



KUMPULAN FIMA BERHAD (197201000167)(11817-V)  
(Incorporated in Malaysia)

Condensed Consolidated Financial Statements  
For the Third Quarter Ended 31 December 2021

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	Note	Current quarter		9 months cumulative	
		Current year quarter 31-12-2021	Preceding year corresponding quarter 31-12-2020	Current year to date 31-12-2021	Preceding year corresponding period 31-12-2020
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	203,010	124,827	479,583	358,151
Cost of sales		(115,494)	(72,528)	(268,603)	(211,834)
<b>Gross profit</b>		<b>87,516</b>	<b>52,299</b>	<b>210,980</b>	<b>146,317</b>
Other income		2,961	2,527	7,543	7,569
<b>Other items of expense</b>					
Administrative expenses		(21,150)	(24,243)	(65,902)	(70,034)
Selling and marketing expenses		(2,989)	(2,751)	(8,827)	(8,115)
Other operating expenses		(14,593)	(4,896)	(22,873)	(12,009)
		(38,732)	(31,890)	(97,602)	(90,158)
Finance costs		(1,003)	(856)	(2,734)	(2,660)
Share of results of associates		(23)	931	1,597	3,331
<b>Profit before tax and zakat</b>	A9/A10	<b>50,719</b>	<b>23,011</b>	<b>119,784</b>	<b>64,399</b>
Income tax expense and zakat	B5	(13,832)	(5,045)	(29,492)	(14,624)
<b>Profit net of tax</b>		<b>36,887</b>	<b>17,966</b>	<b>90,292</b>	<b>49,775</b>
<b>Other comprehensive (expense)/income</b>					
Foreign exchange translation (loss)/gain		(3,176)	(1,052)	1,690	(1,267)
<b>Total comprehensive income for the period</b>		<b>33,711</b>	<b>16,914</b>	<b>91,982</b>	<b>48,508</b>
<b>Profit attributable to :</b>					
Equity holders of the Company		23,592	15,007	64,119	41,768
Non-controlling interests		13,295	2,959	26,173	8,007
<b>Profit for the period</b>		<b>36,887</b>	<b>17,966</b>	<b>90,292</b>	<b>49,775</b>
<b>Total comprehensive income attributable to :</b>					
Equity holders of the Company		20,965	13,628	65,479	39,495
Non-controlling interests		12,746	3,286	26,503	9,013
<b>Total comprehensive income for the period</b>		<b>33,711</b>	<b>16,914</b>	<b>91,982</b>	<b>48,508</b>
<b>Earnings per share attributable to equity holders of the Company :</b>					
Basic/diluted earnings per share (sen)	B12	8.51	5.37	23.13	14.94

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements).

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

	<b>As at 31-12-2021</b>	<b>As at 31-03-2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	389,082	374,966
Right-of-use assets	279,505	199,634
Investment properties	60,689	61,917
Investment in associates	35,411	37,363
Deferred tax assets	10,760	12,316
Goodwill on consolidation	12,710	12,710
	<u>788,157</u>	<u>698,906</u>
<b>Current assets</b>		
Inventories	84,439	67,845
Biological assets	7,823	5,965
Trade receivables	92,163	103,963
Other receivables	44,321	82,971
Financial investments	245,242	209,532
Cash and bank balances	136,660	116,497
	<u>610,648</u>	<u>586,773</u>
<b>TOTAL ASSETS</b>	<u>1,398,805</u>	<u>1,285,679</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	311,670	311,670
Treasury shares	(9,873)	(6,823)
Other reserves	57,843	56,483
Retained earnings	493,347	462,468
	<u>852,987</u>	<u>823,798</u>
Non-controlling interests	232,985	234,467
<b>Total equity</b>	<u>1,085,972</u>	<u>1,058,265</u>
<b>Non-current liabilities</b>		
Lease liabilities	75,092	41,822
Long term borrowing	10,000	-
Retirement benefit obligation	1,623	1,657
Deferred tax liabilities	51,153	53,004
	<u>137,868</u>	<u>96,483</u>
<b>Current liabilities</b>		
Lease liabilities	12,007	14,710
Short term borrowings	48,447	38,392
Trade and other payables	95,203	68,074
Provisions	3,248	3,802
Tax payable	16,060	5,953
	<u>174,965</u>	<u>130,931</u>
<b>TOTAL LIABILITIES</b>	<u>312,833</u>	<u>227,414</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,398,805</u>	<u>1,285,679</u>
Net assets per share (RM)	<u>3.02</u>	<u>2.92</u>

