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

Condensed Consolidated Financial Statements
For The Third Quarter Ended 31 December 2018

KUMPULAN FIMA BERHAD (11817-V)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2018
(THE FIGURES HAVE NOT BEEN AUDITED)

	Note	Current quarter		9 months cumulative	
		Current year quarter 31-12-2018	**Preceding year corresponding quarter 31-12-2017 (Restated)**	**Current year to date 31-12-2018**	**Preceding year corresponding period 31-12-2017 (Restated)**
		RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	A9	105,340	111,957	334,398	350,507
Cost of sales		(55,240)	(70,076)	(194,785)	(217,449)
Gross profit		**50,100**	**41,881**	**139,613**	**133,058**
Other income		2,424	2,386	6,730	8,342
Other items of expense					
Administrative expenses		(16,882)	(19,178)	(49,927)	(56,846)
Selling and marketing expenses		(2,092)	(1,658)	(5,185)	(5,113)
Other operating income/(expenses)		(5,917)	(2,199)	9,651	(15,999)
		(24,891)	(23,035)	(45,461)	(77,958)
Finance costs		(518)	(388)	(1,372)	(1,102)
Share of results of associates		134	390	10	(334)
Profit before tax	A9/A10	**27,249**	**21,234**	**99,520**	**62,006**
Income tax expense	B5	(8,040)	(5,765)	(18,972)	(20,618)
Profit net of tax		19,209	15,469	80,548	41,388
Other comprehensive income					
Foreign currency translation differences for foreign operations		4,815	(6,251)	4,158	(13,678)
Total comprehensive income for the period		24,024	9,218	84,706	27,710
Profit attributable to :					
Equity holders of the Company		14,200	11,718	56,583	27,793
Non-controlling interests		5,009	3,751	23,965	13,595
Profit for the period		19,209	15,469	80,548	41,388
Total comprehensive income attributable to :					
Equity holders of the Company		18,172	6,018	60,104	16,262
Non-controlling interests		5,852	3,200	24,602	11,448
Total comprehensive income for the period		24,024	9,218	84,706	27,710
Earnings per share attributable to equity holders of the Company :					
Basic/diluted earnings per share (sen)	B12	5.04	4.15	20.09	9.85

(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 31 DECEMBER 2018

	As at 31-12-2018	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	542,084	508,759	475,327
Investment properties	65,601	66,829	68,464
Investment in associates	30,122	43,647	46,516
Deferred tax assets	9,441	9,206	6,966
Goodwill on consolidation	12,710	12,710	12,710
	659,958	641,151	609,983
Current assets			
Inventories	125,736	77,424	82,812
Biological assets	2,553	3,908	5,388
Trade receivables	120,287	141,507	108,149
Other receivables	39,707	20,941	32,552
Short term cash investments	144,885	51,886	-
Cash and bank balances	146,131	235,297	390,780
	579,299	530,963	619,681
TOTAL ASSETS	1,239,257	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	(1,006)	(440)	-
Other reserves	48,379	44,858	66,896
Retained earnings	431,447	400,217	394,555
	790,490	756,305	773,121
Non-controlling interests	256,737	245,197	258,674
Total equity	1,047,227	1,001,502	1,031,795
Non-current liabilities			
Finance lease obligations	15,143	15,588	16,176
Retirement benefit obligations	1,797	1,813	1,837
Deferred tax liabilities	37,240	37,140	32,922
	54,180	54,541	50,935
Current liabilities			
Finance lease obligations	611	611	624
Short term borrowings	38,216	33,419	14,516
Trade and other payables	79,660	65,820	112,459
Provisions	10,599	12,081	16,947
Tax payable	8,764	4,140	2,388
	137,850	116,071	146,934
Total liabilities	192,030	170,612	197,869
TOTAL EQUITY AND LIABILITIES	1,239,257	1,172,114	1,229,664
Net assets per share (RM)	2.80	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 THIRD QUARTER ENDED 31 DECEMBER 2018

