



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

Condensed Consolidated Financial Statements
For the Fourth Quarter and Financial Year Ended 31 March 2018

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2018
(THE FIGURES HAVE NOT BEEN AUDITED)**

	Note	Current Quarter		12 Months Cumulative	
		Current Year Quarter 31/03/2018	Preceding Year Corresponding Quarter 31/03/2017	Current Year To Date 31/03/2018	Preceding Year Corresponding Period 31/03/2017
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	74,341	80,726	284,646	372,101
Cost of sales		(39,598)	(41,509)	(169,230)	(229,651)
Gross profit		34,743	39,217	115,416	142,450
Interest income		2,826	3,488	8,135	7,679
Other income		306	12	550	78
Administrative expenses		(16,279)	(10,524)	(33,926)	(30,230)
Selling and marketing expenses		(6,751)	(5,947)	(9,235)	(8,392)
Other operating expenses		(1,528)	(33,780)	(19,223)	(52,930)
Finance costs		(24)	(26)	(110)	(81)
Share of results from associates		39	975	1,696	2,687
Profit before tax	A9/A10	13,332	(6,585)	63,303	61,261
Income tax expense	B5	(6,338)	(7,915)	(21,092)	(26,254)
Profit/(loss) net of tax		6,994	(14,500)	42,211	35,007
Other comprehensive (loss)/income, net of tax					
Foreign currency translation (loss)/gain		(5,777)	(643)	(13,578)	11,516
Remeasurement of defined benefit liability		(36)	(75)	(36)	(75)
Reversal of revaluation surplus of property, plant and equipment previously recognised		-	(11,522)	-	(11,522)
Total comprehensive income/(expense) for the period/year		1,181	(26,740)	28,597	34,926
Profit attributable to:					
Equity holders of the Company		5,721	(9,408)	36,110	37,715
Non-controlling interests		1,273	(5,092)	6,101	(2,708)
Profit/(loss) for the period/year		6,994	(14,500)	42,211	35,007
Total comprehensive income attributable to:					
Equity holders of the Company		3,379	(19,198)	27,527	37,652
Non-controlling interests		(2,198)	(7,542)	1,070	(2,726)
Total comprehensive income/(expense) for the period/year		1,181	(26,740)	28,597	34,926
Earnings/(loss) per share attributable to equity holders of the Company					
Basic/diluted earnings/(loss) per share (sen)	B10	2.37	(3.90)	14.98	15.63

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	As at 31/03/2018 (unaudited)	As at 31/03/17 (audited)
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	116,666	97,856
Biological assets	44,512	33,030
Investment properties	60,670	62,177
Goodwill on consolidation	510	510
Investment in associate	40,845	41,061
Deferred tax assets	7,686	9,408
	270,889	244,042
Current Assets		
Inventories	38,857	37,431
Trade and other receivables	120,651	97,537
Due from related companies	28	19
Short term cash investments	43,883	-
Cash and bank balances	165,596	336,309
	369,015	471,296
TOTAL ASSETS	639,904	715,338
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	122,662	122,662
Treasury shares	(4,577)	(4,181)
Other reserves	(15,238)	(6,655)
Retained earnings	443,801	449,559
	546,648	561,385
Non-controlling interests	18,638	25,415
Total Equity	565,286	586,800
Non-Current Liabilities		
Retirement benefit obligations	1,813	1,837
Finance lease obligations	15,588	16,176
Deferred tax liabilities	4,897	3,275
	22,298	21,288
Current Liabilities		
Trade and other payables	36,884	82,761
Provisions	12,081	16,947
Tax payable	2,578	6,291
Due to related companies	166	627
Finance lease obligations	611	624
	52,320	107,250
Total Liabilities	74,618	128,538
TOTAL EQUITY AND LIABILITIES	639,904	715,338
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.27	2.33