*(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements).*

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

Group	← Attributable to equity holders of the Company →									
	Share capital	Treasury shares	Other reserves	Non-distributable			Distributable			
	RM'000	RM'000	RM'000	Capital reserve	Capital reserve arising from bonus issue in subsidiary	Foreign exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 April 2021</b>	311,670	(6,823)	56,483	437	66,459	(10,413)	462,468	823,798	234,467	1,058,265
Profit for the period	-	-	-	-	-	-	64,119	64,119	26,173	90,292
Other comprehensive income for the period	-	-	1,360	-	-	1,360	-	1,360	330	1,690
Total comprehensive income for the period	-	-	1,360	-	-	1,360	64,119	65,479	26,503	91,982
<b>Transactions with equity holders</b>										
Dividend	-	-	-	-	-	-	(33,240)	(33,240)	-	(33,240)
Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	(26,723)	(26,723)
Purchase of treasury shares	-	(3,050)	-	-	-	-	-	(3,050)	(1,262)	(4,312)
Total transactions with equity holders	-	(3,050)	-	-	-	-	(33,240)	(36,290)	(27,985)	(64,275)
<b>At 31 December 2021</b>	311,670	(9,873)	57,843	437	66,459	(9,053)	493,347	852,987	232,985	1,085,972
<b>At 1 April 2020</b>	311,670	(2,972)	55,716	437	66,459	(11,180)	437,360	801,774	236,897	1,038,671
Profit for the period	-	-	-	-	-	-	41,768	41,768	8,007	49,775
Other comprehensive (expense)/income for the period	-	-	(2,273)	-	-	(2,273)	-	(2,273)	1,006	(1,267)
Total comprehensive (expense)/income for the period	-	-	(2,273)	-	-	(2,273)	41,768	39,495	9,013	48,508
<b>Transaction with equity holders</b>										
Dividend	-	-	-	-	-	-	(25,139)	(25,139)	-	(25,139)
Dividends paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	(13,328)	(13,328)
Purchase of treasury shares	-	(2,598)	-	-	-	-	-	(2,598)	(1,514)	(4,112)
Total transaction with equity holders	-	(2,598)	-	-	-	-	(25,139)	(27,737)	(14,842)	(42,579)
<b>At 31 December 2020</b>	311,670	(5,570)	53,443	437	66,459	(13,453)	453,989	813,532	231,068	1,044,600

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to the interim financial statements).

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

	← 9 months ended →	
	31-12-2021	31-12-2020
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	119,784	64,399
Adjustments for:		
Depreciation of investment properties	1,228	1,228
Depreciation for property, plant and equipment	19,369	17,682
Depreciation of right-of-use assets	13,790	11,074
Fair value changes on biological assets	(1,817)	(1,047)
Net provision for impairment on trade and other receivables	4,583	709
Interest expense	2,734	2,660
Profit income	(1,224)	(905)
Interest income	(104)	(44)
Distribution from financial investments	(2,321)	(3,290)
(Reversal of provision)/provision for retirement benefit obligation	(21)	104
Net reversal of provision for warranty	(554)	(1,118)
Net unrealised forex loss	49	7,486
Net gain on disposal of property, plant and equipment	-	(27)
Share of results of associates	(1,597)	(3,331)
Inventories written down/(back)	549	(62)
Operating profit before working capital changes	154,448	95,518
(Increase)/decrease in inventories	(17,143)	7,277
Decrease in receivables	2,237	35,019
Increase in payables	27,129	14,670
Cash generated from operations	166,671	152,484
Interest paid	(1,095)	(836)
Taxes paid	(12,184)	(12,653)
Zakat paid	(418)	-
Retirement benefits paid	(35)	(23)
Net cash generated from operating activities	152,939	138,972
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	-	27
Purchase of property, plant and equipment	(31,926)	(23,909)
Net dividend received from an associated company	3,549	-
Acquisition of treasury shares	(3,050)	(2,598)
Profit income received	1,224	905
Interest income received	104	44
Distribution received from financial investment	2,321	3,290
Payment for acquisition of land	(16,015)	-
Net placement of financial investments	(35,710)	(85,470)
Net cash used in investing activities	(79,503)	(107,711)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of borrowings	20,055	6,151
Repayment of lease liabilities	(11,251)	(9,001)
Dividend paid	(33,240)	(25,139)
Dividend paid by subsidiaries to non-controlling interests	(26,723)	(13,328)
Net cash used in financing activities	(51,159)	(41,317)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	22,277	(10,056)
<b>EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS</b>	(2,114)	(5,361)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	116,497	124,329
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	136,660	108,912
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	129,986	83,544
Fixed deposits with financial institutions	6,674	25,368
	136,660	108,912

*(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 2021. 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 2021.

