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

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

FIMA CORPORATION BERHAD (21185-P)

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

	Note	Current Quarter		3 Months Cumulative	
		Current Year Quarter 30/06/18	Preceding Year Corresponding Quarter 30/06/17	Current Year To Date 30/06/18	Preceding Year Corresponding Period 30/06/17
		RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Revenue	A9	51,241	79,153	51,241	79,153
Cost of sales		(33,310)	(50,611)	(33,310)	(50,611)
Gross profit		**17,931**	**28,542**	**17,931**	**28,542**
Interest income		1,170	1,003	1,170	1,003
Other income		64	142	64	142
Administrative expenses		(6,381)	(5,917)	(6,381)	(5,917)
Selling and marketing expenses		(748)	(793)	(748)	(793)
Other operating expenses		(4,140)	(8,204)	(4,140)	(8,204)
Finance costs		(48)	(25)	(48)	(25)
Share of results from associate		812	427	812	427
Profit before tax	A9/A10	8,660	15,175	8,660	15,175
Income tax expense	B5	(1,840)	(4,865)	(1,840)	(4,865)
Profit net of tax		**6,820**	**10,310**	**6,820**	**10,310**
Other comprehensive loss, net of tax					
Foreign currency translation loss		(50)	(3,044)	(50)	(3,044)
Total comprehensive income for the period		**6,770**	**7,266**	**6,770**	**7,266**
Profit attributable to:					
Equity holders of the Company		6,262	8,678	6,262	8,678
Non-controlling interests		558	1,632	558	1,632
Profit for the period		**6,820**	**10,310**	**6,820**	**10,310**
Total comprehensive income attributable to:					
Equity holders of the Company		6,222	6,720	6,222	6,720
Non-controlling interests		548	546	548	546
Total comprehensive income for the period		**6,770**	**7,266**	**6,770**	**7,266**
Earnings per share attributable to equity holders of the Company					
Basic/diluted earnings per share (sen)	B10	2.60	3.60	2.60	3.60

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

FIMA CORPORATION BERHAD (21185-P)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	As at 30/06/18 RM'000	As at 31/03/18 RM'000 (Restated)	As at 01/04/17 RM'000 (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	161,439	161,178	130,886
Investment properties	60,294	60,670	62,177
Goodwill on consolidation	510	510	510
Investment in associate	40,262	40,845	41,061
Deferred tax assets	7,873	7,686	9,408
	270,378	270,889	244,042
Current assets			
Biological assets	2,486	3,060	4,822
Inventories	55,368	38,857	37,431
Trade and other receivables	112,179	120,651	97,537
Due from related companies	531	28	19
Short term cash investments	100,802	43,883	-
Cash and bank balances	110,105	165,596	336,309
	381,471	372,075	476,118
TOTAL ASSETS	**651,849**	**642,964**	**720,160**
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	122,662	122,662	122,662
Treasury shares	(5,497)	(4,577)	(4,181)
Other reserves	(4,373)	(4,333)	4,250
Retained earnings	441,606	435,344	442,512
	554,398	549,096	565,243
Non-controlling interests	19,798	19,250	26,379
Total equity	574,196	568,346	591,622
Non-current liabilities			
Retirement benefit obligations	1,787	1,813	1,837
Finance lease obligations	15,436	15,588	16,176
Deferred tax liabilities	4,946	4,897	3,275
	22,169	22,298	21,288
Current liabilities			
Trade and other payables	38,945	36,884	82,761
Provisions	11,726	12,081	16,947
Tax payable	4,052	2,578	6,291
Due to related companies	150	166	627
Finance lease obligations	611	611	624
	55,484	52,320	107,250
Total liabilities	77,653	74,618	128,538
TOTAL EQUITY AND LIABILITIES	**651,849**	**642,964**	**720,160**
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.31	2.28	2.34

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

FIMA CORPORATION BERHAD (21185-P)