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2018**

	<----- Attributable to Equity Holders of the Company ----->						<----- Non-Distributable ----->				Distributable
	Share capital	Treasury shares	Other reserves	Asset revaluation reserve	Foreign translation reserve	Equity contribution from parent	Retained earnings	Total	Non- controlling Interests	Total Equity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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	-	-	(3)	(9,218)	9,215	-	37,655	37,652	(2,726)	34,926	
Transaction with owners											
Dividend paid	-	-	-	-	-	-	(30,144)	(30,144)	-	(30,144)	
Grant equity of equity settled share options	-	-	22	-	-	22	-	22	-	22	
Acquisition of treasury shares	-	(392)	-	-	-	-	-	(392)	-	(392)	
Total transactions with owners	-	(392)	22	-	-	22	(30,144)	(30,514)	-	(30,514)	
As 31 March 2017	122,662	(4,181)	(6,655)	7,605	(18,510)	4,250	449,559	561,385	25,415	586,800	
At 1 April 2017	122,662	(4,181)	(6,655)	7,605	(18,510)	4,250	449,559	561,385	25,415	586,800	
Total comprehensive income for the period	-	-	(8,583)	-	(8,583)	-	36,110	27,527	1,070	28,597	
Transaction with owners											
Acquisition of non-controlling interests	-	-	-	-	-	-	334	334	(507)	(173)	
Acquisition of subsidiary	-	-	-	-	-	-	-	-	1,030	1,030	
Acquisition of treasury shares	-	(396)	-	-	-	-	-	(396)	-	(396)	
Dividend paid	-	-	-	-	-	-	(42,202)	(42,202)	(8,370)	(50,572)	
Total transactions with owners	-	(396)	-	-	-	-	(41,868)	(42,264)	(7,847)	(50,111)	
At 31 March 2018	122,662	(4,577)	(15,238)	7,605	(27,093)	4,250	443,801	546,648	18,638	565,286	

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2018

	12 months ended	
	31/03/2018	31/03/2017
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	63,303	61,261
Adjustments for:		
Depreciation for property, plant and equipment	9,484	15,074
Depreciation of investment properties	1,507	1,507
Amortisation of biological assets	1,451	4,555
Write off of biological assets	-	70
Impairment loss on property, plant and equipment	832	4,593
Impairment loss on biological assets	-	24,779
Impairment loss on trade and other receivables	9	3,507
Negative goodwill on acquisition of subsidiaries	(275)	-
Write back of impairment loss on trade and other receivables	(2,570)	(481)
Inventories written down	2,484	3,177
Net provision for retirement benefit obligations	289	284
Property, plant and equipment written off	1	-
Net reversal of provision for warranty	(4,866)	(2,287)
Grant of equity-settled share options to employees	-	22
Share of results of associate	(1,696)	(2,687)
Interest expense	110	81
Interest income	(8,135)	(7,679)
Operating profit before working capital changes	61,928	105,776
(Increase)/decrease in trade and other receivables	(24,818)	65,212
(Increase)/decrease in inventories	(5,724)	10,255
Decrease in related companies balances	(470)	(18)
(Decrease)/increase in trade and other payables	(43,779)	33,283
Cash (used in)/generated from operations	(12,863)	214,508
Taxes paid	(21,390)	(25,772)
Retirement benefits paid	(43)	(50)
Net cash (used in)/generated from operating activities	(34,296)	188,686
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,767)	(5,302)
Additions to biological assets	(6,146)	(8,682)
Proceeds from disposal of property, plant and equipment	36	-
Acquisition of subsidiary, net of tax	(4,564)	-
Acquisition of non-controlling interests	(173)	-
Interest income received	8,135	7,679
Dividends received	1,912	1,864
Withdrawal/(placement) of deposits	23,000	(23,000)
Net investment in short term cash investments	(43,883)	-
Net cash used in investing activities	(25,450)	(27,441)
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(42,202)	(30,144)
Dividends paid by a subsidiary to non-controlling interests	(8,370)	-
Repayment of borrowings	(29,026)	-
Repayment of obligations under finance lease	(711)	(727)
Acquisition of treasury shares	(396)	(392)
Net cash used in financing activities	(80,705)	(31,263)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2018 (CONTD.)**