**A2. Changes in accounting policies**

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

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 March 2021 except for the adoption of the following new and revised Malaysian Financial Reporting Standards ("MFRSs"), Amendments to MFRSs and IC Interpretations.

On 1 April 2021, the Group adopted the following new and amended MFRSs and IC Interpretation:

- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2
- Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above standards and interpretation did not have a significant impact on the financial statements in the period of initial application.

**(b) 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
Amendments to MFRS 3: Reference to Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual improvements to MFRS 2018 - 2020	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

**A3. Auditors' report on preceding annual financial statements**

The financial statements of the Group for the financial year ended 31 March 2021 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.

**A6. Changes in estimates**

There were no changes in 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 429,700 of its issued ordinary shares from open market at an average price of RM2.05. The total transaction paid for the repurchase including transaction costs was RM888,000. Of the total 282,231,600 issued ordinary shares, 5,836,800 shares are held as treasury shares by the Company.

**A8. Dividend paid**

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

		<b>9 months cumulative</b>	
		<b>31-12-2021</b>	<b>31-12-2020</b>
		<b>RM'000</b>	<b>RM'000</b>
<b>Interim dividend</b>			
2020	Single-tier interim dividend of 9.0 sen (Paid on 14 September 2020)	-	25,139
2021	Single-tier interim dividend of 9.0 sen (Paid on 17 September 2021)	24,930	-
<b>Special dividend</b>			
2021	Single-tier special dividend of 3.0 sen (Paid on 17 September 2021)	8,310	-

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

	Quarter ended		9 months cumulative	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
<b>Revenue</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Manufacturing*	34,168	28,340	77,414	81,297
Plantation	72,919	37,103	158,050	102,026
Bulking	44,082	21,260	114,374	66,679
Food	50,824	35,632	126,561	102,871
Others	4,891	9,031	11,402	14,974
	206,884	131,366	487,801	367,847
Eliminations	(3,874)	(6,539)	(8,218)	(9,696)
	203,010	124,827	479,583	358,151
<b>Profit before tax</b>				
Manufacturing*	4,949	3,256	4,126	12,084
Plantation	37,714	5,433	73,450	11,946
Bulking	13,964	10,592	45,459	32,561
Food	1,268	3,545	6,762	9,231
Others	(7,153)	(746)	(11,610)	(4,754)
	50,742	22,080	118,187	61,068
Associated companies	(23)	931	1,597	3,331
	50,719	23,011	119,784	64,399

\* Production and trading of security documents.

**(ii) Geographical segments**

	Quarter ended		9 months cumulative	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
<b>Revenue</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysia	106,228	71,578	260,306	196,163
Indonesia	50,885	24,781	103,473	70,856
Papua New Guinea	49,771	35,007	124,022	100,828
	206,884	131,366	487,801	367,847
Eliminations	(3,874)	(6,539)	(8,218)	(9,696)
	203,010	124,827	479,583	358,151
<b>Profit before tax</b>				
Malaysia	20,337	14,026	54,301	39,345
Indonesia	29,375	4,376	57,857	12,316
Papua New Guinea	1,030	3,678	6,029	9,407
	50,742	22,080	118,187	61,068
Associated companies	(23)	931	1,597	3,331
	50,719	23,011	119,784	64,399

← 9 months cumulative →

	Current year to date		Preceding year	
	31-12-2021		corresponding period 31-12-2020	
<b>Assets and liabilities</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
	RM'000	RM'000	RM'000	RM'000
Malaysia	1,618,976	271,032	1,513,747	212,446
Indonesia	82,716	14,443	99,274	11,052
Papua New Guinea	179,773	88,018	153,461	68,697
	1,881,465	373,493	1,766,482	292,195
Eliminations	(482,660)	(60,660)	(491,933)	(62,246)
	1,398,805	312,833	1,274,549	229,949