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

	<-- Attributable to Equity Holders of the Company -->									
	<-- Non-Distributable -->						Distributable			
	Share capital	Treasury shares	Other reserves	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 2017										
As previously stated	122,662	(4,181)	(6,655)	7,605	(18,510)	4,250	449,559	561,385	25,415	586,800
Effects from adoption of MFRS	-	-	10,905	(7,605)	18,510	-	(7,047)	3,858	964	4,822
As restated	122,662	(4,181)	4,250	-	-	4,250	442,512	565,243	26,379	591,622
Total comprehensive income for the period	-	-	(1,958)	-	(1,958)	-	8,678	6,720	546	7,266
Transaction with owners										
Acquisition of non-controlling interests	-	-	-	-	-	-	334	334	(507)	(173)
Dividend paid	-	-	-	-	-	-	-	-	(4,347)	(4,347)
Total transactions with owners	-	-	-	-	-	-	334	334	(4,854)	(4,520)
At 30 June 2017 (Restated)	122,662	(4,181)	2,292	-	(1,958)	4,250	451,524	572,297	22,071	594,368

FIMA CORPORATION BERHAD

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2018 (CONT'.D)

	<----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 2018										
As previously stated	122,662	(4,577)	(15,238)	7,605	(27,093)	4,250	443,801	546,648	18,638	565,286
Effects from adoption of MFRS	-	-	10,905	(7,605)	18,510	-	(8,457)	2,448	612	3,060
As restated	122,662	(4,577)	(4,333)	-	(8,583)	4,250	435,344	549,096	19,250	568,346
Total comprehensive income for the period	-	-	(40)	-	(40)	-	6,262	6,222	548	6,770
Transaction with owners										
Acquisition of treasury shares	-	(920)	-	-	-	-	-	(920)	-	(920)
Total transaction with owners	-	(920)	-	-	-	-	-	(920)	-	(920)
At 30 June 2018	122,662	(5,497)	(4,373)	-	(8,623)	4,250	441,606	554,398	19,798	574,196

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

FIMA CORPORATION BERHAD (21185-P)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FIRST QUARTER ENDED 30 JUNE 2018

	3 months ended	
	30/06/18	30/06/17
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	8,660	15,175
Adjustments for:		
Depreciation for property, plant and equipment	3,653	3,055
Depreciation of investment properties	376	376
Impairment loss on trade and other receivables	27	5
Fair value changes on biological assets	574	511
Write back of impairment loss on trade and other receivables	(24)	(2)
Inventories written down	106	979
Net (reversal of)/provision for retirement benefit obiligations	(5)	8
Net (reversal of)/provision for warranty	(355)	321
Share of results of associate	(812)	(427)
Interest expense	48	25
Interest income	(1,170)	(1,003)
Operating profit before working capital changes	11,078	19,023
Decrease/(increase) in trade and other receivables	8,451	(34,640)
(Increase)/decrease in inventories	(16,621)	519
(Increase)/decrease in related companies balances	(519)	660
Increase/(decrease) in trade and other payables	2,071	(49,385)
Cash generated from/(used in) operations	4,460	(63,823)
Taxes paid	(504)	(2,675)
Retirement benefits paid	(21)	-
Net cash generated from/(used in) operating activities	3,935	(66,498)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,914)	(1,856)
Acquisition of non-controlling interests	-	(173)
Interest income received	1,170	1,003
Dividends received	1,395	1,912
Net investment in short term cash investments	(56,919)	-
Net cash (used in)/generated from investing activities	(58,268)	886
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid by a subsidiary to non-controlling interests	-	(4,347)
Repayment of obligations under finance lease	(200)	(189)
Acquisition of treasury shares	(920)	-
Net cash used in financing activities	(1,120)	(4,536)
CASH AND CASH EQUIVALENTS		
Net decrease in cash and cash equivalents	(55,453)	(70,148)
Effect of exchange rate changes in cash and cash equivalents	(38)	646
Cash and cash equivalents balances at beginning of the period	165,596	336,309
Cash and cash equivalents at end of period	110,105	266,807
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	44,957	9,778
Deposits with licensed banks	65,148	257,029
Cash and cash equivalents	110,105	266,807

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

PART A - Explanatory notes pursuant to MFRS 134

A1. Basis of preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2018. 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 2018.