	12 months ended	
	31/03/2018	31/03/2017
	RM'000	RM'000
CASH AND CASH EQUIVALENTS		
Net (decrease)/increase in cash and cash equivalents	(140,451)	129,982
Effect of exchange rate changes in cash and cash equivalents	(7,262)	5,734
Cash and cash equivalents balances at beginning of the year	313,309	177,593
Cash and cash equivalents at end of year	<u>165,596</u>	<u>313,309</u>
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	27,698	70,718
Deposits with licensed banks	137,898	265,591
Total cash bank balances	<u>165,596</u>	<u>336,309</u>
Less: Deposits with a licensed bank with maturity more than three months	-	(23,000)
Cash and cash equivalents	<u>165,596</u>	<u>313,309</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2017 and the accompanying explanatory notes attached to the interim financial statements)

PART A - Explanatory notes pursuant to FRS 134

A1. Basis of preparation

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 2017. 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 2017.

A2. Changes in accounting policies

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 March 2017 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 2017, the Group adopted the following FRSs and Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations:-

- Annual Improvements to FRSs 2014 - 2016 Cycle
- Amendments to FRS 107: Disclosure initiative
- Amendments to FRS 112: Recognition of deferred tax assets for unrealised losses

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 early adopted the following new and amended FRSs and IC Interpretations that are not yet effective:

	Effective for annual period beginning on or after
FRS 9: Financial Instruments	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

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:

A2. Changes in accounting policies (contd.)

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

FRS 9: Financial Instruments

In November 2014, MASB issued the final version of FRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 139 Financial Instruments: Recognition and Measurement and all previous versions of FRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. FRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The adoption of FRS 9 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

(c) Malaysian Financial Reporting Standards

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. Auditors' report on preceding annual financial statements

The financial statements of the Group for the financial year ended 31 March 2017 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 in estimates that have a material effect to the current quarter's results.

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

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

During the current quarter, the Company repurchased of its issued ordinary shares from the open market at an average price of RM1.99. The total transaction paid for the repurchase including transaction costs was RM395,868. Of the total 245,324,330 issued ordinary shares, 4,371,100 shares are held as treasury shares by the Company.

A8. Dividends paid

		12 months cumulative	
		31/03/18	31/03/17
		RM'000	RM'000
Final Dividend			
2016	7.5 sen single-tier final dividend (Paid on 22 September 2016)	-	18,086
2017	7.5 sen single-tier final dividend (Paid on 20 June 2017)	18,086	-
	5.0 sen single-tier special dividend (Paid on 20 June 2017)	12,058	-
Interim Dividend			
2017	5.0 sen single-tier interim dividend (Paid on 30 December 2016)	-	12,058
2018	5.0 sen single-tier interim dividend (Paid on 29 December 2017)	12,058	-
		42,202	30,144

A9. Segmental information

(i) Segmental revenue and results for business segments

	Quarter ended		12 months cumulative	
	31/03/18	31/03/17	31/03/18	31/03/17
	RM'000	RM'000	RM'000	RM'000
Revenue				
Production and trading of security and confidential documents	33,510	41,673	142,378	234,822
Oil palm production and processing	39,772	38,058	138,098	133,214
Property management	1,347	1,308	5,439	5,332
Others	-	-	90,837	22,509
	74,629	81,039	376,752	395,877
Eliminations	(288)	(313)	(92,106)	(23,776)
	74,341	80,726	284,646	372,101
Profit before tax				
Production and trading of security and confidential documents	6,290	11,184	25,478	59,608
Oil palm production and processing	8,538	(17,681)	41,072	(2,460)
Property management	178	156	489	766
Others	(1,391)	(1,144)	84,795	23,244
	13,615	(7,485)	151,834	81,158
Share of results of associate	39	975	1,696	2,687
	13,654	(6,510)	153,530	83,845
Eliminations	(322)	(75)	(90,227)	(22,584)
	13,332	(6,585)	63,303	61,261

(ii) Geographical segments

	Quarter ended		12 months cumulative	
	31/03/18	31/03/17	31/03/18	31/03/17
	RM'000	RM'000	RM'000	RM'000
Revenue				
Malaysia	34,873	42,981	238,732	262,663
Indonesia	39,756	38,058	138,020	133,214
	74,629	81,039	376,752	395,877
Eliminations	(288)	(313)	(92,106)	(23,776)
	74,341	80,726	284,646	372,101
Profit before tax				
Malaysia	6,152	5,696	111,628	77,559
Indonesia	7,502	(12,206)	41,902	6,286
	13,654	(6,510)	153,530	83,845
Eliminations	(322)	(75)	(90,227)	(22,584)
	13,332	(6,585)	63,303	61,261

