



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

Condensed Consolidated Financial Statements
For the First Quarter Ended 30 June 2021

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 30 JUNE 2021
(THE FIGURES HAVE NOT BEEN AUDITED)**

	Note	Current quarter		3 months cumulative	
		Current year quarter 30-06-2021 RM'000	Preceding year corresponding quarter 30-06-2020 RM'000	Current year to date 30-06-2021 RM'000	Preceding year corresponding period 30-06-2020 RM'000
Revenue	A9	121,786	102,768	121,786	102,768
Cost of sales		(69,947)	(60,450)	(69,947)	(60,450)
Gross profit		51,839	42,318	51,839	42,318
Other income		2,090	2,286	2,090	2,286
Other items of expense					
Administrative expenses		(24,564)	(24,320)	(24,564)	(24,320)
Selling and marketing expenses		(2,752)	(2,436)	(2,752)	(2,436)
Other operating expenses		(3,716)	(3,054)	(3,716)	(3,054)
		(31,032)	(29,810)	(31,032)	(29,810)
Finance costs		(853)	(930)	(853)	(930)
Share of results of associates		600	52	600	52
Profit before tax	A9/A10	22,644	13,916	22,644	13,916
Income tax expense	B5	(3,694)	(5,168)	(3,694)	(5,168)
Profit net of tax		18,950	8,748	18,950	8,748
Other comprehensive (expense)/income					
Foreign exchange translation (loss)/gain		(159)	9,925	(159)	9,925
Total comprehensive income for the period		18,791	18,673	18,791	18,673
Profit attributable to :					
Equity holders of the Company		16,061	8,448	16,061	8,448
Non-controlling interests		2,889	300	2,889	300
Profit for the period		18,950	8,748	18,950	8,748
Total comprehensive income attributable to :					
Equity holders of the Company		15,930	16,103	15,930	16,103
Non-controlling interests		2,861	2,570	2,861	2,570
Total comprehensive income for the period		18,791	18,673	18,791	18,673
Earnings per share attributable to equity holders of the Company :					
Basic/diluted earnings per share (sen)	B12	5.78	3.01	5.78	3.01

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	As at 30-06-2021	As at 31-03-2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	372,058	374,966
Right-of-use assets	290,161	199,634
Investment properties	61,508	61,917
Investment in associates	37,963	37,363
Deferred tax assets	10,643	12,316
Goodwill on consolidation	12,710	12,710
	<u>785,043</u>	<u>698,906</u>
Current assets		
Inventories	90,807	67,845
Biological assets	6,526	5,965
Trade receivables	110,536	103,963
Other receivables	53,688	82,971
Financial investments	162,268	209,532
Cash and bank balances	131,013	116,497
	<u>554,838</u>	<u>586,773</u>
TOTAL ASSETS	<u>1,339,881</u>	<u>1,285,679</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	311,670	311,670
Treasury shares	(7,749)	(6,823)
Other reserves	56,352	56,483
Retained earnings	445,269	462,468
	<u>805,542</u>	<u>823,798</u>
Non-controlling interests	235,038	234,467
Total equity	<u>1,040,580</u>	<u>1,058,265</u>
Non-current liabilities		
Lease liabilities	78,953	41,822
Retirement benefit obligation	1,626	1,657
Deferred tax liabilities	51,129	53,004
	<u>131,708</u>	<u>96,483</u>
Current liabilities		
Lease liabilities	13,523	14,710
Short term borrowings	39,737	38,392
Trade and other payables	103,903	68,074
Provisions	3,414	3,802
Tax payable	7,016	5,953
	<u>167,593</u>	<u>130,931</u>
TOTAL LIABILITIES	<u>299,301</u>	<u>227,414</u>
TOTAL EQUITY AND LIABILITIES	<u>1,339,881</u>	<u>1,285,679</u>
Net assets per share (RM)	<u>2.85</u>	<u>2.92</u>