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

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

(a) Property, plant and equipment

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

(b) Biological assets

Under the MFRS framework, biological assets that meet the definition of bearer plants will be within the scope of MFRS 116: Property, Plant and Equipment ("MFRS 116"). After initial recognition, the bearer biological assets will be measured under MFRS 116 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The Group measures the bearer biological assets at fair value less accumulated impairment losses recognised after the date of valuation. Upon adoption of MFRS framework, the Group decided to apply the cost model for accounting the bearer plants, the change in accounting framework will result in the reclassification of the bearer assets from biological assets to property, plant and equipment, and the revaluation amount on the transition date to be recorded as deemed costs of the bearer plants which will be subsequently be stated at cost less any accumulated depreciation and accumulated impairment losses. The amendments also require produce that grows on bearer plants to be within the scope of MFRS 141: Agriculture, to be measured at fair value less costs to sell. The biological assets of the Group comprise of the fresh fruit bunch ("FFB") prior to harvest.

(c) Business combinations

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

(i) the classification of former business combinations under FRS is maintained;
(ii) there is no re-measurement of original fair values determined at the time of business combination (date of acquisition); and
(iii) the carrying amount of goodwill recognised under FRS is not adjusted.

A1. Basis of preparation (contd.)

(d) Financial instruments

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

(i) classification and measurement;
(ii) impairment; and
(iii) hedge accounting.

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

(i) Classification and measurement

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

MFRS 9 contains three principal classification catergories for the financial assets as follows:

- amortised cost ("AC")
- fair value through Other Comprehensive Income ("FVOCI")
- fair value through Profit or Loss ("FVTPL")

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

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

Group financial assets	Original classification under FRS 139	Original carrying amount under FRS 139	New classification under MFRS 9	New carrying amount under MFRS 9
		RM '000		RM '000
Trade receivables	L&R	105,077	AC	105,077
Other receivables, excluding tax recoverable, GST input tax and prepayments	L&R	4,479	AC	4,479
Amount due from related companies	L&R	28	AC	28
Cash and bank balances	L&R	165,596	AC	165,596
Short term cash investments	FVTPL	43,883	FVTPL	43,883

(ii) Impairment

The adoption of MFRS 9 has fundamentally changed the Group’s accounting for impairment losses for financial assets by replacing FRS 139’s incurred loss approach with a forward-looking expected credit loss ("ECL") approach.

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

A1. Basis of preparation (contd.)

(d) Financial instruments (contd.)

(ii) Impairment (contd.)

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

(e) Revenue from contracts with customers

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

(f) Foreign exchange reserve

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

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

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

Reconciliation of Condensed Consolidate Statement of Financial Position

	As at 31/03/18			As at 01/04/17		
	Previously reported under FRS	Effects on adoption MFRS	Reported under MFRS	Previously reported under FRS	Effects on adoption MFRS	Reported under MFRS
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets						
Property, plant and equipment	116,666	44,512	161,178	97,856	33,030	130,886
Biological assets	44,512	(44,512)	-	33,030	(33,030)	-
Current asset						
Biological assets	-	3,060	3,060	-	4,822	4,822
Equity						
Other reserves	(15,238)	10,905	(4,333)	(6,655)	10,905	4,250
Retained earnings	443,801	(8,457)	435,344	449,559	(7,047)	442,512
Non-controlling interest	18,638	612	19,250	25,415	964	26,379

A1. Basis of preparation (contd.)

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows: (cont'd.)