**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

**A10. Profit before tax**

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

	Quarter ended		9 months cumulative	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
	RM'000	RM'000	RM'000	RM'000
<b>Other income</b>				
Profit income	380	317	1,224	905
Interest income	52	11	104	44
Distribution from financial investments	843	944	2,321	3,290
Others	147	297	392	297
<b>Operating expenses</b>				
Depreciation	11,880	9,895	34,387	29,984
Interest expense	1,003	856	2,734	2,660
Unrealised foreign exchange (gain)/loss	(572)	3,699	49	7,486
Realised forex exchange loss/(gain)	1,415	(379)	2,030	346
Net provision for impairment on trade and other receivables	1,368	145	4,583	709
Net gain on disposal of property, plant and equipment	-	(9)	-	(27)
Fair value changes on biological assets	(535)	(190)	(1,817)	(1,047)
Provision/ (reversal of provision) for retirement benefit obligation	27	-	(21)	104
Net reversal of provision for warranty	(91)	(370)	(554)	(1,118)
Inventories written down/(back)	724	155	549	(62)

**A11. Subsequent events**

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

**A12. Inventories**

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

**A13. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current quarter and financial period to date.

**A14. Changes in contingent liabilities**

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

**A15. Significant acquisition of property, plant and equipment**

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

	<b>Current year to date</b>
	<b>RM'000</b>
Plant and machinery	5,009
Land and buildings	1,434
Equipment, furniture and fittings and motor vehicles	3,673
Bearer plants and infrastructure	7,316
Work in progress	14,494
	<b>31,926</b>

**A16. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 31 December 2021 were as follows:

	<b>Current year to date</b>
	<b>RM'000</b>
Property, plant and equipment	
- Approved and contracted for	10,985

**A17. Related party transactions**

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

	<b>Current year to date</b>
	<b>RM'000</b>
Transactions with subsidiaries	
- Fima Corporation Berhad - Rental expenses payable	659
- Fima Corporation Berhad - Management fees receivable	1,063
- Fima Corporation Berhad - Services payable	165
- Pineapple Cannery of Malaysia Sendirian Berhad - Rental income	254
- International Food Corporation - Sales of fish	7,829
- International Food Corporation - Interest receivable	1,260
Transactions with related parties*	
- BHR Enterprise Sdn. Bhd. - Services payable	90
- PT Pohon Emas Lestari - Purchase of fresh fruit bunch	7,136
- TD Technologies Sdn. Bhd. - Services payable	114
- First Zanzibar Sdn. Bhd. - Service payable	42
- Nationwide Express Courier Services Berhad - Delivery services	21
- Nationwide Express Courier Services Berhad - Rental income	54

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

**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**
**PART B - Bursa Securities Listing Requirements**
**B1. Review of performance**
**Group Performance**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
Revenue	479.58	358.15	121.43	33.9
Profit before tax	119.78	64.40	55.38	86.0

Group revenue for the period ended 31 December 2021 rose by 33.9% to RM479.58 million as compared to RM358.15 million recorded in the corresponding period last year. Higher revenue by RM121.43 million was mainly attributed to the increase in revenue generated by plantation, bulking and food division.

In line with higher revenue, Group profit before tax ("PBT") has recorded an improvement by 86.0% to RM119.78 million as compared to the same period last year.

The performance of each business division is as follows:

**Manufacturing Division**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
Revenue	77.41	81.30	(3.89)	(4.8)
Profit before tax	4.13	12.08	(7.95)	(65.8)

Revenue from **Manufacturing Division** had declined by 4.8% or RM3.89 million to RM77.41 million from RM81.30 million last year, mainly contributed by lower sales volume for confidential documents. On the back of lower revenue, coupled with higher allowance for impairment and lower distribution received from financial investments, the division has recorded a lower pre-tax profit of RM4.13 million during the period.

**Plantation Division**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
<b>Revenue</b>				
<u>Indonesia</u>				
- Crude palm oil (CPO)	93.07	62.30	30.77	49.4
- Crude palm kernel oil (CPKO)	10.40	8.55	1.85	21.6
<u>Malaysia</u>				
- Fresh fruit bunch (FFB)	53.25	29.55	23.70	80.2
- Pineapple	1.33	1.63	(0.30)	(18.4)
<b>Total</b>	<b>158.05</b>	<b>102.03</b>	<b>56.02</b>	<b>54.9</b>
<b>Profit before tax</b>	<b>73.45</b>	<b>11.95</b>	<b>61.50</b>	<b>514.6</b>
FFB produced (mt)	160,796	158,437	2,359	1.5
CPO produced (mt)	28,529	27,095	1,434	5.3

**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

**B1. Review of performance (cont'd.)**

**Plantation Division (cont'd.)**

	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
<b>Sales Quantity (mt)</b>				
- CPO	27,072	27,336	(264)	(1.0)
- CPKO	2,004	2,739	(735)	(26.8)

