance FRS 139 and the new measurement categories under MFRS 9 for the Group's financial assets as at 1 April 2018.

Group financial assets	**Original classification under FRS 139**	**Original carrying amount under FRS 139 RM'000**	**New classification under MFRS 9**	**New carrying amount under under MFRS 9 RM'000**
Trade receivables, excluding accrued revenue	L&R	141,507	AC	141,507
Other receivables, excluding tax recoverable, GST input tax and prepayments	L&R	11,579	AC	11,579
Cash and bank balances	L&R	235,297	AC	235,297
Short term cash investments	FVTPL	51,886	FVTPL	51,886

A1. Accounting policies and basis of preparation (cont'd.)

d) Financial instruments (cont'd.)

(ii) Impairment

The adoption of MFRS 9 has fundamentally changed the Group's accounting policies for impairment of financial assets. The incurred loss approach model previously adopted under FRS 139 is being replaced with an expected credit loss ("ECL") approach model under MFRS 9.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The Group applied the simplified approach and assessed the life time expected losses on trade and other receivables. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment in which the business is operating in.

e) Revenue from contracts with customers

Upon adoption of MFRS 15, the Group recognises the revenue from contracts with customers when or as the Group transfers goods or services to a customer, measured at the amount to which the Group expects to be entitled, according to the term and condition stipulated in the contracts with customers. Depending on whether certain criteria are met, revenue is recognised over time, in a manner that depicts the Group's performance; or at a point in time, when control of the goods or services is transferred to the customers.

The adoption of MFRS 15 does not have any material impact to the financial statement of the Group.

f) Foreign exchange reserve

Under FRSs, the Group recognised translation differences on foreign operations in a separate component of equity. Cumulative foreign exchange reserves for all foreign operations are deemed to be nil as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign exchange translation differences were adjusted to retained earnings.

A1. Accounting policies and basis of preparation (cont'd.)

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows:

Reconciliation of Condensed Consolidate Statement of Financial Position

	As at 31-3-2018			As at 1-4-2017		
	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000
Non-current assets						
Property, plant and equipment	330,965	177,794	508,759	319,119	156,208	475,327
Biological assets	177,794	(177,794)	-	156,208	(156,208)	-
Current asset						
Biological assets	-	3,908	3,908	-	5,388	5,388
Equity						
Other reserves	119,616	(74,758)	44,858	141,654	(74,758)	66,896
Retained earnings	322,333	77,884	400,217	315,379	79,176	394,555
Non-controlling interests	244,415	782	245,197	257,704	970	258,674

Reconciliation of Condensed Consolidate Statement of Comprehensive Income

	Quarter ended 30-6-2017		
	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000
Revenue	121,147	-	121,147
Cost of sales	(77,742)	(77)	(77,819)
Gross profit	43,405	(77)	43,328
Other income	1,437	-	1,437
Administrative expenses	(18,388)	(482)	(18,870)
Selling and marketing expenses	(1,635)	-	(1,635)
Other operating expenses	(8,263)	-	(8,263)
Finance costs	(141)	-	(141)
Share of results from associate	(455)	-	(455)
Profit before tax	15,960	(559)	15,401
Income tax expense	(6,560)	-	(6,560)
Profit net of tax	9,400	(559)	8,841

A1. Accounting policies and basis of preparation (cont'd.)

Reconciliation of Condensed Consolidate Statement of Comprehensive Income (cont'd.)

	Quarter ended 30-6-2017		
	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000
Other comprehensive loss, net of tax			
Foreign currency translation loss	(4,380)	-	(4,380)
Total comprehensive income for the period	5,020	(559)	4,461
Profit attributable to:			
Equity holders of the Company	4,924	(559)	4,365
Non-controlling interests	4,476	-	4,476
Profit for the period	9,400	(559)	8,841
Total comprehensive income attributable to:			
Equity holders of the Company	1,645	(559)	1,086
Non-controlling interests	3,375	-	3,375
Total comprehensive income for the period	5,020	(559)	4,461
Earnings per share attributable to equity holders of the Company			
Basic/diluted earnings per share (sen)	1.74	(0.19)	1.55

Reconciliation of Condensed Consolidate Statement of Comprehensive Income

	Quarter ended 31-3-2018		
	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000
Cost of sales	(73,898)	(628)	(74,526)
Profit before tax	17,654	(628)	17,026
Profit after tax	6,555	(628)	5,927
Profit attributable to equity holders of the Company	3,085	(502)	2,583

A1. Accounting policies and basis of preparation (cont'd.)