Reconciliation of Condensed Consolidate Statement of Comprehensive Income

	Quarter ended 30/06/17		
	Previously reported under FRS	**Effects on adoption MFRS**	**Reported under MFRS**
	RM'000	**RM'000**	**RM'000**
Revenue	79,153	-	79,153
Cost of sales	(50,100)	(511)	(50,611)
Gross profit	29,053	(511)	28,542
Interest income	1,003	-	1,003
Other income	142	-	142
Administrative expenses	(5,917)	-	(5,917)
Selling and marketing expenses	(793)	-	(793)
Other operating expenses	(8,204)	-	(8,204)
Finance costs	(25)	-	(25)
Share of results from associate	427	-	427
Profit before tax	15,686	(511)	15,175
Income tax expense	(4,865)	-	(4,865)
Profit net of tax	10,821	(511)	10,310
Other comprehensive loss, net of tax			
Foreign currency translation loss	(3,044)	-	(3,044)
Total comprehensive income for the period	7,777	(511)	7,266
Profit attributable to:			
Equity holders of the Company	9,087	(409)	8,678
Non-controlling interests	1,734	(102)	1,632
Profit for the period	10,821	(511)	10,310
Total comprehensive income attributable to:			
Equity holders of the Company	7,129	(409)	6,720
Non-controlling interests	648	(102)	546
Total comprehensive income for the period	7,777	(511)	7,266
Earnings per share attributable to equity holders of the Company			
Basic/diluted earnings per share (sen)	3.77	(0.17)	3.60

	Quarter ended 31/03/18		
	Previously reported under FRS	**Effects on adoption MFRS**	**Reported under MFRS**
	RM'000	**RM'000**	**RM'000**
Revenue	74,341	-	74,341
Cost of sales	(39,598)	(1,476)	(41,074)
Other operating expenses	(1,528)	-	(1,528)
Profit before tax	13,332	(1,476)	11,856
Profit after tax	6,994	(1,476)	5,518
Profit attributable to equity holders of the Company	5,721	(1,181)	4,540

A1. Basis of preparation (contd.)

The impact of the changes in accounting policy on the financial statements as a result of the transition to the MFRS Framework are as follows: (cont'd.)

Reconciliation of Condensed Consolidate Statement of Cash Flows

	Quarter ended 30/06/17		
	Previously reported under FRS	Effects on adoption MFRS	Reported under MFRS
	RM'000	RM'000	RM'000
Profit before tax	15,686	(511)	15,175
Depreciation for property, plant and equipment	2,149	906	3,055
Amortisation of biological assets	906	(906)	-
Fair value changes on biological assets	-	511	511
Purchase of property, plant and equipment	(526)	(1,330)	(1,856)
Additions to biological assets	(1,330)	1,330	-

A2. Changes in accounting policies

(a) Standards and Interpretations issued but not yet effective

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

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

The directors expect that the adoption of the above standards and interpretation will have no material impact on the financial statements in the period of initial application except as discussed below:

<u>MFRS 16: Leases</u>

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

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

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

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

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

A3. Auditors' report on preceding annual financial statements

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

A4. Seasonality or cyclicality 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 period todate.

During the current quarter, the Company repurchased 464,300 of its issued ordinary shares from the open market at an average price of RM1.97. The total transaction paid for the repurchase including transaction costs was RM920,339. Of the total 245,324,330 issued ordinary shares, 4,835,400 shares are held as treasury shares by the Company.