**Total Group's Hectarage**

**Palm profiles (ha)**

- Mature	12,964.4	12,322.9
- Immature	1,170.3	1,578.2
<b>Total planted area</b>	<b>14,134.7</b>	<b>13,901.1</b>

Revenue from **Plantation Division** recorded higher by RM56.02 million or 54.9% to RM158.05 million as compared to the same period last year, mainly attributable to higher CPO and CPKO price, as well as FFB produced by plantation estates in Malaysia for the current period. On the back of higher revenue, coupled with lower operational cost and lower forex loss, the division PBT has increased to RM73.45 million as compared to last year.

Plantation estates in Malaysia which are presently in the development phase and partially mature registered a total pre-tax profit of RM0.40 million as compared to RM3.73 million pre-tax loss recorded in the corresponding period last year.

**Bulking Division**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
Revenue	114.37	66.68	47.69	71.5
Profit before tax	45.46	32.56	12.90	39.6

**Bulking Division** has recorded an improvement in revenue of RM47.69 million or 71.5% to RM114.37 million as compared to last year, mainly attributable to the higher sales of palm methyl ester ("PME") from biodiesel operation and higher contribution from edible oil products. On the back of higher revenue, PBT has increased by RM12.90 million to RM45.46 million as compared to the same period last year.

**Food Division**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
<b>Revenue</b>				
Papua New Guinea (PNG)	124.02	100.83	23.19	23.0
Malaysia	2.54	2.04	0.50	24.5
	<b>126.56</b>	<b>102.87</b>	<b>23.69</b>	<b>23.0</b>
Profit before tax	6.76	9.23	(2.47)	(26.8)

**Food Division's** revenue has increased by RM23.69 million or 23.0% to RM126.56 million, as compared to RM102.87 million recorded in the previous financial year, attributable to higher sales volume of mackerel and tuna products. Despite this, the Division's PBT decreased by RM2.47 million to RM6.76 million mainly due to increase in transportation and tin cans/packaging materials cost during the period.

**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**
**B2. Comparison with preceding quarter's results**
**Group Performance**

(RM Million)	<b>QTR 3</b>	<b>QTR 2</b>		
	<b>FY 2022</b>	<b>FY 2022</b>	<b>Variance</b>	<b>%</b>
Revenue	203.01	154.79	48.22	31.2
Profit before tax	50.72	46.42	4.30	9.3

The Group revenue increased by RM48.22 million to RM203.01 million as compared to the preceding quarter, as a result of higher revenue contribution by most of the divisions.

In line with higher revenue, the Group PBT has improved by RM4.30 million to RM50.72 million as compared to RM46.42 million recorded in the preceding quarter.

The performance of each business division is as follows:

**Manufacturing Division**

(RM Million)	<b>QTR 3</b>	<b>QTR 2</b>		
	<b>FY 2022</b>	<b>FY 2022</b>	<b>Variance</b>	<b>%</b>
Revenue	34.17	30.08	4.09	13.6
Profit before tax	4.95	0.03	4.92	16,400.0

**Manufacturing Division's** revenue recorded higher by RM4.09 million to RM34.17 million in the current quarter, mainly due to increase in sales volume for most of the products. On the back of higher revenue coupled with lower allowance for impairment, the Division has posted an improvement in PBT in the current quarter by RM4.92 million to RM4.95 million.

**Plantation Division**

(RM Million)	<b>QTR 3</b>	<b>QTR 2</b>		
	<b>FY 2022</b>	<b>FY 2022</b>	<b>Variance</b>	<b>%</b>
<b>Revenue</b>				
<u>Indonesia</u>				
- CPO	44.06	32.23	11.83	36.7
- CPKO	7.29	3.11	4.18	134.4
<u>Malaysia</u>				
- Fresh fruit bunch	21.07	16.99	4.08	24.0
- Pineapple	0.50	0.43	0.07	16.3
<b>Total</b>	<b>72.92</b>	<b>52.76</b>	<b>20.16</b>	<b>38.2</b>
<b>Profit before tax</b>	<b>37.71</b>	<b>27.50</b>	<b>10.21</b>	<b>37.1</b>
CPO produced (mt)	10,506	8,736	1,770	20.3
<b>Sales Quantity (mt)</b>				
- CPO	11,002	10,022	980	9.8
- CPKO	1,007	997	10	1.0

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021

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

**Plantation Division (cont'd.)**

**Plantation Division** has posted a higher revenue in the current quarter by RM20.16 million (or 38.2%) to RM72.92 million, as compared to RM52.76 million in the preceding quarter mainly attributable to higher sales volume and price of CPO and CPKO. On the back of higher revenue, the Division has recorded a higher PBT by RM10.21 million to RM37.71 million in the current quarter.