Reconciliation of Condensed Consolidate Statement of Cash Flows

	Quarter ended 30-6-2017		
	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000
Profit before tax	15,960	(559)	15,401
Depreciation for property, plant and equipment	4,561	1,449	6,010
Amortisation of biological assets	1,449	(1,449)	-
Loss on fair value of biological assets	-	559	559
Purchase of property, plant and equipment	3,012	4,409	7,421
Additions to biological assets	4,409	(4,409)	-

A2. Changes in accounting policies

(a) Standards and Interpretations issued but not yet effective

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

Description	**Effective for financial period beginning on or after**
MFRS 16: Leases	1 January 2019
MFRS 17: Insurance contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sales or contribution of assets between an investor and its associate or joint venture	Deferred
Annual improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
IC Interpretation 23: Uncertainty over income tax treatments	1 January 2019

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.

MFRS 16: Leases

MFRS 16 replaces the guidance in MFRS 117, Lease, IC Interpretation 4, Determining Whether an Arrangement contains a Lease, IC Interpretation 115, Operating Leases – Incentives and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

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

(a) Standards and Interpretations issued but not yet effective (cont'd.)

Amendments to MFRS 10 and MFRS 128: Sales or contribution of assets between an investor and its associate or joint venture

The amendments clarify that an entity, which is a venture capital organization, or a mutual fund, unit trust or similar entities, has an investment-by-investment choice to measure its investments in associates and joint ventures at fair value.

There will be no significant impact on the Group from the adoption of Amendments to MFRS 128.

A3. Auditors' report on preceding annual financial statements

The financial statements of the Group for the financial year ended 31 March 2018 were not subject to any audit qualification.

A4. Seasonal and cyclical factors

The operations of the Group are not affected by any seasonal or cyclical factors other than the manufacturing segment which is affected by cyclical changes in volumes of certain products whilst the plantation segment is affected by seasonal crop production, weather conditions and fluctuating commodity prices.

A5. Unusual items affecting the financial statements

There were no unusual items affecting the financial statements of the Group for the period ended 30 June 2018.

A6. Changes in estimates

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

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

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter.

During the current quarter, the Company repurchased of its issued ordinary shares from the open market at an average price of RM1.47 per share. The total transaction paid for the repurchase including transaction costs was RM350,638. Of the total 282,231,600 issued ordinary shares, 532,300 shares are held as treasury shares by the Company.

A8. Dividend paid

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

A9. Segmental information

(i) Segmental revenue and results for business segments

	Quarter ended		3 months cumulative	
	30-6-2018	30-6-2017	30-6-2018	30-6-2017
Revenue	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Manufacturing*	30,858	35,806	30,858	35,806
Plantation	22,333	44,968	22,333	44,968
Bulking	16,303	10,161	16,303	10,161
Food	24,839	28,889	24,839	28,889
Others	4,065	3,702	4,065	3,702
	98,398	123,526	98,398	123,526
Eliminations	(2,819)	(2,379)	(2,819)	(2,379)
	95,579	121,147	95,579	121,147

	Quarter ended		3 months cumulative	
	30-6-2018	30-6-2017	30-6-2018	30-6-2017
Profit before tax	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Manufacturing*	4,410	5,173	4,410	5,173
Plantation	915	7,933	915	7,933
Bulking	9,094	3,631	9,094	3,631
Food	1,580	(343)	1,580	(343)
Others	(470)	(538)	(470)	(538)
	15,529	15,856	15,529	15,856
Associated companies	230	(455)	230	(455)
	15,759	15,401	15,759	15,401

* Production and trading of security documents.

(ii) Geographical segments

	Quarter ended		3 months cumulative	
	30-6-2018	30-6-2017	30-6-2018	30-6-2017
Revenue	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Malaysia	56,281	54,322	56,281	54,322
Indonesia	18,942	41,918	18,942	41,918
Papua New Guinea	23,175	27,286	23,175	27,286
	98,398	123,526	98,398	123,526
Eliminations	(2,819)	(2,379)	(2,819)	(2,379)
	95,579	121,147	95,579	121,147
Profit before tax				
Malaysia	8,522	4,058	8,522	4,058
Indonesia	5,692	12,325	5,692	12,325
Papua New Guinea	1,315	(527)	1,315	(527)
	15,529	15,856	15,529	15,856
Eliminations	230	(455)	230	(455)
	15,759	15,401	15,759	15,401

A9. Segmental information (cont'd.)