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2021**

Group	← Attributable to equity holders of the Company →						Retained earnings	Total	Non-controlling interests	Total equity
	Share capital	Treasury shares	Other reserves	Capital reserve	Capital reserve arising from bonus issue in subsidiary	Foreign exchange reserve				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2021	311,670	(6,823)	56,483	437	66,459	(10,413)	462,468	823,798	234,467	1,058,265
Profit for the period	-	-	-	-	-	-	16,061	16,061	2,889	18,950
Other comprehensive expense for the period	-	-	(131)	-	-	(131)	-	(131)	(28)	(159)
Total comprehensive (expense)/income for the period	-	-	(131)	-	-	(131)	16,061	15,930	2,861	18,791
Transactions with equity holders										
Dividend	-	-	-	-	-	-	(33,260)	(33,260)	-	(33,260)
Dividends paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	(1,924)	(1,924)
Purchase of treasury shares	-	(926)	-	-	-	-	-	(926)	(366)	(1,292)
Total transactions with equity holders	-	(926)	-	-	-	-	(33,260)	(34,186)	(2,290)	(36,476)
At 30 June 2021	311,670	(7,749)	56,352	437	66,459	(10,544)	445,269	805,542	235,038	1,040,580
At 1 April 2020	311,670	(2,972)	55,716	437	66,459	(11,180)	437,360	801,774	236,897	1,038,671
Profit for the period	-	-	-	-	-	-	8,448	8,448	300	8,748
Other comprehensive income for the period	-	-	7,655	-	-	7,655	-	7,655	2,270	9,925
Total comprehensive income for the period	-	-	7,655	-	-	7,655	8,448	16,103	2,570	18,673
Transaction with equity holders										
Purchase of treasury shares	-	(787)	-	-	-	-	-	(787)	(359)	(1,146)
Total transaction with equity holders	-	(787)	-	-	-	-	-	(787)	(359)	(1,146)
At 30 June 2020	311,670	(3,759)	63,371	437	66,459	(3,525)	445,808	817,090	239,108	1,056,198

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 30 JUNE 2021**

	← 3 months ended →	
	30-06-2021	30-06-2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	22,644	13,916
Adjustments for:		
Depreciation of investment properties	409	409
Depreciation for property, plant and equipment	6,950	7,944
Depreciation of right-of-use assets	4,298	2,909
Fair value changes on biological assets	(561)	(693)
Net provision for impairment on trade and other receivables	872	35
Interest expense	853	930
Profit income	(414)	(304)
Interest income	(1)	(225)
Distribution from financial investments	(724)	(1,027)
(Reversal of provision)/provision for retirement benefit obligation	(31)	213
Net reversal of provision for warranty	(388)	(437)
Net unrealised forex loss	805	3,976
Net gain on disposal of property, plant and equipment	-	(13)
Share of results of associates	(600)	(52)
Income from rent concession	(98)	-
Write back of inventories	(441)	(122)
Operating profit before working capital changes	33,573	27,459
Increase in inventories	(22,521)	(705)
Increase in receivables	(17,256)	(3,135)
Increase in payables	2,569	3,482
Cash (used in)/generated from operations	(3,635)	27,101
Interest paid	(252)	(306)
Taxes paid	(882)	(2,897)
Net cash (used in)/generated from operating activities	(4,769)	23,898
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	13
Purchase of property, plant and equipment	(4,042)	(4,316)
Acquisition of treasury shares	(926)	(787)
Profit income received	414	304
Interest income received	1	225
Distribution received from financial investment	724	1,027
Payment for acquisition of land	(16,015)	-
Net placement of financial investments	47,264	(47,192)
Net cash generated from/(used in) investing activities	27,420	(50,726)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown/(repayment) of borrowings	1,345	(608)
Repayment of lease liabilities	(10,382)	(3,787)
Dividend paid by a subsidiary to non-controlling interests	(1,924)	-
Net cash used in financing activities	(10,961)	(4,395)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	11,690	(31,223)
EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	2,826	4,184
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	116,497	124,329
CASH AND CASH EQUIVALENTS AT END OF PERIOD	131,013	97,290
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	106,687	82,239
Fixed deposits with financial institutions	24,326	15,051
	131,013	97,290

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

PART A - Explanatory notes pursuant to MFRS 134

A1. Accounting policies and basis of preparation

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2021. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2021.