	Attributable to equity holders of the Company										
	Non-distributable							*Distributable*			
Group	**Share capital RM'000**	**Treasury shares RM'000**	**Other reserves RM'000**	**Revaluation reserve RM'000**	**Capital reserve RM'000**	**Capital reserve arising from bonus issue in subsidiary RM'000**	**Foreign exchange reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity 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	-	-	3,521	-	-	-	3,521	56,583	60,104	24,602	84,706
Transactions with owners											
Dividend	-	-	-	-	-	-	-	(25,353)	(25,353)	-	(25,353)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(11,643)	(11,643)
Purchase of treasury shares	-	(566)	-	-	-	-	-	-	(566)	(1,419)	(1,985)
Total transaction with owners	-	(566)	-	-	-	-	-	(25,353)	(25,919)	(13,062)	(38,981)
At 31 December 2018	311,670	(1,006)	48,379	-	437	66,459	(18,517)	431,447	790,490	256,737	1,047,227
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	-	-	(11,531)	-	-	-	(11,531)	27,793	16,262	11,448	27,710
Transactions with owners											
Dividend	-	-	-	-	-	-	-	(25,401)	(25,401)	-	(25,401)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	(25,128)	(25,128)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	(650)	(650)	477	(173)
Total transaction with owners	-	-	-	-	-	-	-	(26,051)	(26,051)	(24,651)	(50,702)
As 31 December 2017 (Restated)	311,670	-	55,365	-	437	66,459	(11,531)	396,297	763,332	245,471	1,008,803

(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 THIRD QUARTER ENDED 31 DECEMBER 2018

	9 months ended 31-12-2018	9 months ended 31-12-2017 (Restated)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	99,520	62,006
Adjustments for:		
Depreciation of investment properties	1,552	1,226
Depreciation for property, plant and equipment	16,301	18,102
Fair value changes on biological assets	1,356	824
Impairment loss on trade receivables	1,493	50
Interest expense	1,372	1,102
Interest income	(5,435)	(6,213)
Net (reversal of)/provision for retirement benefit obligation	(53)	9
Net (reversal of)/provision for warranty	(1,482)	949
Net unrealised forex (gain)/loss	(6,670)	3,638
Share of results of associates	(10)	334
Write back of impairment loss on trade receivables	(34)	(5)
Write (back)/down of inventories	(1,251)	853
Write back of impairment loss on property, plant and equipment	(23,631)	-
Operating profit before working capital changes	83,028	82,875
Increase in inventories	(47,061)	(7,547)
Decrease/(increase) in receivables	16,368	(45,725)
Increase/(decrease) in payables	12,358	(46,814)
Cash generated from/(used in) from operations	64,693	(17,211)
Interest paid	(1,372)	(1,102)
Taxes paid	(15,609)	(16,746)
Net cash generated from/(used in) operating activities	47,712	(35,059)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(33,235)	(25,158)
Net dividend received from an associated company	13,303	2,483
Acquisition of non-controlling interests	-	(173)
Acquisition of treasury shares	(566)	-
Interest income received	5,435	6,213
Net short term cash investments	(92,999)	-
Net cash used in investing activities	(108,062)	(16,635)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	4,797	17,536
Repayment of obligation under finance lease	(573)	(472)
Dividend paid	(25,353)	(25,401)
Dividend paid by a subsidiary to non-controlling interests	(11,643)	(24,651)
Net cash used in financing activities	(32,772)	(32,988)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(93,122)	(84,682)
EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	3,956	(5,930)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	235,297	390,780
CASH AND CASH EQUIVALENTS AT END OF PERIOD	146,131	300,168
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	113,212	62,821
Fixed deposits with financial institutions	32,919	237,347
	146,131	300,168

(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	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 31-12-2017		
	Previously reported under FRS RM'000	Effects on adoption MFRS RM'000	Reported under MFRS RM'000
Revenue	350,507	-	350,507
Cost of sales	(220,167)	2,718	(217,449)
Gross profit	130,340	2,718	133,058
Other income	8,342	-	8,342
Administrative expenses	(53,304)	(3,542)	(56,846)
Selling and marketing expenses	(5,113)	-	(5,113)
Other operating expenses	(15,999)	-	(15,999)
Finance costs	(1,102)	-	(1,102)
Share of results from associate	(334)	-	(334)
Profit before tax	62,830	(824)	62,006
Income tax expense	(20,618)	-	(20,618)
Profit net of tax	42,212	(824)	41,388

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: (cont'd.)

