



FIMA CORPORATION BERHAD (21185-P)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016
(THE FIGURES HAVE NOT BEEN AUDITED)**

	<i>Current Quarter</i>		<i>6 Months Cumulative</i>	
	<i>Current Year</i>	<i>Preceding Year</i>	<i>Current Year</i>	<i>Preceding Year</i>
	<i>Quarter</i>	<i>Corresponding</i>	<i>To Date</i>	<i>Corresponding</i>
	<i>30/09/16</i>	<i>30/09/15</i>	<i>30/09/16</i>	<i>30/09/15</i>
	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>	<i>RM'000</i>
Revenue	113,018	88,907	196,216	197,348
Cost of sales	(72,758)	(58,866)	(127,870)	(133,610)
Gross profit	40,260	30,041	68,346	63,738
Interest income	1,689	1,289	3,048	2,206
Other income	18	1,989	44	2,063
Administrative expenses	(6,063)	(6,103)	(11,007)	(12,359)
Selling and marketing expenses	(847)	(914)	(1,657)	(1,913)
Other operating expenses	(8,270)	(8,216)	(13,138)	(13,236)
Finance costs	3	(12)	(11)	(14)
Share of results from associates	(673)	349	857	945
Profit before tax	26,117	18,423	46,482	41,430
Income tax expense	(7,380)	(4,572)	(12,731)	(10,736)
Profit net of tax	18,737	13,851	33,751	30,694
Other comprehensive income, net of tax				
Foreign currency translation gain	4,485	5,793	7,593	5,885
Total comprehensive income for the period	23,222	19,644	41,344	36,579
Profit attributable to :				
Equity holders of the Company	17,658	12,609	31,976	27,756
Non-controlling interests	1,079	1,242	1,775	2,938
Profit for the period	18,737	13,851	33,751	30,694
Total comprehensive income attributable to:				
Equity holders of the Company	21,246	17,244	38,050	32,464
Non-controlling interests	1,976	2,400	3,294	4,115
Total comprehensive income for the period	23,222	19,644	41,344	36,579
Earnings per share attributable to equity holders of the Company				
Basic/diluted earnings per share (sen) (Note B11)	7.32	5.22	13.25	11.50

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at End Of Current Quarter 30/09/16 (unaudited)	As at Preceding Financial Year End 31/03/16 (audited)
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	121,745	125,855
Biological assets	54,627	49,611
Investment properties	62,931	63,684
Goodwill on consolidation	510	510
Investments in associates	41,095	40,238
Deferred tax assets	9,260	8,952
	290,168	288,850
Current Assets		
Inventories	46,165	51,003
Trade and other receivables	176,370	167,079
Due from related companies	-	34
Cash and cash equivalents	236,547	177,593
	459,082	395,709
TOTAL ASSETS	749,250	684,559
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	122,662	122,662
Treasury shares	(4,181)	(3,789)
Other reserves	(600)	(6,674)
Retained earnings	455,938	442,048
	573,819	554,247
Non-controlling interests	31,435	28,141
Total Equity	605,254	582,388
Non-Current Liabilities		
Retirement benefit obligations	1,482	1,391
Finance lease obligations	16,488	16,799
Deferred tax liabilities	10,817	10,730
	28,787	28,920
Current Liabilities		
Trade and other payables	103,147	68,932
Tax payable	10,619	3,013
Due to related companies	797	660
Finance lease obligations	646	646
	115,209	73,251
Total Liabilities	143,996	102,171
TOTAL EQUITY AND LIABILITIES	749,250	684,559
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.38	2.30

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements)



FIMA CORPORATION BERHAD (21185-P)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

	<----- Attributable to Owners of the Parent ----->			<----- Non-Distributable ----->			Distributable		Non- controlling Interests	Total Equity
	Share Capital	Treasury Shares	Other Reserves	Asset Revaluation Reserve	Foreign Translation Reserve	Equity Contribution From Parent	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2015	122,662	(3,604)	(9,257)	16,823	(30,203)	4,123	420,728	530,529	29,990	560,519
Total comprehensive income for the period	-	-	4,708	-	4,708	-	27,756	32,464	4,115	36,579
Transaction with owners										
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(7,911)	(7,911)
Dividend payable	-	-	-	-	-	-	(18,104)	(18,104)	-	(18,104)
Acquisition of Treasury Shares	-	(50)	-	-	-	-	-	(50)	-	(50)
Total transactions with owners	-	(50)	-	-	-	-	(18,104)	(18,154)	(7,911)	(26,065)
As 30 September 2015	122,662	(3,654)	(4,549)	16,823	(25,495)	4,123	430,380	544,839	26,194	571,033
At 1 April 2016	122,662	(3,789)	(6,674)	16,823	(27,725)	4,228	442,048	554,247	28,141	582,388
Total comprehensive income for the period	-	-	6,074	-	6,074	-	31,976	38,050	3,294	41,344
Transaction with owners										
Dividend paid	-	-	-	-	-	-	(18,086)	(18,086)	-	(18,086)
Acquisition of Treasury Shares	-	(392)	-	-	-	-	-	(392)	-	(392)
Total transactions with owners	-	(392)	-	-	-	-	(18,086)	(18,478)	-	(18,478)
At 30 September 2016	122,662	(4,181)	(600)	16,823	(21,651)	4,228	455,938	573,819	31,435	605,254