	Quarter ended/12 months cumulative			
	31/03/18		31/03/17	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Malaysia	758,996	130,507	766,138	141,637
Indonesia	93,325	20,790	118,359	19,027
	852,321	151,297	884,497	160,664
Eliminations	(212,417)	(76,679)	(169,159)	(32,126)
Group	639,904	74,618	715,338	128,538

A10. Profit before tax

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

	Quarter ended		12 months cumulative	
	31/03/18	31/03/17	31/03/18	31/03/17
	RM'000	RM'000	RM'000	RM'000
Other income				
Management fees	6	6	24	24
Negative goodwill on acquisition of subsidiaries	275	-	275	-
Others	25	-	251	48
Operating expenses				
Depreciation and amortisation	2,364	5,271	12,442	21,136
Foreign exchange loss	526	103	499	121
Impairment loss on:				
- property, plant and equipment	832	4,593	832	4,593
- biological assets	-	24,779	-	24,779
- trade and other receivables	1	3,472	9	3,507
Write back of impairment loss on trade and other receivables	(31)	(110)	(2,570)	(481)
Inventories written down	1,631	3,041	2,484	3,177
Property, plant and equipment written off	1	-	1	-
Biological assets written off	-	70	-	70
Net reversal of provision for warranty	(5,815)	(3,305)	(4,866)	(2,287)
Net provision for retirement benefit obligations	280	256	289	284

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

Saved as disclosed below, there were no changes in the composition of the Group for the current quarter and financial year to date.

On 29 May 2017, wholly-owned subsidiary FCB Plantation Holdings Sdn Bhd acquired 110 ordinary shares of the total issued and paid-up capital of Next Oasis Sdn Bhd ("Next Oasis"), representing the remaining 11% of the equity interest in Next Oasis for a purchase consideration of RM173,000.

On 6 October 2017, FCB Plantation Holdings Sdn. Bhd., a wholly subsidiary of the Company, has entered into a conditional Sale and Purchase Agreement with Java Berhad to acquire 1,000,000 ordinary shares or 100% of the total issued and paid-up capital of Java Plantations Sdn. Bhd. ("JPSB") for a purchase consideration of RM4,613,941. JPSB holds an 80% interest in Ladang Bunga Tanjong Sdn. Bhd., a joint venture company between JPSB and Kumpulan Pertanian Kelantan Berhad which operates an oil palm plantation held under the Individual Title Geran 36415, Lot 2429, Mukim Lubok Bongor, Jajahan Jeli, Kelantan measuring approximately 3,289.9 acres or 1,331.0 hectares. The lease period for the land is for 66 years and expiring in 28 September 2069. The acquisition was completed on 20 February 2018. On 6 April 2018, JPSB has changed its name to FCB Eastern Plantations Sdn. Bhd..

A14. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 March 2017 (other than as disclosed in Note B8).

A15. Capital commitments

	As at 31/03/2018
	RM'000
Property, plant and equipment:	
Approved and contracted for	2,010
Approved but not contracted for	14,973
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Share of capital commitments of associated companies:	
Property, plant and equipment	
Approved and contracted for	4,601
Approved but not contracted for	-
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A16. Acquisition of property, plant and equipment

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

	Current year to date 31/03/2018
	RM'000
Buildings	837
Plant and machinery	1,861
Equipment, furniture and fittings and motor vehicles	1,069
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	3,767
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A17. Related party transactions

	Current year to date 31/03/2018
	RM'000
Penultimate Holding Company	
Kumpulan Fima Berhad	
Rental income receivable	772
Fellow Subsidiaries :	
Fima Instanco Sdn Bhd	
Rental income receivable	120
Related by virtue of common shareholder of the Company	
Nationwide Express Courier Services Berhad	
Rental income receivable	78
Purchases made - Delivery services	207
PT Pohon Emas Lestari	
Purchase of fresh fruit bunches	6,563
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A18. Inventories