(ii) Geographical segments (cont'd.)

Assets and liabilities	3 months cumulative: Current year to date 30-6-2018		Preceding year corresponding period 30-6-2017	
	Assets RM'000	**Liabilities RM'000**	**Assets RM'000**	**Liabilities RM'000**
Malaysia	1,207,926	250,774	1,217,213	171,542
Indonesia	94,219	18,139	111,904	23,567
Papua New Guinea	156,467	65,985	160,494	68,446
	1,458,612	334,898	1,489,611	263,555
Eliminations	(263,353)	(155,397)	(303,938)	(104,962)
	1,195,259	179,501	1,185,673	158,593

A10. Profit before tax

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

	Quarter ended 30-6-2018	Quarter ended 30-6-2017	3 months cumulative 30-6-2018	3 months cumulative 30-6-2017
Other income	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Interest income	1,578	1,229	1,578	1,229
Operating expenses				
Depreciation	5,911	6,415	5,911	6,415
Interest expense	366	141	366	141
Unrealised foreign exchange (gain)/loss	(1,094)	1,836	(1,094)	1,836
Realised forex exchange loss/(gain)	570	(694)	570	(694)
Impairment loss on trade receivables	741	47	741	47
Write back of impairment loss on trade receivables	(1,557)	(2)	(1,557)	(2)
Loss on fair value of biological assets	474	559	474	559
Net (reversal of)/provision for warranty	(355)	321	(355)	321
Write down of inventories	106	979	106	979
Net (reversal of)/provision for retirement benefit obligations	(5)	8	(5)	8

A11. Valuation of property, plant and equipment

The Group upon adoption of MFRS has elected to use cost model from previous revaluation model. This change in accounting policy has resulted in revaluation amount on the transition date to be recorded as deemed cost.

A12. Subsequent events

Except for Mahkamah Agung's written decision dated 21 August 2018 in relation to PTNJL's appeal on the Ministerial Order as disclosed in Note B10(ii), there were no other material events subsequent to the end of the current quarter.

A13. Inventories

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

A14. 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.

A15. Changes in contingent liabilities

There were no additional contingent liabilities during the current quarter, except as disclosed in Note B10 herein.

A16. Significant acquisition of property, plant and equipment

For the current quarter under review the Group's acquisitions of property, plant and equipment are as follows :

	Current year to date
	RM'000
Plant and equipment	1,488
Vehicles	4
Land and buildings	406
Furniture and fittings	569
Bearer plants	7,446
	9,913

A17. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 June 2018 were as follows:

	Current year to date
	RM'000
Property, plant and equipment	
- Approved and contracted for	2,554
- Approved but not contracted for	38,489

A18. Related party transactions

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

	Current year to date RM'000
Rental expenses payable to a subsidiary	
- Fima Corporation Berhad	193
Advisory services rendered by corporate shareholder,	
BHR Enterprise Sdn. Bhd.	30
Rental income receivables from	
- Fima Instanco Sdn. Bhd.	30
Transactions with related parties*	
- PT Pohon Emas Lestari - Purchase of fresh fruit bunch	1,689
- Nationwide Express - Delivery services	15
- Nationwide Express - Rental income	22

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

PART B - Bursa Securities Listing Requirements

B1. Review of performance

Group Performance

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	95.58	121.15	(25.57)	(21.1)
Profit before tax	15.76	15.40	0.36	2.3

Group revenue for the first quarter ended 30 June 2018 decreased to RM95.58 million as compared to RM121.15 million recorded in the corresponding period last year. The decreased of RM25.57 million was attributed to the lower revenue generated by manufacturing, plantation and food divisions.

However, Group profit before tax ("PBT") slightly increased by RM0.36 million to RM15.76 million compared from last year.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	30.86	35.81	(4.95)	(13.8)
Profit before tax	4.41	5.17	(0.76)	(14.7)

Revenue from **Manufacturing Division** decreased by 13.8% to RM30.86 million from RM35.81 million last year, primarily due to expiration of the contract to supply certain travel documents in the first quarter FY2018.