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2016**

	6 months ended	
	30/09/16	30/09/15
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	46,482	41,430
Adjustments for:		
Depreciation for property, plant and equipment	7,471	10,410
Depreciation of investment properties	753	753
Amortisation of biological assets	2,193	1,674
Impairment loss on trade receivables	25	665
Write back of impairment loss on trade receivables	(293)	(741)
Write back of inventories	(161)	(157)
Provision for retirement benefit obligations	28	41
Share of results of associate	(857)	(945)
Interest income	(3,048)	(2,206)
Operating profit before working capital changes	52,593	50,924
(Increase)/decrease in trade and other receivables	(9,244)	887
Decrease in inventories	4,999	3,312
Increase in related companies balances	171	51
Increase/(decrease) in trade and other payables	34,215	(33,462)
Cash generated from operations	82,734	21,712
Taxes paid	(5,229)	(7,337)
Retirement benefits paid	(10)	(5)
Interest income received	3,048	2,206
Net cash generated from operating activities	80,543	16,576
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,240)	(7,916)
Additions to biological assets	(4,523)	(2,709)
Repayment of obligations under finance lease	(311)	(98)
Net cash used in investing activities	(7,074)	(10,723)
CASH FLOW FROM FINANCING ACTIVITY		
Dividends paid	(18,086)	-
Dividends paid by a subsidiary to non-controlling interests	-	(7,911)
Acquisition of Treasury Shares	(392)	(50)
Net cash used in financing activity	(18,478)	(7,961)
CASH AND CASH EQUIVALENTS		
Net increase/(decrease) in cash and cash equivalents	54,991	(2,108)
Effect of exchange rate changes in cash and cash equivalents	3,963	2,359
Cash and cash equivalents balances at beginning of period	177,593	172,640
Cash and cash equivalents at end of period	236,547	172,891
CASH AND CASH EQUIVALENTS COMPRISE OF :		
Cash and bank balances	36,946	7,124
Deposits with licensed banks	199,601	165,767
	236,547	172,891

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements)

PART A - Explanatory notes pursuant to FRS 134

A1. Basis of Preparation and Accounting Policies

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2016. The explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2016.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 March 2016 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations.

(a) Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 April 2016, the Group adopted the following FRSs and Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations:-

- Annual Improvements to FRSs 2012 - 2014 Cycle
- Amendments to FRS 11: Accounting for Acquisition of Interests in Joint Operations
- Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 127: Equity Method in Separate Financial Statements
- Amendments to FRS 101: Disclosure Initiatives
- Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities:
Applying the Consolidation Exception
- FRS 14: Regulatory Deferral Accounts

The adoption of the above FRSs and Amendments to FRSs did not have any significant effect on the financial performance or presentation of the financial statements of the Group.

(b) Standards and Interpretations issued but not yet effective

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

	Effective for annual period beginning on or after
Amendments to FRS 107: Disclosure initiative	1 January 2017
Amendments to FRS 112: Recognition of deferred tax assets for unrealised losses	1 January 2017
FRS 15 Revenue from Contracts with Customers	1 January 2018
FRS 9: Financial Instruments	1 January 2018
FRS 2: Classification and measurement of share-based payment transactions	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

A2. Significant Accounting Policies (Contd.)

(b) Standards and Interpretations issued but not yet effective (Contd.)

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any significant effect to the financial statements of the Group upon their initial application, other than for FRS 15: Revenue from Contracts with Customers and FRS 9: Financial Instruments.

(c) Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for the Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS interim financial statements for the quarter ending 30 June 2018. In presenting its first MFRS financial statements, the Group will be required to adjust the comparative financial statements prepared under FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2019.

