



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

Condensed Consolidated Financial Statements
For the Second Quarter Ended 30 September 2021

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

	Note	Current quarter		6 months cumulative	
		Current year quarter 30-09-2021	Preceding year corresponding quarter 30-09-2020	Current year to date 30-09-2021	Preceding year corresponding period 30-09-2020
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	154,787	130,556	276,573	233,324
Cost of sales		(83,162)	(78,856)	(153,109)	(139,306)
Gross profit		71,625	51,700	123,464	94,018
Other income		2,492	2,756	4,582	5,042
Other items of expense					
Administrative expenses		(20,188)	(21,471)	(44,752)	(45,791)
Selling and marketing expenses		(3,086)	(2,928)	(5,838)	(5,364)
Other operating expenses		(4,564)	(4,059)	(8,280)	(7,113)
		(27,838)	(28,458)	(58,870)	(58,268)
Finance costs		(878)	(874)	(1,731)	(1,804)
Share of results of associates		1,020	2,348	1,620	2,400
Profit before tax	A9/A10	46,421	27,472	69,065	41,388
Income tax expense	B5	(11,966)	(4,411)	(15,660)	(9,579)
Profit net of tax		34,455	23,061	53,405	31,809
Other comprehensive income/(expense)					
Foreign exchange translation gain/(loss)		5,025	(10,140)	4,866	(215)
Total comprehensive income for the period		39,480	12,921	58,271	31,594
Profit attributable to :					
Equity holders of the Company		24,466	18,313	40,527	26,761
Non-controlling interests		9,989	4,748	12,878	5,048
Profit for the period		34,455	23,061	53,405	31,809
Total comprehensive income attributable to :					
Equity holders of the Company		28,584	9,764	44,514	25,867
Non-controlling interests		10,896	3,157	13,757	5,727
Total comprehensive income for the period		39,480	12,921	58,271	31,594
Earnings per share attributable to equity holders of the Company :					
Basic/diluted earnings per share (sen)	B12	8.81	6.54	14.60	9.56

(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 SEPTEMBER 2021

	As at 30-09-2021	As at 31-03-2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	375,906	374,966
Right-of-use assets	285,648	199,634
Investment properties	61,098	61,917
Investment in associates	38,983	37,363
Deferred tax assets	10,598	12,316
Goodwill on consolidation	12,710	12,710
	<u>784,943</u>	<u>698,906</u>
Current assets		
Inventories	89,623	67,845
Biological assets	7,351	5,965
Trade receivables	86,475	103,963
Other receivables	47,733	82,971
Financial investments	163,147	209,532
Cash and bank balances	162,312	116,497
	<u>556,641</u>	<u>586,773</u>
TOTAL ASSETS	<u>1,341,584</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	(8,985)	(6,823)
Other reserves	60,470	56,483
Retained earnings	469,755	462,468
	<u>832,910</u>	<u>823,798</u>
Non-controlling interests	238,596	234,467
Total equity	<u>1,071,506</u>	<u>1,058,265</u>
Non-current liabilities		
Lease liabilities	76,045	41,822
Long term borrowing	10,000	-
Retirement benefit obligation	1,635	1,657
Deferred tax liabilities	51,008	53,004
	<u>138,688</u>	<u>96,483</u>
Current liabilities		
Lease liabilities	13,537	14,710
Short term borrowings	41,114	38,392
Trade and other payables	61,842	68,074
Provisions	3,339	3,802
Tax payable	11,558	5,953
	<u>131,390</u>	<u>130,931</u>
TOTAL LIABILITIES	<u>270,078</u>	<u>227,414</u>
TOTAL EQUITY AND LIABILITIES	<u>1,341,584</u>	<u>1,285,679</u>
Net assets per share (RM)	<u>2.95</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 SECOND QUARTER ENDED 30 SEPTEMBER 2021**