A8. Dividends paid

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

A9. Segmental information

(i) Segmental revenue and results for business segments

	Quarter ended		3 months cumulative	
	30/06/18	30/06/17	30/06/18	30/06/17
	RM'000	RM'000	RM'000	RM'000
Revenue				
Production and trading of security and confidential documents	31,216	36,220	31,216	36,220
Oil palm production and processing	19,000	41,924	19,000	41,924
Property management	1,320	1,346	1,320	1,346
Others	1,395	17,338	1,395	17,338
	52,931	96,828	52,931	96,828
Eliminations	(1,690)	(17,675)	(1,690)	(17,675)
	51,241	79,153	51,241	79,153
Profit before tax				
Production and trading of security and confidential documents	4,410	5,173	4,410	5,173
Oil palm production and processing	3,821	11,167	3,821	11,167
Property management	63	116	63	116
Others	949	15,630	949	15,630
	9,243	32,086	9,243	32,086
Share of results of associate	812	427	812	427
	10,055	32,513	10,055	32,513
Eliminations	(1,395)	(17,338)	(1,395)	(17,338)
	8,660	15,175	8,660	15,175

(ii) Geographical segments

	Quarter ended		3 months cumulative	
	30/06/18	30/06/17	30/06/18	30/06/17
	RM'000	RM'000	RM'000	RM'000
Revenue				
Malaysia	33,989	54,910	33,989	54,910
Indonesia	18,942	41,918	18,942	41,918
	52,931	96,828	52,931	96,828
Eliminations	(1,690)	(17,675)	(1,690)	(17,675)
	51,241	79,153	51,241	79,153
Profit before tax				
Malaysia	4,363	20,188	4,363	20,188
Indonesia	5,692	12,325	5,692	12,325
	10,055	32,513	10,055	32,513
Eliminations	(1,395)	(17,338)	(1,395)	(17,338)
	8,660	15,175	8,660	15,175

	Quarter ended/3 months cumulative			
	30/06/18		30/06/17	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Malaysia	754,875	165,052	691,261	96,726
Indonesia	94,219	18,139	111,904	23,567
	849,094	183,191	803,165	120,293
Eliminations	(197,245)	(105,538)	(126,959)	(38,455)
Group	651,849	77,653	676,206	81,838

A10. Profit before tax

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

	Quarter ended		3 months cumulative	
	30/06/18	30/06/17	30/06/18	30/06/17
	RM'000	RM'000	RM'000	RM'000
Other income				
Management fees	6	6	6	6
Others	58	136	58	136
Operating expenses				
Depreciation	4,029	3,431	4,029	3,431
Foreign exchange (gain)/loss	(608)	124	(608)	124
Impairment loss on trade and other receivables	27	5	27	5
Write back of impairment loss on trade and other receivables	(24)	(2)	(24)	(2)
Inventories written down	106	979	106	979
Fair value changes on biological assets	574	511	574	511
Net (reversal of)/provision for warranty	(355)	321	(355)	321
Net (reversal of)/provision for retirement benefit obligations	(5)	8	(5)	8

A11. Valuation of property, plant and equipment

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

A12. Subsequent events

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 31 March 2018 (other than as disclosed in Note B8).

A15. Capital commitments

	As at 30/06/18
	RM'000
Property, plant and equipment:	
Approved and contracted for	1,971
Approved but not contracted for	15,081
Share of capital commitments of associated company:	
Property, plant and equipment	
Approved and contracted for	4,633
Approved but not contracted for	4

A16. Acquisition of property, plant and equipment

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

	Current year to date 30/06/18 RM'000
Plant and machinery	803
Factory and office renovations	69
Equipment, furniture and fittings and motor vehicles	357
Bearer plants	2,685
	3,914

A17. Related party transactions

	Current year to date 30/06/18 RM'000
Penultimate Holding Company	
Kumpulan Fima Berhad	
Rental income receivable	193
Management fees payable	48
Fellow Subsidiary	
Fima Instanco Sdn Bhd	
Rental income receivable	30
Related by virtue of common shareholder of the Company	
Nationwide Express Courier Services Berhad	
Rental income receivable	22
Purchases made - Delivery services	15
PT Pohon Emas Lestari	
Purchase of fresh fruit bunches	1,689

A18. Inventories

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

PART B - Explanatory notes pursuant to Bursa Malaysia Listing Requirements: Chapter 9, Appendix 9B, Part A