A3. Audit Qualification

The preceding annual financial statements of the Group were not subject to any audit qualification.

A4. Seasonality or cyclicity of the interim operations

The production of security and confidential documents is influenced by cyclical changes in volume of certain products whilst the oil palm production and processing division is affected by seasonal crop production, weather conditions and fluctuating commodity prices.

A5. Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A6. Changes in estimates

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

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

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

During the current quarter, the Company repurchased 20,000 of its issued ordinary shares from the open market at an average price of RM2.22. The total consideration paid for the repurchase including transaction costs was RM44,423 and this was financed by internally generated funds. Of the total 245,324,330 issued and fully paid ordinary shares of RM0.50 each, 4,172,500 shares are held as treasury shares by the Company.

A8. Dividends paid

		Cumulative Quarter Ended	
		30/09/16	30/09/15
		RM'000	RM'000
Final Dividend			
2016	15% single-tier final dividend (Paid on 22 September 2016)	18,086	-

A9. Segmental Information

		6 Months Cumulative			
		Current Year to date		Preceding Year	
		30/09/16		Corresponding Period	
		Revenue		Profit	
		RM'000		Before Tax	
		RM'000		RM'000	
Segments					
Production and trading of security and confidential documents					
		127,126	32,372	134,423	24,107
Oil palm production and processing					
		66,982	13,154	60,876	16,365
Property management					
		2,741	456	2,839	532
Others					
		-	(357)	-	(519)
		196,849	45,625	198,138	40,485
Share of results of associate					
		-	857	-	945
		196,849	46,482	198,138	41,430
Eliminations					
		(633)	-	(790)	-
Group Results		196,216	46,482	197,348	41,430

A10. Profit Before Tax

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

		Quarter ended		6 Months Cumulative	
		30/09/16	30/09/15	30/09/16	30/09/15
		RM'000	RM'000	RM'000	RM'000
Other income					
Management fees					
		6	6	12	12
Others					
		12	1,983	32	2,051
Operating expenses					
Depreciation and amortisation					
		5,217	6,508	10,417	12,837
Foreign exchange loss/(gain)					
		101	(568)	130	(833)
Impairment loss on trade receivables					
		5	73	25	665
Write back of impairment loss					
	on trade receivables	(40)	(170)	(293)	(741)
Inventories written back					
		-	(34)	(161)	(157)

A11. Valuation of property, plant and equipment

The carrying amounts of property, plant and equipment have been brought forward without amendment from the previous audited financial statements.

A12. Subsequent events

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

A13. Changes in the composition of the Group

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

A14. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since the last annual balance sheet (other than as disclosed in Note B9).

A15. Capital Commitments

	As at 30/09/16 RM'000
Property, plant and equipment:	
Approved and contracted for	2,471
Approved but not contracted for	<u>12,141</u>
Share of capital commitments of associated companies:	
Property, plant and equipment	
Approved and contracted for	2,384
Approved but not contracted for	<u>42</u>

A16. Acquisition of Property, Plant and Equipment

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

	Current Year to date 30/09/16 RM'000
Buildings	1,331
Computer hardware and software	582
Motor vehicles	147
Plant and machinery	100
Office equipment and fittings	80
	<u>2,240</u>

A17. Related Party Transactions

**Current
Year to date
30/09/16**

RM'000

Penultimate Holding Company

Kumpulan Fima Berhad

Rental income receivable

(374)

Fellow Subsidiaries :

Fima Instanco Sdn Bhd

Rental income receivable

(60)

Related by virtue of having common director/(s) of the Company :

Nationwide Express Courier Services Berhad

Rental income receivable

(39)

Purchases made - Delivery services

66

Related by virtue of director/(s) of the Company and/or Group**having substantial interest:**

PT Pohon Emas Lestari

Purchase of fresh fruit bunches

3,030

TD Technologies Sdn Bhd

Services payable - Software rental

23**A18. Inventories**

During the quarter, there was no write-down or write-back of inventories.

B1. Review of Performance

Group	Year to date		Variance	
	30/09/16	30/09/15	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	196,216	197,348	(1,132)	(0.6)
Profit before tax	46,482	41,430	5,052	12.2

For the second half year under review, the Group registered a total revenue of RM196.2 million, a decrease of RM1.1 million or 0.6% over the same period last year.

A higher pretax profit of RM46.5 million was recorded as compared to RM41.4 million in the previous year, mainly attributable to higher profit from the production of security and confidential documents.