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

	Quarter ended 31-12-2017		
	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	(13,678)	-	(13,678)
Total comprehensive income for the period	28,534	(824)	27,710
Profit attributable to:			
Equity holders of the Company	28,452	(659)	27,793
Non-controlling interests	13,760	(165)	13,595
Profit for the period	42,212	(824)	41,388
Total comprehensive income attributable to:			
Equity holders of the Company	16,921	(659)	16,262
Non-controlling interests	11,613	(165)	11,448
Total comprehensive income for the period	28,534	(824)	27,710
Earnings per share attributable to equity holders of the Company			
Basic/diluted earnings per share (sen)	10.08	(0.23)	9.85

Reconciliation of Condensed Consolidate Statement of Cash Flows

	Quarter ended 31-12-2017		
	Previously reported under FRS RM'000	**Effects on adoption MFRS RM'000**	**Reported under MFRS RM'000**
Profit before tax	62,830	(824)	62,006
Depreciation for property, plant and equipment	13,650	4,452	18,102
Amortisation of biological assets	4,452	(4,452)	-
Fair value changes on biological assets	-	824	824
Purchase of property, plant and equipment	12,341	12,817	25,158
Additions to biological assets	12,817	(12,817)	-

A2. Changes in accounting policies

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 3: Definition of a Business	1 January 2020
Amendments to MFRS 101: Definition of Material	1 January 2020
Amendments to MFRS 108: Definition of Material	1 January 2020
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 except as discussed below:

<u>MFRS 16: Leases</u>

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.

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

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 items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence other than as disclosed in Note B10(ii).

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 140,900 of its issued ordinary shares from open market at an average price of RM1.50. The total transaction paid for the repurchase including transaction costs was RM212,242. Of the total 282,231,600 issued ordinary shares, 673,200 shares are held as treasury shares by the Company.

A8. Dividend paid

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

		Cumulative quarter ended	
		31-12-2018	**31-12-2017**
Final dividend		**RM'000**	**RM'000**
2017	9.0% single-tier final dividend (paid on 25 September 2017)	-	25,401
2018	9.0% single-tier final dividend (paid on 5 October 2018)	25,353	-

A9. Segmental information

(i) Segmental revenue and results for business segments

	Quarter ended		9 months cumulative	
	31-12-2018	**31-12-2017**	**31-12-2018**	**31-12-2017**
Revenue	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Manufacturing*	34,561	32,944	101,857	107,649
Plantation	21,328	32,569	80,785	110,451
Bulking	22,243	14,770	59,262	37,302
Food	25,972	30,340	88,717	91,092
Others	3,637	3,604	11,890	13,494
	107,741	114,227	342,511	359,988
Eliminations	(2,401)	(2,270)	(8,113)	(9,481)
	105,340	111,957	334,398	350,507
Profit before tax				
Manufacturing*	9,955	4,379	25,342	19,188
Plantation	5,356	6,158	32,793	22,589
Bulking	13,331	7,547	33,672	16,675
Food	(1,162)	966	8,919	2,406
Others	(365)	1,794	(1,216)	1,482
	27,115	20,844	99,510	62,340
Associated companies	134	390	10	(334)
	27,249	21,234	99,520	62,006

* Production and trading of security documents.

A9. Segmental information (cont'd.)

(ii) Geographical segments

	Quarter ended		9 months cumulative	
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
Revenue	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Malaysia	66,282	57,653	190,097	175,578
Indonesia	17,179	27,993	68,548	98,264
Papua New Guinea	24,280	28,581	83,866	86,146
	107,741	114,227	342,511	359,988
Eliminations	(2,401)	(2,270)	(8,113)	(9,481)
	105,340	111,957	334,398	350,507
Profit before tax				
Malaysia	19,547	8,456	45,488	27,190
Indonesia	9,078	11,746	45,866	33,474
Papua New Guinea	(1,510)	642	8,156	1,676
	27,115	20,844	99,510	62,340
Eliminations	134	390	10	(334)
	27,249	21,234	99,520	62,006