B1. Review of performance

	Year to date 30/06/18	Year to date 30/06/17	Variance	
	RM'000	RM'000	RM'000	%
Group				
Revenue	51,241	79,153	(27,912)	(35.3)
Profit before tax	8,660	15,175	(6,515)	(42.9)
Profit after tax	6,820	10,310	(3,490)	(33.9)
Profit attributable to equity holders of the Company	6,262	8,678	(2,416)	(27.8)

The Group recorded lower revenue and profit before tax of RM51.2 million and RM8.6 million respectively for the first quarter, as compared to RM79.2 million and RM15.2 million for the corresponding period last year. The decrease was mainly due lower sales volume and price of CPO and CPKO and expiration of contract to supply certain travel documents in first quarter FY2018.

The performance of each business division is as follows:

	Year to date 30/06/18	Year to date 30/06/17	Variance	
	RM'000	RM'000	RM'000	%
Production and trading of security and confidential documents				
Revenue	31,216	36,220	(5,004)	(13.8)
Profit before tax	4,410	5,173	(763)	(14.7)

Revenue from this segment decreased by 13.8% to RM31.2 million from RM36.2 million last year, primarily due to expiration of the contract to supply certain travel documents in the first quarter FY2018.

	Year to date 30/06/18	Year to date 30/06/17	Variance	
	RM'000	RM'000	RM'000	%
Oil palm production and processing				
Revenue	19,000	41,924	(22,924)	(54.7)
Profit before tax	3,821	11,167	(7,346)	(65.8)

Below are the key operating statistics for the segment:

	Year to date 30/06/18	Year to date 30/06/17	Variance	
	RM'000	RM'000	RM'000	%
<u>Indonesia</u>				
Fresh fruit bunch (FFB) produced (mt)	32,868	43,356	(10,488)	(24.2)
FFB yield/ha (mt)	5.16	6.80	(1.64)	(24.1)
Cost of FFB produced (RM/mt)	209.75	223.41	(13.66)	(6.1)
Crude palm oil (CPO) produced (mt)	10,142	13,165	(3,023)	(23.0)
CPO extraction rate (%)	22.50	22.44	0.06	0.3
Sales quantity (mt)				
CPO	9,012	14,334	(5,322)	(37.1)
Crude palm kernel oil (CPKO)	-	1,388	(1,388)	-
Average CIF selling price, net of duty (RM/mt)				
CPO	2,102	2,570	(468)	(18.2)
CPKO	-	4,170	(4,170)	-

B1. Review of performance (contd.)

	Year to date 30/06/18 RM'000	Year to date 30/06/17 RM'000	Variance RM'000	Variance %
Malaysia				
Fresh fruit bunch (FFB) produced (mt)	145	11	134	1,218.2
FFB yield/ha (mt)	1.38	0.43	0.95	220.9
Palm profiles (ha)				
Mature	6,471.9	6,391.5		
Immature	2,507.5	1,257.0		
Total planted area	8,979.4	7,648.5		

This segment registered a 65.8% decrease in pretax profit compared to the corresponding period last year, mainly due to lower sales volume and price of CPO and CPKO. CPO quantity sold and its average selling price were 5,322 mt or 37.1% and RM468 per mt or 18.2% lower than last year respectively. In addition, no sales of CPKO in the current quarter compared to 1,388 mt at RM4,170 per mt in the corresponding period last year.

Plantation estates in Malaysia which are presently in the development process registered a total pretax loss of RM2.2 million (2017: RM0.7 million).

	Year to date 30/06/18 RM'000	Year to date 30/06/17 RM'000	Variance RM'000	Variance %
Property Management				
Revenue	1,320	1,346	(26)	(1.9)
Profit before tax	63	116	(53)	(45.7)

Revenue from the property management division remained consistent compared to corresponding period last year with minimal decrease of 1.9%. Pretax profit decreased by RM53,000 on the back of higher staff costs.