Production and trading of security and confidential documents	Year to date		Variance	
	30/09/16	30/09/15	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	127,126	134,423	(7,297)	(5.4)
Profit before tax	32,372	24,107	8,265	34.3

Revenue from this segment decreased by 5.4% to RM127.1 million from RM134.4 million last year, mainly due to a decrease in volume for a certain travel document.

Pretax profit increased by RM8.3 million or 34.3% compared to the corresponding period last year, mainly due to favourable sales mix and lower depreciation.

Oil palm production and processing	Year to date		Variance	
	30/09/16	30/09/15	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	66,982	60,876	6,106	10.0
Profit before tax	13,154	16,365	(3,211)	(19.6)
Sales Quantity (mt)				
Crude palm oil (CPO)	23,940	22,427	1,513	6.7
Crude palm kernel oil (CPKO)	2,075	2,199	(125)	(5.7)
Average CIF selling price, net of duty (RM/mt)				
CPO	2,358	2,425	(67)	(2.8)
CPKO	5,075	2,949	2,126	72.1

Revenue from oil palm production and processing increased 10.0% compared to the corresponding period last year, primarily attributable to higher sales volume of CPO and higher selling price of CPKO.

This segment registered a pretax profit of RM13.2 million, a shortfall of RM3.2 million or 19.6% compared to the same period last year.

Plantation estates in Malaysia which are presently in the process of land development or palm planting registered a total pretax loss of RM1.2 million as compared to RM945,000 pretax loss recorded in the corresponding period last year.

The decrease in profit from this segment was mainly due to higher manuring cost and foreign exchange loss.

B1. Review of Performance (Contd.)

	Year to date		Variance	
	30/09/16	30/09/15	RM'000	%
	RM'000	RM'000	RM'000	%
Property Management				
Revenue	2,741	2,839	(98)	(3.5)
Profit before tax	456	532	(76)	(14.3)

Performance of the property management division remained consistent with no significant changes.

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

	Current	Preceding	Variance	
	Quarter	Quarter	RM'000	%
	RM'000	RM'000	RM'000	%
Group				
Revenue	113,018	83,198	29,820	35.8
Profit before tax	26,117	20,365	5,752	28.2

During the quarter reported, the Group posted a revenue of RM113.0 million with a pretax profit of RM26.1 million as compared to RM20.4 million pretax profit on the back of RM83.2 million revenue in the preceding quarter.

	Current	Preceding	Variance	
	Quarter	Quarter	RM'000	%
	RM'000	RM'000	RM'000	%
Production and trading of security and confidential documents				
Revenue	73,902	53,224	20,678	38.9
Profit before tax	18,798	13,574	5,224	38.5

Revenue from production of security and confidential documents increased by RM20.7 million or 38.9% in the second quarter compared to the preceding quarter. The improvement was mainly due to increased volume for a certain travel document. On the back of higher revenue, a pretax profit of RM18.8 million was posted, an improvement of 38.5% over the previous quarter.

	Current	Preceding	Variance	
	Quarter	Quarter	RM'000	%
	RM'000	RM'000	RM'000	%
Oil palm production and processing				
Revenue	38,116	28,866	9,250	32.0
Profit before tax	8,032	5,122	2,910	56.8

Sales Quantity (mt)				
Crude palm oil (CPO)	12,924	11,016	1,908	17.3
Crude palm kernel oil (CPKO)	1,053	1,022	30	3.0
Average CIF selling price, net of duty (RM/mt)				
CPO	2,490	2,204	286	13.0
CPKO	5,642	4,492	1,150	25.6

Revenue from this segment for the current quarter increased by 32.0% compared to the previous quarter. The improvement was mainly due to higher sales volume of CPO and higher selling price of CPKO.

A pretax profit of RM8.0 million was recorded, an increase of 56.8% compared to the preceding quarter. The increase was mainly attributable to higher revenue.

B3. Prospects

In the second half year, revenue from the production and trading of security and confidential documents is expected to be lower due to cyclical demand in certain jobs.

The oil palm production and processing segment which is very much dependant on CPO prices, continues to face challenges such as changing weather conditions and seasonal crop production.

The Group will continue to focus on strengthening operational efficiency and identifying opportunities in this challenging environment. The Board is optimistic that the Group will deliver sustainable results for the financial year.

B4. Variance of actual profit from forecast profit

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

B5. Taxation

	Current Quarter 30/09/16	Current Year to date 30/09/16
	RM'000	RM'000
Tax charge	7,380	12,731

The effective tax rate on the Group's profit todate is higher than the statutory tax rate mainly due to certain expenses disallowed for taxation purposes and no group relief.