	9 months cumulative			
Assets and liabilities	Current year to date 31-12-2018		Preceding year corresponding period 31-12-2017	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,438,818	262,910	1,302,899	244,900
Indonesia	120,912	19,682	88,181	20,115
Papua New Guinea	160,761	67,624	146,781	60,022
	1,720,491	350,216	1,537,861	325,037
Eliminations	(481,234)	(158,186)	(355,801)	(147,216)
	1,239,257	192,030	1,182,060	177,821

A10. Profit before tax

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

	Quarter ended		9 months cumulative	
	31-12-2018	31-12-2017	31-12-2018	31-12-2017
Other income	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Interest income	1,480	2,214	5,435	6,213
Operating expenses				
Depreciation	4,721	6,884	17,853	19,328
Interest expense	518	388	1,372	1,102
Unrealised foreign exchange (gain)/loss	(1,745)	32	(6,670)	3,638
Realised forex exchange loss/(gain)	1,009	895	2,184	(236)
Impairment loss on trade receivables	1,372	-	1,493	50
Write back of impairment loss on trade receivables	(7)	-	(34)	(5)
Fair value changes on biological assets	112	1,124	1,356	824
Net (reversal of)/provision for retirement benefit obligations	(53)	(24)	(53)	9
Net (reversal of)/provision for warranty	(494)	297	(1,482)	949
Inventories written (back)/down	(163)	(109)	(1,251)	853
Write back of impairment loss on property, plant and equipment (Note B10(ii))	-	-	(23,631)	-

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

There were no 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 period under review, the Group's acquisitions of property, plant and equipment are as follows :

	Current year to date RM'000
Plant and equipment	5,927
Vehicles	18
Land and buildings	1,112
Furniture and fittings	2,435
Bearer plants	23,743
	33,235

A17. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 December 2018 were as follows:

	Current year to date RM'000
Property, plant and equipment	
- Approved and contracted for	5,236

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	576
Advisory services rendered by corporate shareholder	
- BHR Enterprise Sdn. Bhd.	90
Rental income receivables from	
- Fima Instanco Sdn. Bhd.	120
Transactions with related parties*	
- PT Pohon Emas Lestari - Purchase of fresh fruit bunch	5,074
- Nationwide Express - Delivery services	28
- Nationwide Express - Rental income	66

* 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	334.40	350.51	(16.11)	(4.6)
Profit before tax	99.52	62.01	37.51	60.5

Group revenue for the third quarter ended 31 December 2018 decreased to RM334.40 million as compared to RM350.51 million recorded in the corresponding period last year. The decreased of RM16.11 million was attributed to the lower revenue generated by manufacturing, plantation and food divisions.

However, Group profit before tax ("PBT") increased by RM37.51 million to RM99.52 million as compared to the corresponding period last year, mainly due to the significant write back of impairment loss on property, plant and equipment amounting RM23.6 million pursuant to the Mahkamah Agung's decision as disclosed in Note B10(ii). In addition, higher Group PBT also contributed by strong performance by its four main division.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	101.86	107.65	(5.79)	(5.4)
Profit before tax	25.34	19.19	6.15	32.0

Revenue from **Manufacturing Division** decreased by 5.4% to RM101.86 million from RM107.65 million last year, primarily due to expiration of the contract to supply certain travel documents in Q1 FY2018. On the back of favourable sales mix and higher write back of inventories and provision for warranty by RM4.5 million, the division recorded higher PBT by RM6.15 million compared to corresponding period last year.

Plantation Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Indonesia				
- Crude palm oil (CPO)	58.92	83.18	(24.26)	(29.2)
- Crude palm kernel oil (CPKO)	9.63	14.37	(4.74)	(33.0)
Malaysia				
- Fresh fruit bunch (FFB)	9.36	10.64	(1.28)	(12.0)
- Pineapple	2.88	2.26	0.62	27.4
Total	80.79	110.45	(29.66)	(26.9)
Profit before tax and write back*	9.19	22.59	(13.40)	(59.3)
Profit before tax	32.79	22.59	10.20	45.2

* *The amount is before the significant write back of impairment loss on property, plant and equipment amounting to RM23.6 million pursuant to Mahkamah Agung's decision as disclosed in Note B10(ii).*

FFB produced (mt)	146,426	151,601	(5,175)	(3.4)
FFB yield/ha (mt)	16.17	18.78	(2.61)	(13.9)
Cost of FFB produced (RM/mt)	228.06	246.94	(18.88)	(7.6)
CPO produced (mt)	35,698	40,407	(4,709)	(11.7)
CPO extraction rate (%)	22.60	22.25	0.35	1.6

B1. Review of performance (cont'd.)