**Bulking Division**

(RM Million)	QTR 3 FY 2022	QTR 2 FY 2022	Variance	%
Revenue	44.08	32.28	11.80	36.6
Profit before tax	13.96	16.21	(2.25)	(13.9)

Revenue from **Bulking Division** has increased by 36.6% or RM11.80 million to RM44.08 million as compared to the preceding quarter, mainly due to improvement in sales of PME product from its biodiesel operation during the quarter. Despite this, the Division posted a decrease in PBT by RM2.25 million to RM13.96 million in the current quarter, as a result of lower contribution by its bulking segment, especially from edible oil products.

**Food Division**

(RM Million)	QTR 3 FY 2022	QTR 2 FY 2022	Variance	%
<b>Revenue</b>				
PNG	49.77	37.86	11.91	31.5
Malaysia	1.05	0.79	0.26	32.9
	50.82	38.65	12.17	31.5
Profit before tax	1.27	3.16	(1.89)	(59.8)

**Food Division** has recorded an improvement in revenue by RM12.17 million or 31.5% to RM50.82 million in the current quarter, attributable to higher sales volume for the mackerel and tuna products. However, the Division's PBT has slipped by RM1.89 million to RM1.27 million in the current quarter mainly due to higher raw material cost and loss on forex.

**B3. Prospects**

**Manufacturing Division** - The division will continue its concerted efforts 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 focused in improving our efficiency and productivity in oil palm plantation operation and optimising production cost.

**Bulking Division** - The demand for storage is expected to be satisfactory. The division is looking at securing more long term contracts with customers as well as handling higher margin products.

**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**
**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, currency fluctuation, transportation cost and increase in price of raw materials - mainly cans. 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.

We expect the challenging environment to remain in the current financial year due to uncertainties brought up by the COVID-19. Certain division is expecting lesser demand in its products and disruption on supply chain. In addition, fluctuations in exchange rates and commodity prices will influence the Group's financial performance and position.

**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 and zakat**

	Current quarter 31-12-2021	Current year to date 31-12-2021
	RM'000	RM'000
Tax expense	13,414	29,074
Zakat	418	418
	<u>13,832</u>	<u>29,492</u>

The effective tax rate on the Group's profit to date is slightly higher than the statutory tax rate mainly due to certain expenses are not allowable for tax deduction.

**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 31-12-2021 RM'000	As at 31-03-2021 RM'000
<b>Secured:</b>		
<b>Non-current</b>		
Term loan	10,000	-
	<u>10,000</u>	<u>-</u>
<b>Current</b>		
Bankers' acceptance	3,213	4,717
Short term revolving credit	45,234	33,675
	<u>48,447</u>	<u>38,392</u>
	<u>58,447</u>	<u>38,392</u>

**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

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**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:

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

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.

On 19 April 2019, FimaCorp announced that the settlement negotiation between the parties have failed. Accordingly, the High Court Judge has fixed the matter for case management on 13 May 2019 (for compliance with pre-trial directions) and trial on 12 July 2019, 9 August 2019, 8 January 2020 and 9 January 2020.

During the case management on 31 May 2019, the High Court Judge has directed the parties to appear before her on 12 July 2019 as a final attempt to explore settlement as requested by DTSB. However, the settlement negotiation and mediation between the parties have failed. The trial dates have been fixed for 9 and 10 November 2020. The next case management has been fixed on 9 October 2020.

On 7 August 2020, FimaCorp announced that the High Court Judge has dismissed PKN's amendment application with costs. Further, the High Court Judge has directed the parties to comply with pre-trial directions.

The High Court has vacated the trial date on 9 November 2020 in light that the Conditional Movement Control Order had been extended up to the said date. The trial date on 10 November 2020 is maintained. The High Court has subsequently vacated the trial date on 10 November 2020 and the said date has been converted to case management instead.

During the case management on 26 February 2021, the High Court has fixed the new trial dates for this matter on 23, 24 and 25 August 2021.

The trial was concluded on 24 August 2021 and the High Court Judge has fixed 27 September 2021 for further clarification/to deliver its decision. In the meantime, the parties have been directed to submit their respective written submissions and reply written submissions on 7 September 2021 and 13 September 2021, respectively.