A2. Changes in accounting policies

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

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

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

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

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

(b) Standards and Interpretations issued but not yet effective

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

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

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

A3. Auditors' report on preceding annual financial statements

The financial statements of the Group for the financial year ended 31 March 2021 were not subject to any audit qualification.

A4. Seasonal and cyclical factors

The operations of the Group are not affected by any seasonal or cyclical factors other than the manufacturing segment which is affected by cyclical changes in volumes of certain products whilst the plantation segment is affected by seasonal crop production, weather conditions and fluctuating commodity prices.

A5. Unusual items affecting the financial statements

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence other than as disclosed in Note B10(2).

A6. Changes in estimates

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

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

Save as disclosed below, there were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter.

During the current quarter, the Company repurchased 473,300 of its issued ordinary shares from open market at an average price of RM1.92. The total transaction paid for the repurchase including transaction costs was RM926,000. Of the total 282,231,600 issued ordinary shares, 4,807,700 shares are held as treasury shares by the Company.

A8. Dividend paid

There were no dividends 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	
	30-06-2021	30-06-2020	30-06-2021	30-06-2020
Revenue	RM'000	RM'000	RM'000	RM'000
Manufacturing*	13,164	21,322	13,164	21,322
Plantation	32,367	28,812	32,367	28,812
Bulking	38,012	21,703	38,012	21,703
Food	37,088	29,777	37,088	29,777
Others	3,097	1,284	3,097	1,284
	123,728	102,898	123,728	102,898
Eliminations	(1,942)	(130)	(1,942)	(130)
	121,786	102,768	121,786	102,768

A9. Segmental information (cont'd.)
(i) Segmental revenue and results for business segments (cont'd.)

	Quarter ended		3 months cumulative	
	30-06-2021	30-06-2020	30-06-2021	30-06-2020
	RM'000	RM'000	RM'000	RM'000
Profit before tax				
Manufacturing*	(855)	2,937	(855)	2,937
Plantation	8,235	990	8,235	990
Bulking	15,288	10,879	15,288	10,879
Food	2,330	1,596	2,330	1,596
Others	(2,954)	(2,538)	(2,954)	(2,538)
	22,044	13,864	22,044	13,864
Associated companies	600	52	600	52
	22,644	13,916	22,644	13,916

* Production and trading of security documents.

(ii) Geographical segments

	Quarter ended		3 months cumulative	
	30-06-2021	30-06-2020	30-06-2021	30-06-2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
Malaysia	70,550	52,152	70,550	52,152
Indonesia	16,783	21,531	16,783	21,531
Papua New Guinea	36,395	29,215	36,395	29,215
	123,728	102,898	123,728	102,898
Eliminations	(1,942)	(130)	(1,942)	(130)
	121,786	102,768	121,786	102,768
Profit before tax				
Malaysia	14,158	9,013	14,158	9,013
Indonesia	5,834	3,249	5,834	3,249
Papua New Guinea	2,052	1,602	2,052	1,602
	22,044	13,864	22,044	13,864
Associated companies	600	52	600	52
	22,644	13,916	22,644	13,916

← 3 months cumulative →

	Current year to date		Preceding year	
	30-06-2021	30-06-2020	30-06-2020	30-06-2020
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Assets and liabilities				
Malaysia	1,562,617	274,567	1,509,014	201,082
Indonesia	110,058	17,979	110,357	16,155
Papua New Guinea	165,270	75,745	149,421	65,779
	1,837,945	368,291	1,768,792	283,016
Eliminations	(498,064)	(68,990)	(496,644)	(67,066)
	1,339,881	299,301	1,272,148	215,950