Plantation Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Indonesia				
- Crude palm oil (CPO)	18.94	36.14	(17.20)	(47.6)
- Crude palm kernel oil (CPKO)	-	5.79	(5.79)	(100.0)
Malaysia				
- Fresh fruit bunch (FFB)	2.39	2.47	(0.08)	(3.3)
- Pineapple	1.00	0.57	0.43	75.4
Total	22.33	44.97	(22.64)	(50.3)
Profit before tax	0.92	7.93	(7.01)	(88.4)
Fresh fruit bunch produced (mt)	38,980	47,564	(8,584)	(18.0)
FFB yield/ha (mt)	4.71	6.25	(1.54)	(24.6)
Cost of FFB produced (RM/mt)	226.61	222.19	4.42	2.0
Crude palm oil produced (mt)	10,142	13,165	(3,023)	(23.0)
CPO extraction rate (%)	22.50	22.44	0.06	0.3

B1. Review of performance (cont'd.)

Plantation Division (cont'd.)

	Current YTD	Previous YTD	Variance	%
Sales Quantity (mt)				
- CPO	9,012	14,334	(5,322)	(37.1)
- CPKO	-	1,388	(1,388)	-
Average CIF selling price, net of duty (RM/mt)				
- CPO	2,102	2,570	(468)	(18.2)
- CPKO	-	4,170	(4,170)	-
Palm profiles (ha)				
- Mature	8,275.5	7,613.0		
- Immature	6,433.8	5,597.3		
Total planted area	14,709.3	13,210.3		

Revenue from **Plantation Division** decreased by 50.3% to RM22.33 million as compared to the corresponding period last year. It is primarily attributable to lower sales volume and selling price of CPO and CPKO. The division posted a PBT of RM0.92 million, RM7.01 million lower than last year.

Our plantation estates in Malaysia which are still in the process of land development or palm planting registered a total pretax loss of RM2.88 million as compared to RM1.63 million pretax loss recorded in the corresponding period last year.

Bulking Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	16.30	10.16	6.14	60.4
Profit before tax	9.09	3.63	5.46	150.4

Bulking Division recorded an increase of RM6.14 million or 60.4% higher in revenue from RM10.16 million recorded last year. The increase was mainly due to higher revenue recorded by most of products segment. In line with the increase in revenue, the division's PBT increased by RM5.46 million to RM9.09 million.

Food Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Papua New Guinea (PNG)	23.18	27.29	(4.11)	(15.1)
Malaysia	1.66	1.60	0.06	3.7
	24.84	28.89	(4.05)	(14.0)
Profit/(loss) before tax	1.58	(0.34)	1.92	564.7

Food Division's revenue decrease to RM24.84 million compared to RM28.89 million recorded in the previous financial year. The decrease in revenue was mainly due to the lower sales volume of canned tuna and lower selling price of canned mackerel. The division's PBT increased by RM1.92 milion as compared to RM0.34 million loss before tax recorded in the same period last year mainly attributable to lower forex losses of RM0.05 million (Q1 FY2018: Forex loss of RM1.32 million).

B2. Comparison with preceding quarter's results

Group Performance

(RM Million)	QTR 1 FY 2019	QTR 4 FY 2018	Variance	%
Revenue	95.58	131.95	(36.37)	(27.6)
Profit before tax	15.76	17.03	(1.27)	(7.5)

The Group's revenue decreased by RM36.37 million to RM95.58 million as compared to the preceding quarter, as a result of lower revenue recorded by most of the divisions.

In line with lower revenue registered in the current quarter, Group PBT decreased by RM1.27 million to RM15.76 million as compared to RM17.03 million recorded in the preceding quarter.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	QTR 1 FY 2019	QTR 4 FY 2018	Variance	%
Revenue	30.86	33.13	(2.27)	(6.9)
Profit before tax	4.41	6.29	(1.88)	(29.9)

Manufacturing Division's revenue decreased by RM2.27 million or 6.9% in the current quarter as compared to the preceding quarter. On the back of lower revenue, PBT has also decreased from RM6.29 million in preceding quarter to RM4.41 million in current quarter.