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

B1. Review of performance

Group	Year to date		Variance	
	31/03/18	31/03/17	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	284,646	372,101	(87,455)	(23.5)
Profit before tax and impairment	64,136	94,105	(29,969)	(31.8)
Profit before tax	63,303	61,261	2,042	3.3
Profit after tax	42,211	35,007	7,204	20.6
Profit attributable to equity holders of the Company	36,110	37,715	(1,605)	(4.3)

The Group recorded a lower revenue of RM284.7 million for the fourth quarter, as compared to RM372.1 million for the corresponding period last year mainly due to lower revenue from the production of security and confidential documents. Despite the lower profit contribution from production of security and confidential documents, the Group recorded higher pretax profit by RM2.0 million as preceding financial year results was affected by impairment made of RM29.4 million on property, plant and equipment and biological assets pursuant to Ministerial Order as disclosed in Note B8(i).

Production and trading of security and confidential documents	Year to date		Variance	
	31/03/18	31/03/17	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	142,378	234,822	(92,444)	(39.4)
Profit before tax	25,478	59,608	(34,130)	(57.3)

Revenue from this segment decreased by 39.4% to RM142.4 million from RM234.8 million last year, primarily due to expiration of the contract to supply certain travel documents in the first quarter FY2018.

Oil palm production and processing	Year to date		Variance	
	31/03/18	31/03/17	RM'000	%
	RM'000	RM'000	RM'000	%
Revenue	138,098	133,214	4,884	3.7
Profit before tax	41,072	(2,460)	43,532	(1,769.6)

	Year to date		Variance	
	31/03/18	31/03/17	RM'000	%
	RM'000	RM'000	RM'000	%
Fresh fruit bunch (FFB) produced (mt)	175,425	131,484	43,941	33.4
FFB yield/ha (mt)	27.53	20.61	6.92	33.6
Cost of FFB produced (RM/mt)	294.31	359.56	(65.25)	(18.1)
Crude palm oil (CPO) produced (MT)	51,887	41,619	10,268	24.7
CPO extraction rate (%)	22.09	22.70	(0.61)	(2.7)
Sales Quantity (mt)				
CPO	50,275	43,647	6,628	15.2
Crude palm kernel oil (CPKO)	4,417	3,076	1,341	43.6
Average CIF selling price, net of duty (RM/mt)				
CPO	2,342	2,625	(283)	(10.8)
CPKO	4,431	5,894	(1,463)	(24.8)
Palm profiles (ha)				
Mature	6,372.5	6,379.8		
Immature	1,244.2	1,244.2		
Total planted area	7,616.7	7,624.0		

B1. Review of performance (contd.)**Oil palm production and processing (contd.)**

This segment registered a 3.7% increase in revenue compared to the corresponding period last year, mainly due to higher FFB yield/ha following to the recovery of El Nino which affected the production of FFB in the past. Accordingly, the division registered higher sales of CPKO and CPO and higher volume has lowered the average cost/mt of FFB produced. Pretax profit has increased from RM2.5 million loss to RM41.1 million profit as preceding financial year results was affected by impairment made of RM29.4 million on property, plant and equipment and biological assets pursuant to Ministerial Order as disclosed in Note B8(i).

Plantation estates in Malaysia which are presently in the development process registered a total pretax loss of RM2.5 million (2017: RM2.5 million).

	Year to date		Variance	
	31/03/18	31/03/17	RM'000	%
	RM'000	RM'000	RM'000	%
Property Management				
Revenue	5,439	5,332	107	2.0
Profit before tax	489	766	(277)	(36.2)

Revenue from the property management division remained consistent compared to corresponding period last year with minimal increase of 2.0%. Pretax profit decreased by RM277,000 on the back of higher upkeep of premises expenses.