On 27 September 2021, the High Court has sought further clarifications from both parties. In the circumstances, the parties have been directed to submit their respective written submissions on the clarifications sought by 4 October 2021.

On 13 October 2021, the High Court Judge has delivered its decision and has ordered the Defendant to pay the Plaintiff a sum of RM15,000,000 with 4% interest from today until full and final settlement. In addition, the Court has ordered the Plaintiff to pay the Defendant costs of RM30,000.

The Appellant has on 29 October 2021, filed a Notice of Appeal at the Court of Appeal, appealing against some parts of the High Court's decision given on 13 October 2021.



**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

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

On 22 December 2021, the Appellant has filed its Memorandum of Appeal together with the Records of Appeal at the Court of Appeal as per the Court's directive. The Appellant is appealing against part of the High Court's decision dated 13 October 2021 which:

- Rejected the Appellant's claim for RM23,565,000.00 claimed by the Appellant (which is RM15.71 for each of the 1.5 million Passport Booklet) and ordered Respondent to only pay RM15,000,000.00 to the Appellant for the 1.5 million Passport Booklets supplied by the Appellant to the Respondent;
- Dismissed the Appellant's claim for interest before judgment;
- Ordered the Respondent to pay interest at the rate of 4% per annum on the judgment sum instead of 5% interest per annum as specified by the Chief Justice of Malaysia Practice Direction No 1 of 2012;
- Dismissed the Appellant's claim for reimbursement of Goods & Services Tax ("GST") on the sums payable for the 1.5 million Passport Booklets; and
- Ordered the Appellant to pay costs in the sum of RM30,000.00 to the Respondent.

During the case management held on 23 December 2021, the Court of Appeal has directed the parties to file and exchange their respective written submission by 31 May 2022. The next case management has been fixed on 2 June 2022 and hearing for the appeal has been fixed on 15 June 2022.

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

2. (a) On 13 May 2003, the Badan Pertanahan Nasional Provinsi Kalimantan Timur issued a certificate, Hak Guna Usaha ("HGU") providing PT Nunukan Jaya Lestari ("PTNJL") a right to use a land covering a total size of 19,974 hectares ("Total Parcel") identifiable as No. 1/Nunukan Barat for the purposes of plantation. The HGU is set to expire on 12 May 2038.

Notwithstanding the HGU, the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional ("BPN") vide letter dated 25 July 2016 ("Ministerial Order") informed PTNJL among others, of the following:

- there were administrative irregularities performed by officer(s) of the Badan Pertanahan Nasional Provinsi Kalimantan Timur in respect of the HGU. Due to these irregularities, it was identified that 17,164 hectares ("Irregular Parcel") of the Total Parcel is delineated for forestry.
- a third party situated adjacent to the Total Parcel ("Third Party") has requested to revise/amend the HGU as there are overlaps between the Total Parcel with the Third Party's interests on the land pursuant to their operating permits (approximately 3,500 hectares) ("Overlapping Parcel").

Following the above, the BPN vide the Ministerial Order has provided the following decisions:

- the HGU is revoked effectively immediately ("Revocation");
- PTNJL to apply for a new HGU certificate for the remaining 2,809 hectares of land located at Land Allocated for Other Purposes ("APL"); and
- the Irregular Parcel is to be surrendered to the Kementerian Lingkungan Hidup dan Kehutanan Republik Indonesia.

On 21 October 2016, PTNJL initiated legal proceedings against BPN to challenge the Ministerial Order issued by BPN ("Lawsuit") in the Administrative Court ("State Administrative Court") of Jakarta, Indonesia. In the Lawsuit, PTNJL applied for an order for stay of enforcement of the Ministerial Order pending full and final settlement of the matter by the Indonesian Courts.

**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

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

PTNJL's basis for the Lawsuit are inter alia as follows:

- (i) the status of the Total Parcel is State Land, aligned with the condition imposed by prevailing laws and regulations in Indonesia; and
- (ii) the revocation of the HGU certificate is contrary to the prevailing laws and regulations in Indonesia.

On 13 June 2017, the State Administrative Court dismissed the Lawsuit ("State Administrative Court's Decision") resulting PTNJL filed its statement of appeal and memorandum of appeal on 21 June 2017 and 24 July 2017 respectively in the High Administrative Court ("High Court") of Jakarta, Indonesia ("Appeal").