Group	Attributable to equity holders of the Company									
	Non-distributable			Distributable						
	Share capital	Treasury shares	Other reserves	Capital reserve	Capital reserve arising from bonus issue in subsidiary	Foreign exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
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	-	-	-	-	-	-	40,527	40,527	12,878	53,405
Other comprehensive income for the period	-	-	3,987	-	-	3,987	-	3,987	879	4,866
Total comprehensive income for the period	-	-	3,987	-	-	3,987	40,527	44,514	13,757	58,271
Transactions with equity holders										
Dividend	-	-	-	-	-	-	(33,240)	(33,240)	-	(33,240)
Dividends paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	(8,712)	(8,712)
Purchase of treasury shares	-	(2,162)	-	-	-	-	-	(2,162)	(916)	(3,078)
Total transactions with equity holders	-	(2,162)	-	-	-	-	(33,240)	(35,402)	(9,628)	(45,030)
At 30 September 2021	311,670	(8,985)	60,470	437	66,459	(6,426)	469,755	832,910	238,596	1,071,506
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	-	-	-	-	-	-	26,761	26,761	5,048	31,809
Other comprehensive (expense)/income for the period	-	-	(894)	-	-	(894)	-	(894)	679	(215)
Total comprehensive (expense)/income for the period	-	-	(894)	-	-	(894)	26,761	25,867	5,727	31,594
Transaction with equity holders										
Dividend	-	-	-	-	-	-	(25,139)	(25,139)	-	(25,139)
Dividends paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	(6,856)	(6,856)
Purchase of treasury shares	-	(1,699)	-	-	-	-	-	(1,699)	(1,055)	(2,754)
Total transaction with equity holders	-	(1,699)	-	-	-	-	(25,139)	(26,838)	(7,911)	(34,749)
At 30 September 2020	311,670	(4,671)	54,822	437	66,459	(12,074)	438,982	800,803	234,713	1,035,516

(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 SECOND QUARTER ENDED 30 SEPTEMBER 2021**

	← 6 months ended →	
	30-09-2021	30-09-2020
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	69,065	41,388
Adjustments for:		
Depreciation of investment properties	819	819
Depreciation for property, plant and equipment	12,949	11,912
Depreciation of right-of-use assets	8,740	7,358
Fair value changes on biological assets	(1,282)	(857)
Net provision for impairment on trade and other receivables	3,215	564
Interest expense	1,731	1,804
Profit income	(844)	(588)
Interest income	(3)	(33)
Distribution from financial investments	(1,478)	(2,346)
(Reversal of provision)/provision for retirement benefit obligation	(48)	104
Net reversal of provision for warranty	(463)	(748)
Net unrealised forex loss	621	3,787
Net gain on disposal of property, plant and equipment	-	(18)
Share of results of associates	(1,620)	(2,400)
Write back of inventories	(175)	(217)
Operating profit before working capital changes	91,227	60,529
(Increase)/decrease in inventories	(21,603)	5,454
Decrease/(Increase) in receivables	6,298	(26,286)
Decrease in payables	(6,232)	(4,882)
Cash generated from operations	69,690	34,815
Interest paid	(643)	(573)
Taxes paid	(4,299)	(6,887)
Retirement benefits paid	-	(11)
Net cash generated from operating activities	64,748	27,344
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of property, plant and equipment	-	18
Purchase of property, plant and equipment	(11,037)	(13,471)
Acquisition of treasury shares	(2,162)	(1,699)
Profit income received	844	588
Interest income received	3	33
Distribution received from financial investment	1,478	2,346
Payment for acquisition of land	(16,015)	-
Net placement of financial investments	46,385	415
Net cash generated from/(used in) investing activities	19,496	(11,770)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	12,722	3,613
Repayment of lease liabilities	(6,728)	(6,046)
Dividend paid	(33,240)	(25,139)
Dividend paid by a subsidiary to non-controlling interests	(8,712)	(6,856)
Net cash used in financing activities	(35,958)	(34,428)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	48,286	(18,854)
EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	(2,471)	(1,986)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	116,497	124,329
CASH AND CASH EQUIVALENTS AT END OF PERIOD	162,312	103,489
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	136,672	76,681
Fixed deposits with financial institutions	25,640	26,808
	162,312	103,489

(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.

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 599,400 of its issued ordinary shares from open market at an average price of RM2.01. The total transaction paid for the repurchase including transaction costs was RM1,236,000. Of the total 282,231,600 issued ordinary shares, 5,407,100 shares are held as treasury shares by the Company.