Plantation Division

(RM Million)	QTR 1 FY 2019	QTR 4 FY 2018	Variance	%
Revenue				
Indonesia				
- CPO	18.94	34.54	(15.60)	(45.2)
- CPKO	-	5.20	(5.20)	(100.0)
Malaysia				
- Fresh fruit bunch	2.39	2.59	(0.20)	(7.8)
- Pineapple	1.00	0.87	0.13	14.9
Total	22.33	43.20	(20.87)	(48.3)
Profit before tax	0.92	4.30	(3.38)	(78.6)
Crude palm oil (CPO) produced (mt)	10,142	11,480	(1,338)	(11.7)
Sales Quantity (mt)				
- CPO	9,012	13,983	(4,971)	(35.6)
- CPKO	-	1,023	(1,023)	-
Average CIF selling price, net of duty (RM/mt)				
- CPO	2,102	2,473	(371)	(15.0)
- CPKO	-	5,084	(5,084)	-

Plantation Division's revenue for the quarter decreased by RM20.87 million, lower than the preceding quarter due to lower sales volume and selling price of CPO and CPKO. As results of lower revenue, PBT decreased by RM3.38 million as compared to the preceding quarter.

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

Bulking Division

(RM Million)	**QTR 1 FY 2019**	**QTR 4 FY 2018**	**Variance**	**%**
Revenue	16.30	16.23	0.07	0.4
Profit before tax	9.09	8.24	0.85	10.3

Revenue from **Bulking Division** of RM16.30 million was slightly higher than the preceding quarter. In line with increase in revenue, PBT has also increased by 10.3% or RM0.85 million as compared to the preceding quarter.

Food Division

(RM Million)	**QTR 1 FY 2019**	**QTR 4 FY 2018**	**Variance**	**%**
Revenue				
PNG	23.18	36.53	(13.35)	(36.5)
Malaysia	1.66	1.65	0.01	0.6
	24.84	38.18	(13.34)	(34.9)
Profit/(loss) before tax	1.58	(1.05)	2.63	250.5

Revenue from **Food Division** decreased by RM13.34 million or 34.9% to RM24.84 million as compared to the preceding quarter due to lower sales volume of canned tuna. The division registered higher PBT of RM1.58 million as compared to loss before tax of RM1.05 million in preceding quarter, mainly attributed to the forex loss of RM5.53 million recognised in Q4 FY2018.

B3. Prospects

The Directors expect the performance of the Group to be challenging for the next financial year. The prospect of each business division for the next financial year is as follows:

The Board recognises the challenges ahead faced by **Manufacturing Division** following the expiration of a supply contract for certain travel document. The division will continue its concerted efforts to establish new strategic alliances to develop new products and solutions to complement its existing products.

Plantation Division. The overall performance of the oil palm production and processing is very much influenced by the direction of palm oil prices and our estates' yield. Nevertheless, we will remain focus in improving our efficiency in oil processing and optimising production cost.

Bulking Division. The demand for storage is expected to improve slightly with the increase in palm oil stock level nationwide. The division is looking at securing more long term contracts with customers as well as handling higher margin products.

Food Division faces many challenges ahead, particularly in Papua New Guinea where the division's main operation is located, amidst intense market competition from cheaper imported products and currency fluctuation. The division will continue to focus on operational efficiency, productivity and margin improvements, and cost control as well as emphasising on quality, service and delivery.

B4. Explanatory notes on variances with profit forecasts or profit guarantees

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

B5. Income tax expense

	Current year quarter 30-6-2018 RM'000	Current year to date 30-6-2018 RM'000
Current taxation	3,163	3,163

The effective tax rate on the Group's profit to date is lower than the statutory tax rate mainly due to reversal of overprovision in prior year tax expense.

B6. Profits/(losses) on sale of unquoted investments and/or properties

There were no sale of unquoted investments and/or properties during the current quarter.

B7. Purchase or disposal of quoted securities

There were no purchase or disposal of quoted securities during the current quarter.

B8. Corporate proposals

(a) **Status of corporate proposal**
There are no corporate proposals announced but not completed at the date of this report.

(b) **Utilisation of proceeds raised from any corporate proposal**
Not applicable.

B9. Borrowings and debt securities

	As at 30-6-2018 RM'000	As at 31-3-2018 RM'000
Secured:		
Non-current		
*Obligations under finance leases	15,436	15,588
Current		
*Obligations under finance leases	611	611
Bankers' acceptance	2,622	8,419
Short term revolving credit	25,000	25,000
	28,233	34,030
	43,669	49,618

B9. Borrowings and debt securities (cont'd.)

* 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 expires 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 Relai, 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.

B10. Changes in material litigations

Except for the following, there were no other changes in material litigation since the date of the last annual statement of financial position:

(i) On 30 July 2018, a subsidiary, Fima Corporation Berhad ("FimaCorp") announced that its wholly owned subsidiary, Percetakan Keselamatan Nasional Sdn. Bhd. ("the Plaintiff"), has on the same day, commenced a High Court action against Datasonic Technologies Sdn. Bhd. ("the Defendant").