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

	Q1 FY 2019 RM'000	Q4 FY 2018 RM'000	Variance RM'000	Variance %
Group				
Revenue	51,241	74,341	(23,100)	(31.1)
Profit before tax	8,660	11,856	(3,196)	(27.0)
Profit after tax	6,820	5,518	1,302	23.6
Profit attributable to equity holders of the Company	6,262	4,540	1,722	37.9

	Q1 FY 2019 RM'000	Q4 FY 2018 RM'000	Variance RM'000	Variance %
Production and trading of security and confidential documents				
Revenue	31,216	33,510	(2,294)	(6.8)
Profit before tax	4,410	6,290	(1,880)	(29.9)

Revenue from production of security and confidential documents decreased by RM2.3 million mainly due to higher volume of certain travel documents in preceding quarter. Accordingly, pretax profit has decreased from RM6.3 million in preceding quarter to RM4.4 million in current quarter.

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

	Q1 FY 2019	Q4 FY 2018	Variance	
	RM'000	RM'000	RM'000	%
Oil palm production and processing				
Revenue	19,000	39,772	(20,772)	(52.2)
Profit before tax	3,821	7,062	(3,241)	(45.9)

	Q1 FY 2019	Q4 FY 2018	Variance	
Crude palm oil (CPO) produced (mt)	10,142	11,480	(1,338)	(11.7)
Sales Quantity (mt)				
Crude palm oil (CPO)	9,012	13,983	(4,971)	(35.6)
Crude palm kernel oil (CPKO)	-	1,023	(1,023)	-
Average CIF selling price, net of duty (RM/mt)				
CPO	2,102	2,473	(371)	(15.0)
CPKO	-	5,084	(5,084)	-

Revenue from this segment for the current quarter of RM19.0 million was RM20.8 million or 52.2% lower than the preceding quarter, mainly due to lower sales volume and price of CPO and CPKO. In line with decrease in revenue, pretax profit has decreased by RM3.2 million or 45.9% to RM3.8 million in current quarter.

B3. Prospects

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 and our estates' yield. Nevertheless, we will remain focus in improving our efficiency in oil processing and optimising production cost.

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 30/06/18	Current year to date 30/06/18
	RM'000	RM'000
Tax charge	1,840	1,840

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

B6. Corporate proposals

(a) Status of corporate proposal

There are no corporate proposal announced 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 30/06/18 RM'000	As at 30/06/17 RM'000
Obligations under finance leases		
Current	611	624
Non-current	15,436	16,012
	16,047	16,636

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 expires on 2 July 2112.

ii. Sub-leases granted to subsidiaries, Taka Worldwide Trading Sdn Bhd and Etika Gangsa Sdn Bhd over 2 parcels of land measuring approximately 404.6 ha, deemed suitable for oil palm cultivation, situated in Mukim Relai, 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 expires on 3 August 2075, with an option to renew for a further period of 30 years.

B8. Changes in material litigation

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

The claim is for a sum of RM24,975,000 (excluding interest and cost) (“Outstanding Amount”), being the amount due and owing by the Defendant to the Plaintiff for 1.5 million Malaysian passport booklets which were supplied by the Plaintiff to the Defendant.

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

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

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

B8. Changes in material litigation (contd.)

(ii) 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.

(iii) 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

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

B10. Earnings per share

	Quarter ended		3 Months Cumulative	
	30/06/18	**30/06/17**	**30/06/18**	**30/06/17**
Earnings				
Profit attributable to owners of the Company (RM'000)	6,262	8,678	6,262	8,678
Basic earnings per share				
Weighted average number of ordinary shares in issue	240,873,863	241,151,830	240,873,863	241,151,830
Basic earnings per share (sen)	2.60	3.60	2.60	3.60

BY ORDER OF THE BOARD

JASMIN BINTI HOOD (LS 0009071)
FADZIL AZAHA (MIA20995)
Company Secretaries

Kuala Lumpur
Date: 20 August 2018