A8. Dividend paid

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

		6 months cumulative	
		30-09-2021	30-09-2020
		RM'000	RM'000
Interim dividend			
2020	Single-tier interim dividend of 9.0 sen (Paid on 14 September 2020)	-	25,139
2021	Single-tier interim dividend of 9.0 sen (Paid on 17 September 2021)	24,930	-
Special dividend			
2021	Single-tier special dividend of 3.0 sen (Paid on 17 September 2021)	8,310	-

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

	Quarter ended		6 months cumulative	
	30-09-2021	30-09-2020	30-09-2021	30-09-2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
Manufacturing*	30,082	31,635	43,246	52,957
Plantation	52,764	36,111	85,131	64,923
Bulking	32,280	23,716	70,292	45,419
Food	38,649	37,462	75,737	67,239
Others	3,414	4,659	6,511	5,943
	157,189	133,583	280,917	236,481
Eliminations	(2,402)	(3,027)	(4,344)	(3,157)
	154,787	130,556	276,573	233,324
Profit before tax				
Manufacturing*	32	5,891	(823)	8,828
Plantation	27,501	5,523	35,736	6,513
Bulking	16,207	11,090	31,495	21,969
Food	3,164	4,090	5,494	5,686
Others	(1,503)	(1,470)	(4,457)	(4,008)
	45,401	25,124	67,445	38,988
Associated companies	1,020	2,348	1,620	2,400
	46,421	27,472	69,065	41,388

* Production and trading of security documents.

(ii) Geographical segments

	Quarter ended		6 months cumulative	
	30-09-2021	30-09-2020	30-09-2021	30-09-2020
	RM'000	RM'000	RM'000	RM'000
Revenue				
Malaysia	83,528	72,433	154,078	124,585
Indonesia	35,805	24,544	52,588	46,075
Papua New Guinea	37,856	36,606	74,251	65,821
	157,189	133,583	280,917	236,481
Eliminations	(2,402)	(3,027)	(4,344)	(3,157)
	154,787	130,556	276,573	233,324
Profit before tax				
Malaysia	19,806	16,306	33,964	25,319
Indonesia	22,648	4,691	28,482	7,940
Papua New Guinea	2,947	4,127	4,999	5,729
	45,401	25,124	67,445	38,988
Associated companies	1,020	2,348	1,620	2,400
	46,421	27,472	69,065	41,388

← 6 months cumulative →

	Current year to date		Preceding year	
	30-09-2021		corresponding period	
	Assets	Liabilities	Assets	Liabilities
	RM'000	RM'000	RM'000	RM'000
Assets and liabilities				
Malaysia	1,530,043	239,628	1,490,720	201,480
Indonesia	129,728	12,951	100,714	8,966
Papua New Guinea	175,134	82,875	150,960	66,521
	1,834,905	335,454	1,742,394	276,967
Eliminations	(493,321)	(65,376)	(494,505)	(64,594)
	1,341,584	270,078	1,247,889	212,373

A10. Profit before tax

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

	Quarter ended		6 months cumulative	
	30-09-2021	30-09-2020	30-09-2021	30-09-2020
	RM'000	RM'000	RM'000	RM'000
Other income				
Profit income	430	221	844	588
Interest income	2	20	3	33
Distribution from financial investments	754	1,170	1,478	2,346
Others	147	-	245	-
Operating expenses				
Depreciation	10,851	8,827	22,508	20,089
Interest expense	878	874	1,731	1,804
Unrealised foreign exchange (gain)/loss	(184)	(189)	621	3,787
Realised forex exchange loss/(gain)	676	-	615	(310)
Net provision for impairment on trade and other receivables	2,343	529	3,215	564
Net gain on disposal of property, plant and equipment	-	(5)	-	(18)
Fair value changes on biological assets (Reversal of provision)/provision for retirement benefit obligation	(721)	(164)	(1,282)	(857)
Net reversal of provision for warranty	(17)	(109)	(48)	104
Inventories written down/(back)	(75)	(311)	(463)	(748)
	266	(95)	(175)	(217)

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	1,568
Land and buildings	280
Equipment, furniture and fittings and motor vehicles	2,258
Bearer plants and infrastructure	3,829
Work in progress	3,102
	11,037

A16. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 September 2021 were as follows:

	Current year to date
	RM'000
Property, plant and equipment	
- Approved and contracted for	11,431

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	439
- Fima Corporation Berhad - Management fees receivable	564
- Fima Corporation Berhad - Services payable	114
- Pineapple Cannery of Malaysia Sendirian Berhad - Rental income	169
- International Food Corporation - Sales of fish	4,085
- International Food Corporation - Interest receivable	857
Transactions with related parties*	
- BHR Enterprise Sdn. Bhd. - Services payable	60
- PT Pohon Emas Lestari - Purchase of fresh fruit bunch	4,095
- TD Technologies Sdn. Bhd. - Services payable	88
- First Zanzibar Sdn. Bhd. - Service payable	35
- Nationwide Express Courier Services Berhad - Delivery services	20
- Nationwide Express Courier Services Berhad - Rental income	36