Vide written decision dated 11 December 2017 (which was received by PTNJL's solicitors on 2 January 2018 and subsequently forwarded to PTNJL on 3 January 2018), the High Court partly allowed the Appeal with costs and ordered that (i) 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; (ii) has ordered BPN to revoke the Ministerial Order save for the areas overlapping with forestry areas/third party interests measuring 5,138 hectares ("High Court Decision").

On 10 January 2018, PTNJL has filed its statement of appeal and appeal on 23 January 2018 to the Supreme Court of Indonesia ("Supreme Court") against the High Court Decision. On 21 August 2018, the Supreme Court allowed PTNJL's appeal and similarly ordered that the Ministerial Order be annulled ("Decision of the Supreme Court"). The Supreme Court also ordered BPN to simultaneously:

- (i) issue an order cancelling PTNJL's HGU rights over the Overlapping Parcel measuring 3,500 hectares; and
- (ii) issue a new HGU certificate in favour of PTNJL for an area measuring 16,474.13 hectares, (which is 19,974.13 hectares less the 3,500 hectares referred to in paragraph (i) above).

On 8 February 2019, BPN filed an application in the Supreme Court to review the Decision of the Supreme Court ("JR Application").

On 27 November 2019 the Supreme Court overturned the Decision of the Supreme Court in favor of BPN upholding the legitimacy and the validity of the Ministerial Order ("JR Decision").

On 23 January 2020, PTNJL subsequently filed a further application for judicial review to Jakarta State Administrative Court against the JR Decision ("2nd JR Application") on the grounds that the JR Decision contradicts some aspects of other established cases and the discovery of new material evidences that were not previously available.

Vide the written decision of the Jakarta State Administrative Court dated 4 August 2021 (which was received by PTNJL's solicitors on 25 November 2021 and subsequently forwarded to PTNJL on 26 November 2021), PTNJL's judicial review application has been dismissed. As a result of this ruling, the Mahkamah Agung's decision dated 27 November 2019 that allowed the judicial review application made by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional to set aside the court's earlier decision dated 21 August 2018 which had annulled the Ministerial Order revoking PTNJL's HGU land title, is upheld.

The decision is expected not to have any further impact on PTNJL as the disputed areas within the HGU land title have been fully impaired and full provision in the sum of RM17.79 million had been made in Q4 of FYE 2020.

- (b) On 28 November 2019, PTNJL has filed a civil suit in the South Jakarta District Court ("the District Court") against the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional Republik Indonesia ("BPN") and a Third Party (collectively, "Defendants"). The President Republik Indonesia and Menteri Lingkungan Hidup dan Kehutanan Republik Indonesia ("Menteri Kehutanan") have been named as co-defendants in the said suit.

**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021**

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

PTNJL is seeking legal recognition of its rights over HGU; an injunction to:

- (i) order BPN and Menteri Kehutanan to issue permit, recommendation, or approval for PTNJL to undertake its plantation activities;
- (ii) bar the Third Party from preventing PTNJL from undertaking its plantation activities within the HGU areas which overlap with AHL's operating permits/interests; and
- (iii) restrain Menteri Kehutanan from issuing any new licences permits or approvals to any parties on or within the HGU.

PTNJL is also seeking an order from the court to stay the enforcement of the Ministerial Order dated 25 July 2016 pending full and final determination of the matter by the Indonesian courts.

On 6 May 2020, the mediation held between PTNJL, Defendants and Co-defendants has failed. Accordingly, the matter will now proceed to the District Court for determination.

On 15 September 2020, the District Court had delivered an oral judgement and dismissed the civil suit filed by the PTNJL against the Defendant on the basis that the Court has no competency to hear the matter notwithstanding the civil nature of the claim.

PTNJL has filed its notice of appeal and memorandum of appeal on 28 September 2020 and 21 April 2021 respectively to the Pengadilan Tinggi DKI Jakarta (through the District Court) in respect of the decision of the Pengadilan Negeri Jakarta Selatan dated 15 September 2020.

**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		9 months cumulative	
	31-12-2021	31-12-2020	31-12-2021	31-12-2020
Profit net of tax attributable to equity holders of the Company used in the computation of earnings per share (RM'000)	23,592	15,007	64,119	41,768
Weighted average number of ordinary shares in issues ('000)	277,253	279,579	277,253	279,579
Basic/diluted earnings per share (sen)	8.51	5.37	23.13	14.94

**By order of the Board**

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

**Kuala Lumpur**  
**Dated : 28 February 2022**