Plantation Division (cont'd.)

	Current YTD	Previous YTD	Variance	%
Sales Quantity (mt)				
- CPO	29,998	36,292	(6,294)	(17.3)
- CPKO	3,154	3,394	(240)	(7.1)
Average CIF selling price, net of duty (RM/mt)				
- CPO	1,964	2,292	(328)	(14.3)
- CPKO	3,053	4,234	(1,181)	(27.9)
Palm profiles (ha)				
- Mature	9,055.8	8,073.4		
- Immature	5,211.2	5,274.6		
- Rehab	496.7	-		
Total planted area	14,763.7	13,348.0		

Revenue from **Plantation Division** decreased by 26.9% to RM80.79 million as compared to the corresponding period last year attributable to lower sales volume and selling price of CPO and CPKO. The division posted higher PBT of RM32.79 million, RM10.20 million higher than last year mainly due to significant write back of impairment loss on property, plant and equipment amounting RM23.6 million pursuant to Mahkamah Agung's decision as disclosed in Note B10(ii).

Our plantation estates in Malaysia which are still in the process of land development or palm planting registered a total pretax loss of RM8.68 million as compared to RM5.53 million pretax loss recorded in the corresponding period last year.

Bulking Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	59.26	37.30	21.96	58.9
Profit before tax	33.67	16.68	16.99	101.9

Bulking Division recorded an increase of RM21.96 million or 58.9% higher in revenue from RM37.30 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 RM16.99 million to RM33.67 million.

Food Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Papua New Guinea (PNG)	83.87	86.15	(2.28)	(2.6)
Malaysia	4.85	4.94	(0.09)	(1.8)
	88.72	91.09	(2.37)	(2.6)
Profit before tax	8.92	2.41	6.51	270.1

Food Division's revenue decreased to RM88.72 million compared to RM91.09 million recorded in the previous financial year. The decrease in revenue was mainly due to lower sales of exported tuna products as well as mackerel. However, the division's PBT increased by RM6.51 milion as compared to RM2.41 million recorded in the same period last year mainly attributable to forex gain of RM2.71 million (Q3 FY2018: Forex loss of RM3.00 million).

B2. Comparison with preceding quarter's results

Group Performance

(RM Million)	QTR 3 FY 2019	QTR 2 FY 2019	Variance	%
Revenue	105.34	133.48	(28.14)	(21.1)
Profit before tax	27.25	56.51	(29.26)	(51.8)

The Group's revenue decreased by RM28.14 million to RM105.34 million as compared to the preceding quarter, as a result of lower revenue recorded by manufacturing, plantation and food divisions.

Group PBT decreased by RM29.26 million to RM27.25 million as compared to RM56.51 million recorded in the preceding quarter.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	QTR 3 FY 2019	QTR 2 FY 2019	Variance	%
Revenue	34.56	36.44	(1.88)	(5.2)
Profit before tax	9.96	10.98	(1.02)	(9.3)

Manufacturing Division's revenue decreased by RM1.88 million or 5.2% in the current quarter as compared to the preceding quarter. The decline was mainly due to decrease volume from confidential documents. On the back of lower revenue, PBT has also decreased from RM10.98 million in preceding quarter to RM9.96 million in current quarter.

Plantation Division

(RM Million)	QTR 3 FY 2019	QTR 2 FY 2019	Variance	%
Revenue				
Indonesia				
- CPO	14.74	25.24	(10.50)	(41.6)
- CPKO	2.44	7.19	(4.75)	(66.1)
Malaysia				
- Fresh fruit bunch	3.18	3.78	(0.60)	(15.9)
- Pineapple	0.97	0.91	0.06	6.6
Total	21.33	37.12	(15.79)	(42.5)
Profit before tax and write back*	5.36	2.89	2.47	85.5
Profit before tax	5.36	26.52	(21.16)	(79.8)