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

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

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	276.57	233.32	43.25	18.5
Profit before tax	69.07	41.39	27.68	66.9

Group revenue for the period ended 30 September 2021 rose by 18.5% to RM276.57 million as compared to RM233.32 million recorded in the corresponding period last year. Higher revenue by RM43.25 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 recorded an improvement by 66.9% to RM69.07 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	43.25	52.96	(9.71)	(18.3)
(Loss)/profit before tax	(0.82)	8.83	(9.65)	(109.3)

Revenue from **Manufacturing Division** had slipped by 18.3% or RM9.71 million to RM43.25 million from RM52.96 million last year, mainly contributed by lower sales volume for most of the products. On the back of lower revenue, coupled with higher allowance for impairment and lower distribution received from financial investments, the division has recorded a pre-tax loss of RM0.82 million during the period.

Plantation Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
<u>Indonesia</u>				
- Crude palm oil (CPO)	49.01	41.09	7.92	19.3
- Crude palm kernel oil (CPKO)	3.11	4.99	(1.88)	(37.7)
<u>Malaysia</u>				
- Fresh fruit bunch (FFB)	32.18	17.72	14.46	81.6
- Pineapple	0.83	1.12	(0.29)	(25.9)
Total	85.13	64.92	20.21	31.1
Profit before tax	35.74	6.51	29.23	449.0
FFB produced (mt)	101,815	107,405	(5,590)	(5.2)
CPO produced (mt)	18,023	18,440	(417)	(2.3)

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021
B1. Review of performance (cont'd.)
Plantation Division (cont'd.)

	Current YTD	Previous YTD	Variance	%
Sales Quantity (mt)				
- CPO	16,070	16,313	(243)	(1.5)
- CPKO	997	1,733	(736)	(42.5)

Total Group's Hectarage
Palm profiles (ha)

- Mature	12,874.9	13,044.0
- Immature	1,193.5	1,659.2
Total planted area	<u>14,068.4</u>	<u>14,703.2</u>

Revenue from **Plantation Division** recorded higher by RM20.21 million to RM85.13 million as compared to the same period last year, mainly attributable to higher CPO and CPKO price, as well as FFB produced by plantation estates in Malaysia for the current period. On the back of higher revenue, coupled with lower operational cost and forex loss, the division PBT has increased to RM35.74 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 RM0.19 million as compared to RM3.50 million pre-tax loss recorded in the corresponding period last year.

Bulking Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	70.29	45.42	24.87	54.8
Profit before tax	31.50	21.97	9.53	43.4

Bulking Division has recorded an improvement in revenue of RM24.87 million or 54.8% to RM70.29 million as compared to last year, mainly attributable to the higher 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 increased by RM9.53 million to RM31.50 million as compared to the same period last year.

Food Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Papua New Guinea (PNG)	74.25	65.82	8.43	12.8
Malaysia	1.49	1.42	0.07	4.9
	<u>75.74</u>	<u>67.24</u>	<u>8.50</u>	<u>12.6</u>
Profit before tax	5.49	5.69	(0.20)	(3.5)

Food Division's revenue has increased by RM8.50 million (or 12.6%) to RM75.74 million, as compared to RM67.24 million recorded in the previous financial year. The improvement in revenue was mainly attributable to the higher sales of tuna products. Despite this, the Division's PBT slightly decreased by 3.5% to RM5.49 million as a result of higher shipping, advertising and promotion expenses incurred in the current period.

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

(RM Million)	QTR 2	QTR 1	Variance	%
	FY 2022	FY 2022		
Revenue	154.79	121.79	33.00	27.1
Profit before tax	46.42	22.64	23.78	105.0

The Group revenue increased by RM33.00 million to RM154.79 million as compared to the preceding quarter, as a result of higher revenue contribution by manufacturing, plantation and food division.

In line with higher revenue, the Group PBT has improved by RM23.78 million to RM46.42 million as compared to RM22.64 million recorded in the preceding quarter.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	QTR 2	QTR 1	Variance	%
	FY 2022	FY 2022		
Revenue	30.08	13.16	16.92	128.6
Profit/(loss) before tax	0.03	(0.86)	0.89	103.5

Manufacturing Division's revenue recorded higher by RM16.92 million to RM30.08 million in the current quarter, mainly due to increase in sales volume for most of the products. However, minimal pre-tax profit recorded by the Division as a result of additional allowance for impairment made in relation to its material litigation as disclosed in Note B10(1).