A10. Profit before tax

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

	Quarter ended		3 months cumulative	
	30-06-2021	30-06-2020	30-06-2021	30-06-2020
	RM'000	RM'000	RM'000	RM'000
Other income				
Profit income	414	304	414	304
Interest income	1	225	1	225
Distribution from financial investments	724	1,027	724	1,027
Income from rent concession	98	-	98	-
Operating expenses				
Depreciation	11,657	11,262	11,657	11,262
Interest expense	853	930	853	930
Unrealised foreign exchange loss	805	3,976	805	3,976
Realised forex exchange gain	(61)	(310)	(61)	(310)
Net provision for impairment on trade and other receivables	872	35	872	35
Net gain on disposal of property, plant and equipment	-	(13)	-	(13)
Fair value changes on biological assets (Reversal of provision)/provision for retirement benefit obligation	(561)	(693)	(561)	(693)
Net reversal of provision for warranty	(31)	213	(31)	213
Write back of inventories	(388)	(437)	(388)	(437)
	(441)	(122)	(441)	(122)

A11. Subsequent events

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

A12. Inventories

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

A13. Changes in the composition of the Group

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

A14. Changes in contingent liabilities

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

A15. Significant acquisition of property, plant and equipment

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

	Current year to date
	RM'000
Plant and machinery	648
Vehicles	48
Equipment, furniture and fittings and motor vehicles	601
Bearer plants and infrastructure	2,163
Work in progress	582
	4,042

A16. Capital commitments

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

	Current year to date
	RM'000
Property, plant and equipment	
- Approved and contracted for	13,281

A17. Related party transactions

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

	Current year to date
	RM'000
Transactions with subsidiaries	
- Fima Corporation Berhad - Rental expenses payable	219
- Fima Corporation Berhad - Management fees receivable	348
- Fima Corporation Berhad - Services payable	60
- Pineapple Cannery of Malaysia Sendirian Berhad - Rental income	85
- International Food Corporation - Sales of fish	1,813
- International Food Corporation - Interest receivable	439
Transactions with related parties*	
- BHR Enterprise Sdn. Bhd. - Services payable	30
- PT Pohon Emas Lestari - Purchase of fresh fruit bunch	2,151
- TD Technologies Sdn. Bhd. - Services payable	28
- Nationwide Express Courier Services Berhad - Rental income	18

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

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2021
PART B - Bursa Securities Listing Requirements
B1. Review of performance
Group Performance

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	121.79	102.77	19.02	18.5
Profit before tax	22.64	13.92	8.72	62.6

Group revenue for the first quarter ended 30 June 2021 increased by 18.5% to RM121.79 million as compared to RM102.77 million recorded in the corresponding period last year. Higher revenue by RM19.02 million was mainly attributed to the increase in revenue generated by bulking, food and plantation division.

In line with higher revenue, Group profit before tax ("PBT") has improved by 62.6% to RM22.64 million as compared to the same period last year.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	13.16	21.32	(8.16)	(38.3)
(Loss)/profit before tax	(0.86)	2.94	(3.80)	(129.3)

Revenue from **Manufacturing Division** recorded a decrease by 38.3% or RM8.16 million to RM13.16 million from RM21.32 million last year, mainly contributed by lower sales volume for most of the products. On the back of lower revenue, coupled with lower distribution from financial investments, the division has recorded a pre-tax loss of RM0.86 million in the first quarter.

Plantation Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
<u>Indonesia</u>				
- Crude palm oil (CPO)	16.78	19.27	(2.49)	(12.9)
- Crude palm kernel oil (CPKO)	-	2.26	(2.26)	(100.0)
<u>Malaysia</u>				
- Fresh fruit bunch (FFB)	15.19	6.71	8.48	126.4
- Pineapple	0.40	0.57	(0.17)	(29.8)
Total	32.37	28.81	3.56	12.4
Profit before tax	8.24	0.99	7.25	732.3
FFB produced (mt)	61,533	56,910	4,623	8.1
CPO produced (mt)	9,287	11,056	(1,769)	(16.0)

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2021

B1. Review of performance (cont'd.)

Plantation Division (cont'd.)