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

	Q4	Q3	Variance	
	FY 2018	FY 2018	RM'000	%
	RM'000	RM'000	RM'000	%
Group				
Revenue	74,341	62,403	11,938	19.1
Profit before tax	13,332	14,640	(1,308)	8.9
Profit after tax	6,994	10,114	(3,120)	30.8
Profit attributable to Equity Holders of the Company	5,721	8,458	(2,737)	32.4

	Q4	Q3	Variance	
	FY 2018	FY 2018	RM'000	%
	RM'000	RM'000	RM'000	%
Production and trading of security and confidential documents				
Revenue	33,510	33,367	143	0.4
Profit before tax	6,290	4,379	1,911	43.6

Revenue from production of security and confidential documents remained consistent compared to the preceding quarter with minimal increase of 0.4%. Pretax profit has increased by RM1.9 million or 43.6% due to reversal of provision for warranty of RM5.8 million mitigated by higher export duty on travel documents and inventories written down of RM3.1 million and RM1.6 million respectively in current quarter.

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

	Q4 FY 2018 RM'000	Q3 FY 2018 RM'000	Variance	
			RM'000	%
Oil palm production and processing				
Revenue	39,772	28,025	11,747	41.9
Profit before tax	8,538	10,023	(1,485)	(14.8)

	Q4 FY 2018	Q3 FY 2018	Variance	
Sales Quantity (mt)				
Crude palm oil (CPO)	13,983	11,035	2,948	26.7
Crude palm kernel oil (CPKO)	1,023	1,016	8	0.8
Average CIF selling price, net of duty (RM/mt)				
CPO	2,473	2,099	374	17.8
CPKO	5,084	4,623	461	10.0

Revenue from this segment for the current quarter of RM39.8 million was RM11.8 million or 41.9% higher than the preceding quarter, mainly due to higher sales volume of CPO. Pretax profit decreased by 14.8% due to impairment made on newly completed buildings constructed within the affected area by Ministerial Order as disclosed in Note B8(i) and additional withholding tax payable of RM4.2 million.

B3. Prospects

The Board recognises the challenges ahead following the expiration of a supply contract for a certain travel document. The production and trading of security and confidential documents segment will continue to put concerted efforts to establish new strategic alliances to develop new products and solutions to complement its existing products.

The overall performance of the oil palm production and processing is very much influenced by the direction of palm oil prices. In view of the current prevailing palm oil prices, the Board of Directors expects the results of the next financial year to be satisfactory.

B4. Variance of actual profit from forecast profit

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

B5. Taxation

	Current quarter 31/03/2018 RM'000	Current year to date 31/03/2018 RM'000
Tax charge	6,338	21,092

The effective tax rate on the Group's profit to date 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 proposal announce but not completed at the date of the report.

(b) Utilisation of proceeds raised from any corporate proposal

Not applicable.

B7. Finance lease obligations

	As at	As at
	31/03/2018	31/03/17
	RM'000	RM'000
Obligations under finance leases		
Current	611	624
Non-current	15,588	16,176
	16,199	16,800

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 Relai, Jajahan Gua Musang, Kelantan for a term of 66 years expiring 5 March 2075, with an option to renew for a further period of 33 years.
- 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. 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 ("Defendant:") ("Ministerial Order") to revoke PT NJL's land title Hak Guna Usaha No. 01/Nunukan Barat ("HGU") with immediate effect.

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

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

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

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

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

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

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 the Ministerial Order 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.

B9. Dividend

The Board of Directors recommend the payment of a single-tier final dividend of 7.5 sen per share for the year ended 31 March 2018 (last year final dividend: 7.5 sen, special dividend: 5.0 sen), which subject to the shareholders' approval at the forthcoming Annual General Meeting. The proposed final dividend will amount to approximately RM18.1 million (last year: RM30.1 million) and will be paid on a date to be determined.

B10. Earnings/(loss) per share

	Quarter ended		12 Monhs Cumulative	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Earnings/(Loss)				
Profit/(loss) attributable to owners of the Company (RM'000)	5,721	(9,408)	36,110	37,715
Basic Earning/(Loss) per Share				
Weighted average number of ordinary shares in issue	241,115,721	241,281,721	241,115,721	241,281,721
Basic earnings/(loss) per share (sen)	2.37	(3.90)	14.98	15.63

BY ORDER OF THE BOARD**JASMIN BINTI HOOD (LS 0009071)****FADZIL AZAHA (MIA20995)**

Company Secretaries

Kuala Lumpur

Date: 30 May 2018