Plantation Division

(RM Million)	QTR 2	QTR 1	Variance	%
	FY 2022	FY 2022		
Revenue				
<u>Indonesia</u>				
- CPO	32.23	16.78	15.45	92.1
- CPKO	3.11	-	3.11	100.0
<u>Malaysia</u>				
- Fresh fruit bunch	16.99	15.19	1.80	11.8
- Pineapple	0.43	0.40	0.03	7.5
Total	52.76	32.37	20.39	63.0
Profit before tax	27.50	8.24	19.26	233.7

CPO produced (mt)	8,736	9,287	(551)	(5.9)
Sales Quantity (mt)				
- CPO	10,022	6,048	3,974	65.7
- CPKO	997	-	997	100.0

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021

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

Plantation Division (cont'd.)

Plantation Division has posted a higher revenue in the current quarter by RM20.39 million (or 63.0%) to RM52.76 million, as compared to RM32.37 million in the preceding quarter mainly attributable to higher quantity and selling price of CPO, CPKO and FFB. On the back of higher revenue, the Division has recorded a higher PBT by RM19.26 million to RM27.50 million during the current quarter.

Bulking Division

(RM Million)	QTR 2	QTR 1	Variance	%
	FY 2022	FY 2021		
Revenue	32.28	38.01	(5.73)	(15.1)
Profit before tax	16.21	15.29	0.92	6.0

Revenue from **Bulking Division** has decreased by 15.1% or RM5.73 million to RM32.28 million as compared to the preceding quarter, mainly due to lower sales of PME product from its biodiesel operation during the quarter. Despite this, the Division posted a marginal increase in PBT by RM0.92 million to RM16.21 million in the current quarter, mainly due to stronger contribution by its bulking segment, especially from edible oil products.

Food Division

(RM Million)	QTR 2	QTR 1	Variance	%
	FY 2022	FY 2021		
Revenue				
PNG	37.86	36.40	1.46	4.0
Malaysia	0.79	0.69	0.10	14.5
	<u>38.65</u>	<u>37.09</u>	<u>1.56</u>	<u>4.2</u>
Profit before tax	3.16	2.33	0.83	35.6

Food Division has recorded an improvement in revenue by 4.2% to RM38.65 million during the current quarter, attributable to higher sales volume for the tuna products. In line with higher revenue, the Division's PBT has increased by RM0.83 million to RM3.16 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 SECOND QUARTER ENDED 30 SEPTEMBER 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 uncertainties brought up by the COVID-19. Certain division is expecting lesser demand in its products and disruption on supply chain. In addition, fluctuations in exchange rates and commodity prices will influence the Group's financial performance and position.

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

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

B5. Income tax expense

	Current quarter 30-09-2021	Current year to date 30-09-2021
	RM'000	RM'000
Current taxation	11,966	15,660

The effective tax rate on the Group's profit to date is in line with the statutory tax rate.

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 30-09-2021 RM'000	As at 31-03-2021 RM'000
Secured:		
Non-current		
Term loan	10,000	-
	10,000	-
Current		
Bankers' acceptance	1,884	4,717
Short term revolving credit	39,230	33,675
	41,114	38,392
	51,114	38,392

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 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")/"PKN"), 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, FimaCorp announced that the High Court Judge has dismissed PKN's amendment application with costs. Further, the High Court Judge has directed the parties to comply with pre-trial directions.

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

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

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

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

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

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

The Court of Appeal has fixed a case management on 23 December 2021 and also directed the Records of Appeal to be filed before the case management date.

Notwithstanding with the above, the Group has made additional allowance for impairment on the difference which is not expected to have any further material impact on its financial and operational position.

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021

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

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.

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

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

- (b) On 28 November 2019, PTNJL has filed a civil suit in the South Jakarta District Court ("the District Court" against the Menteri Agraria dan Tata Ruang/Kepala Badan 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).

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2021

B12. Earnings per share

The basic earnings per share are calculated as follows:

	Quarter ended		6 months cumulative	
	30-09-2021	30-09-2020	30-09-2021	30-09-2020
Profit net of tax attributable to equity holders of the Company used in the computation of earnings per share (RM'000)	24,466	18,313	40,527	26,761
Weighted average number of ordinary shares in issues ('000)	277,590	279,957	277,590	279,957
Basic/diluted earnings per share (sen)	8.81	6.54	14.60	9.56

By order of the Board

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

Kuala Lumpur

Dated : 30 November 2021