	Current YTD	Previous YTD	Variance	%
Sales Quantity (mt)				
- CPO	6,048	8,299	(2,251)	(27.1)
- CPKO	-	735	(735)	(100.0)

Total Group's Hectarage

Palm profiles (ha)

- Mature	13,390.9	12,943.6
- Immature	1,170.3	1,762.1
Total planted area	14,561.2	14,705.7

Revenue from **Plantation Division** recorded an improvement by RM3.56 million to RM32.37 million as compared to the same period last year, mainly attributable to higher CPO price and FFB produced by plantation estates in Malaysia for the current period. On the back of higher revenue, the division PBT has increased by RM7.25 million to RM8.24 million as compared to last year.

Plantation estates in Malaysia which are presently in the development phase and partially mature registered a total pre-tax loss of RM0.94 million as compared to RM3.04 million pre-tax loss recorded in the corresponding period last year.

Bulking Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	38.01	21.70	16.31	75.2
Profit before tax	15.29	10.88	4.41	40.5

Bulking Division has recorded higher revenue of RM16.31 million or 75.2% to RM38.01 million as compared to last year, mainly attributable to the increase in sales of palm methyl ester ("PME") from biodiesel operation, as well as higher contribution from edible oil products. On the back of higher revenue, PBT has recorded an improvement of RM4.41 million to RM15.29 million as compared to the same period last year.

Food Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Papua New Guinea (PNG)	36.40	29.22	7.18	24.6
Malaysia	0.69	0.56	0.13	23.2
	37.09	29.78	7.31	24.5
Profit before tax	2.33	1.60	0.73	45.6

Food Division's revenue increased by RM7.31 million (or 24.5%) to RM37.09 million, as compared to RM29.78 million recorded in the previous financial year. The improvement in revenue was mainly attributable to the higher sales of mackerel, tuna loin and local canned tuna products. In line with higher revenue, the Division's PBT rose to RM2.33 million from RM1.60 million recorded in previous year.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2021
B2. Comparison with preceding quarter's results
Group Performance

(RM Million)	QTR 1 FY 2022	QTR 4 FY 2021	Variance	%
Revenue	121.79	120.12	1.67	1.4
Profit before tax	22.64	27.45	(4.81)	(17.5)

The Group revenue increased by RM1.67 million to RM121.79 million as compared to the preceding quarter, as a result of higher revenue contribution by bulking division.

Despite this, the Group PBT has decreased by RM4.81 million to RM22.64 million as compared to RM27.45 million recorded in the preceding quarter.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	QTR 1 FY 2022	QTR 4 FY 2021	Variance	%
Revenue	13.16	20.64	(7.48)	(36.2)
(Loss)/profit before tax	(0.86)	2.51	(3.37)	(134.3)

Manufacturing Division's revenue decreased by RM7.48 million to RM13.16 million in the current quarter, mainly due to lower sales volume for most of the products. In line with lower revenue coupled with lower reversal of provision for warranty, the division recorded a pre-tax loss of RM0.86 million as compared to RM2.51 million pre-tax profit in the preceding quarter.

Plantation Division

(RM Million)	QTR 1 FY 2022	QTR 4 FY 2021	Variance	%
Revenue				
<u>Indonesia</u>				
- CPO	16.78	19.59	(2.81)	(14.3)
- CPKO	-	5.06	(5.06)	(100.0)
<u>Malaysia</u>				
- Fresh fruit bunch	15.19	11.79	3.40	28.8
- Pineapple	0.40	0.47	(0.07)	(14.9)
Total	32.37	36.91	(4.54)	(12.3)
Profit before tax	8.24	11.48	(3.24)	(28.2)

CPO produced (mt)	9,287	8,329	958	11.5
Sales Quantity (mt)				
- CPO	6,048	7,841	(1,793)	(22.9)
- CPKO	-	953	(953)	(100.0)

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

Plantation Division has posted a lower revenue in the current quarter by RM4.54 million (or 12.3%) to RM32.37 million, as compared to RM36.91 million in the preceding quarter mainly attributable to lower sales volume of CPO and no sales for CPKO. On the back of lower revenue coupled with higher depreciation charged, the Division has posted a lower PBT by RM3.24 million during the current quarter.