The claim is for a sum of RM24,975,000.00 (excluding interest and cost) (“Outstanding Amount”), being the amount due and owing by the Defendant to the Plaintiff for 1.5 million Malaysian passport booklets which were supplied by the Plaintiff to the Defendant.

The Board of the Company is of the opinion that it is necessary for the Plaintiff to pursue the civil suit to best protect its interest.

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

The case management has been fixed on 3 October 2018 at Kuala Lumpur High Court.

(ii) On 21 October 2016, FimaCorp announced that its Indonesian subsidiary, PT Nunukan Jaya Lestari ("PTNJL") has instituted legal proceedings to challenge the order issued by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional ('Defendant") ("Ministerial Order") to revoke PTNJL's land title Hak Guna Usaha No. 01/Nunukan Barat ("HGU") with immediate effect.

The Ministerial Order was on the basis that the HGU was improperly issued due to administrative irregularities performed by certain officers of the Badan Pertanahan Nasional Provinsi Kalimantan Timur at the time of the issuance of the HGU in 2003, resulting in parts of the area within the HGU to overlap with foresty areas. PTNJL's planted area affected by the Ministerial Order measures 3,691.9 hectare.

On 21 October 2016, PTNJL filed an application in the Pengadilan Tata Usaha (State Administrative Court) in Jakarta, Indonesia seeking an order to annul the Ministerial Order. Simultaneously, in the said application, PTNJL has also sought an order from State Administrative Court to postpone the enforcement of the Ministerial Order pending full and final determination of the matter by the Indonesian courts. The Defendant, together with a third party interverner, PT Adindo Hutani Lestari, have filed a defence against the said suit.

On 13 June 2017, the State Administrative Court dismissed the application filed by PTNJL to annul the Ministerial Order. Subsequently on 24 July 2017, PTNJL filed and appeal to the Pengadilan Tinggi Tata Usaha Negara Jakarta to appeal against the decision of the State Adminstrative Court.

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

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

(a) has partly allowed PTNJL's appeal against the State Administrative Court's decision, with costs;

(b) 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

(c) has ordered the Defendant to revoke the Ministerial Order save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares.

On 23 January 2018, PTNJL has filed its appeal in respect of the aforesaid decision to the Mahkamah Agung Republik Indonesia after having filed a notice of its intention to do so earlier.

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:

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

(b) 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 above).

In the circumstances, PTNJL will proceed to take the necessary legal steps to enforce the court's decision.

The financial impact of the aforesaid decision is expected to be favourable and the Company will make further announcements once the assessment on the potential writebacks is completed.

(iii) Following the termination of the Tenancy Agreement by Malaysia Airports Holding Berhad ("MAHB") on 11 May 2000, a subsidiary, FimaCorp, as the Principal Tenant issued a termination notice dated 15 May 2000 to all its respective sub-tenants at Airtel Complex, Subang.

Pursuant to the above, on 28 September 2001, FimaCorp was served a Writ of Summons dated 9 August 2001 from a tenant ("Plaintiff") claiming for a compensation sum of approximately RM2.12 million being the renovation costs and general damages arising from the early termination of the Tenancy Agreement at Airtel Complex, in Subang. The Board of FimaCorp had sought the advice of the solicitors and was of the opinion that there should be no compensation payable to the Plaintiff as the demised premises was acquired by a relevant authority, MAHB, which was provided in the Tenancy Agreement between FimaCorp and the Plaintiff.

On 11 November 2008, the Court had disposed off this matter summarily in favour of the Plaintiff and on 4 March 2009, FimaCorp had filed its Record of Appeal to the Court of Appeal to appeal against the decision.

The subsidiary had made full provision for the compensation claim of RM2.12 million in the financial year ended 31 March 2009.

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

B11. Dividend

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

B12. Earnings per share

The basic earnings per share are calculated as follows:

	Quarter ended		Cumulative quarter ended	
	30-6-2018	30-6-2017 (Restated)	30-6-2018	30-6-2017 (Restated)
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	10,338	4,365	10,338	4,365
Weighted average number of ordinary shares in issues ('000)	281,821	282,232	281,821	282,232
Basic/diluted earnings per share (sen)	3.67	1.55	3.67	1.55

By order of the Board

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

Kuala Lumpur
Dated : 28 August 2018