* *The amount is before the significant write back of impairment loss on property, plant and equipment amounting to RM23.6 million pursuant to Mahkamah Agung's decision as disclosed in Note B10(ii).*

	QTR 3 FY 2019	QTR 2 FY 2019	Variance	%
CPO produced (mt)	13,984	11,572	2,412	20.8
Sales Quantity (mt)				
- CPO	8,023	12,963	(4,940)	(38.1)
- CPKO	1,084	2,070	(986)	(47.6)
Average CIF selling price, net of duty (RM/mt)				
- CPO	1,838	1,947	(109)	(5.6)
- CPKO	2,246	3,476	(1,230)	(35.4)

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

Plantation Division (cont'd.)

Plantation Division's revenue for the quarter decreased by RM15.79 million, lower than the preceding quarter due to lower sales volume and selling price of CPO and CPKO. The division recorded higher PBT before write back of impairment from RM2.89 million to RM5.36 million mainly due to lower loss registered by plantation estates in Malaysia as well as lower manuring cost compared to preceding quarter.

Bulking Division

(RM Million)	QTR 3 FY 2019	QTR 2 FY 2019	Variance	%
Revenue	22.24	20.72	1.52	7.3
Profit before tax	13.33	11.25	2.08	18.5

Revenue from **Bulking Division** of RM22.24 million was 7.3% higher than the preceding quarter, mainly contributed by edible oil, base oil and industrial chemical segments. In line with increase in revenue, PBT has also increased by 18.5% or RM2.08 million as compared to the preceding quarter.

Food Division

(RM Million)	QTR 3 FY 2019	QTR 2 FY 2019	Variance	%
Revenue				
PNG	24.28	36.41	(12.13)	(33.3)
Malaysia	1.69	1.50	0.19	12.7
	25.97	37.91	(11.94)	(31.5)
Profit before tax	(1.16)	8.50	(9.66)	(113.6)

Revenue from **Food Division** decreased by RM11.94 million or 31.5% to RM25.97 million as compared to the preceding quarter due to lower sales of tuna products. In line with lower revenue, the division registered a decline in PBT by RM9.66 million as compared to preceding quarter.

B3. Prospects

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 and productivity in oil palm plantation operation 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.

B3. Prospects (cont'd.)

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

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

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

B5. Income tax expense

	Current year quarter 31-12-2018 RM'000	Current year to date 31-12-2018 RM'000
Current taxation	8,040	18,972

The effective tax rate on the Group's profit to date is lower than the statutory tax rate mainly due to write back of impairment loss on property, plant and equipment which is not subject to tax.

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

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

B7. Purchase or disposal of quoted securities

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

B8. Corporate proposals

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

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

B9. Borrowings and debt securities

	As at 31-12-2018 RM'000	As at 31-3-2018 RM'000
Secured:		
Non-current		
*Obligations under finance leases	15,143	15,588
Current		
*Obligations under finance leases	611	611
Bankers' acceptance	2,216	8,419
Short term revolving credit	36,000	25,000
	38,827	34,030
	53,970	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.

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 civil suit is now fixed for case management on 1 March 2019 pending settlement negotiations between the parties.

This civil suit is not expected to give significant impact on the financial and operational position of the Company.

(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.

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

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.

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.

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:

(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 in paragraph (a) above).

PTNJL is currently taking the necessary legal steps to enforce the court's decision.

The amount of write back relating to the impairment of property, plant and equipment previously affected by the Ministerial Order is RM23,631,000 and reflected in the previous quarter results.

On 20 February 2019, FimaCorp announced that PTNJL has received notice 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 30 days from the date of the receipt of the said notice to file its counter memorandum.

Under Indonesian laws and regulations, commencement of judicial review proceedings does not prevent the implementation of the Mahkamah Agung's written decision as aforesaid.

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

(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	
	31-12-2018	31-12-2017 (Restated)	31-12-2018	31-12-2017 (Restated)
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	14,200	11,718	56,583	27,793
Weighted average number of ordinary shares in issues ('000)	281,677	282,232	281,677	282,232
Basic/diluted earnings per share (sen)	5.04	4.15	20.09	9.85

By order of the Board

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

Kuala Lumpur
Dated : 27 February 2019