B6. Corporate proposals**(a) Status of corporate proposal**

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

(b) Utilisation of proceeds raised from any corporate proposal

Not applicable

B7. Finance lease obligations

	As at 30/09/16	As at 30/09/15
	RM'000	RM'000
Obligations under finance leases		
Current	646	-
Non-current	16,488	5,487
	17,134	5,487

The obligations under finance leases are in respect of the following land lease:

- i. A 99 year land lease granted to subsidiary, Gabungan Warisan Sdn Bhd to develop approximately 249.8 ha of land in Kuala Krai, Kelantan Darul Naim. The lease will expire on 2 July 2112.
- ii. Sub-leases granted to subsidiaries, Taka Worldwide Trading Sdn Bhd and Etika Gangsa Sdn Bhd over 2 parcels of land measuring approximately 404.6 ha, deemed suitable for oil palm cultivation, situated in Mukim Reli, Daerah Jajahan Gua Musang, Kelantan for a term of 66 years expiring 5 March 2075, with an option to renew for a further period of 33 years.
- iii. A 60 year lease granted to subsidiary, R.N.E. Plantation Sdn Bhd over 1 plot of agricultural land measuring 2,000 ha located at Sungai Siput, Daerah Kuala Kangsar, Perak. The lease will expire on 3 August 2075, with an option to renew for a further 30 years.

B8. Realised/unrealised profits/(losses)

	<u>As at</u> <u>30/09/16</u> <u>RM'000</u>	<u>As at</u> <u>31/03/16</u> <u>RM'000</u>
Total retained profits/(accumulated losses) of Fima Corporation Berhad and its subsidiaries:		
- Realised	436,394	429,858
- Unrealised	<u>(21,388)</u>	<u>(31,599)</u>
	415,006	398,259
Total share of retained profits/(accumulated losses) from associated company:		
- Realised	35,405	34,389
- Unrealised	<u>(4,310)</u>	<u>(4,151)</u>
	31,095	30,238
Add: Consolidation adjustments	9,837	13,551
Total group retained profits as per consolidated accounts	<u>455,938</u>	<u>442,048</u>

B9. Changes in material litigation

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

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

On 21 October 2016, PTNJL filed an application in the Pengadilan Tata Usaha ("PTUN") in Jakarta, Indonesia seeking an order to annul the Ministerial Order. Simultaneously, in the said application, PTNJL has also sought an order from PTUN to postpone the enforcement of the Ministerial Order pending full and final determination of the matter by the Indonesian courts.

Notwithstanding the Ministerial Order, the local government in Kabupaten Nunukan, in the interest of good order, has given its undertaking and allowed PTNJL to continue to lawfully operate its plantation operations until the final determination of the matter by the Indonesian courts. Based on the current circumstances, the Board is of the opinion that this suit will not have any immediate operational and financial impact on the Group.

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

Pursuant to the above, on 28 September 2001, the Company was served a Writ of Summons dated 9 August 2001 from a tenant ("Plaintiff") claiming for a compensation sum of approximately RM2.12 million being their renovation costs and general damages. The Board had sought the opinion from the solicitors who were of the opinion that there should be no compensation payable to the Plaintiff as the demised premise was acquired by a relevant authority which was provided in the Tenancy Agreement between the Company and the Plaintiff.

On 11 November 2008, the Court had disposed off this matter summarily in favour of the plaintiff and on 4 March 2009, the Company had filed its Record of Appeal to the Court of Appeal to appeal against the decision. The Company had made full provision for the compensation claim of RM2.12 million during the financial year ended 31 March 2009.

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

B10. Dividend

The Board of Directors declared a single-tier interim dividend of 10% or 5.0 sen per RM0.50 share payable for the year ending 31 March 2017 (last year: 10%). The dividend payment will amount to approximately RM12.1 million (last year: RM12.1 million).

B11. Earnings per share

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30/09/16	30/09/15	30/09/16	30/09/15
Earnings				
Profit attributable to owners of the Company (RM'000)	17,658	12,609	31,976	27,756
Basic Earning per Share				
Weighted average number of ordinary shares in issue	241,281,721	241,410,222	241,281,721	241,410,222
Basic earnings per share (sen)	7.32	5.22	13.25	11.50

BY ORDER OF THE BOARD

JASMIN BINTI HOOD (LS 0009071)

LEE MO LENG (MIA 9505)

Company Secretaries

Kuala Lumpur

Date: 23 November 2016