Bulking Division

(RM Million)	QTR 1 FY 2022	QTR 4 FY 2021	Variance	%
Revenue	38.01	25.62	12.39	48.4
Profit before tax	15.29	10.10	5.19	51.4

Revenue from **Bulking Division** of RM38.01 million has improved by 48.4% or RM12.39 million as compared to the preceding quarter, mainly contributed by sales of PME product from its biodiesel operation and stronger contribution by edible oil products. In line with higher revenue, the Division posted an increase in PBT by RM5.19 million to RM15.29 million in the current quarter, as compared to RM10.10 million recorded in previous quarter.

Food Division

(RM Million)	QTR 1 FY 2022	QTR 4 FY 2021	Variance	%
Revenue				
PNG	36.40	37.06	(0.66)	(1.8)
Malaysia	0.69	0.59	0.10	16.9
	<u>37.09</u>	<u>37.65</u>	<u>(0.56)</u>	<u>(1.5)</u>
Profit before tax	2.33	3.61	(1.28)	(35.5)

Food Division has recorded a marginal decrease in revenue by 1.5% to RM37.09 million during the current quarter, attributable to lower sales volume for the tuna products. In line with decrease in revenue by the Division, its PBT has slipped to RM2.33 million in the current quarter.

B3. Prospects

Manufacturing Division - The division will continue its concerted efforts to develop new products and solutions to complement its existing products.

Plantation Division - The overall performance of the oil palm production and processing is very much influenced by the direction of palm oil prices and our estates' yield. Nevertheless, we will remain focused in improving our efficiency and productivity in oil palm plantation operation and optimising production cost.

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

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2021

B3. Prospects (cont'd.)

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

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

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

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

B5. Income tax expense

	Current quarter 30-06-2021 RM'000	Current year to date 30-06-2021 RM'000
Current taxation	3,694	3,694

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

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

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

B7. Purchase or disposal of quoted securities

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

B8. Corporate proposals

(a) Status of corporate proposal

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

(b) Utilisation of proceeds raised from any corporate proposal

Not applicable.

B9. Borrowings and debt securities

	As at 30-06-2021 RM'000	As at 31-03-2021 RM'000
Secured:		
Current		
Bankers' acceptance	3,846	4,717
Short term revolving credit	35,891	33,675
	<u>39,737</u>	<u>38,392</u>

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2021

B10. Changes in material litigations

Except for the following, there were no other changes in material litigation since the date of the last annual statement of financial position:

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

The claim is for a sum of RM24,975,000.00 (excluding interest and cost) ("Outstanding Amount"), being the amount due and owing by the Defendant to the Plaintiff for 1.5 million Malaysian passport booklets which were supplied by the Plaintiff to the Defendant.

At the request of the Defendant during the case management on 3 October 2018, the Plaintiff agreed to attempt mediation with the aim of arriving at an amicable resolution. The mediation took place on 17 October 2018 and 19 October 2018. However, the parties could not reach a resolution.

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

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

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

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

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

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

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

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

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

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2021

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

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

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

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

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

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

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

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

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

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

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

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

On 23 January 2020, PTNJL subsequently filed a further application for judicial review to Jakarta State Administrative Court against the JR Decision (“2nd JR Application”) on the grounds that the JR Decision contradicts some aspects of other established cases and the discovery of new material evidences that were not previously available. As at today, the Supreme Court has not issued any decision in respect of the 2nd JR Application.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2021

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

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

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

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

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

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

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

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

B11. Dividend

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

B12. Earnings per share

The basic earnings per share are calculated as follows:

	Quarter ended		3 months cumulative	
	30-06-2021	30-06-2020	30-06-2021	30-06-2020
Profit net of tax attributable to equity holders of the Company used in the computation of earnings per share (RM'000)	16,061	8,448	16,061	8,448
Weighted average number of ordinary shares in issues ('000)	277,814	280,202	277,814	280,202
Basic/diluted earnings per share (sen)	5.78	3.01	5.78	3.01

By order of the Board

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

Kuala Lumpur
Dated : 24 August 2021