



FIMA CORPORATION BERHAD (197401004110) (21185-P)
(Incorporated in Malaysia)

Condensed Consolidated Financial Statements
For the Fourth Quarter and Financial Year Ended 31 March 2021

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2021
(THE FIGURES HAVE NOT BEEN AUDITED)**

	Note	Current Quarter		12 Months Cumulative	
		Current Year Quarter 31/03/21	Preceding Year Corresponding Quarter 31/03/20	Current Year To Date 31/03/21	Preceding Year Corresponding Period 31/03/20
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	48,605	70,561	212,649	243,127
Cost of sales		(16,723)	(42,330)	(126,865)	(161,390)
Gross profit		31,882	28,231	85,784	81,737
Other income		4,136	2,549	9,813	9,782
Administrative expenses		(10,539)	(12,027)	(30,856)	(35,077)
Selling and marketing expenses		(4,553)	(5,278)	(6,687)	(7,718)
Other operating expenses		(6,260)	2,630	(23,065)	(14,396)
Impairment loss on property, plant and equipment and right-of-use assets		-	(17,791)	-	(17,791)
Finance costs		(358)	(89)	(645)	(371)
Share of results from associate		795	371	4,126	1,963
Profit before tax	A9/A10	15,103	(1,404)	38,470	18,129
Income tax expense	B5	(2,405)	(2,792)	(7,335)	(9,322)
Profit net of tax		12,698	(4,196)	31,135	8,807
Other comprehensive income/(expense), net of tax					
Foreign currency translation gain/(loss)		40	(11,009)	6,802	(8,384)
Remeasurement of defined benefit liability		179	(151)	179	(151)
Total comprehensive income/(expense) for the period/year		12,917	(15,356)	38,116	272
Profit/(loss) attributable to:					
Equity holders of the Company		10,353	(1,105)	27,133	11,736
Non-controlling interests		2,345	(3,091)	4,002	(2,929)
Profit/(loss) for the period/year		12,698	(4,196)	31,135	8,807
Total comprehensive income/(expense) attributable to:					
Equity holders of the Company		10,541	(10,033)	32,718	4,908
Non-controlling interests		2,376	(5,323)	5,398	(4,636)
Total comprehensive income/(expense) for the period/year		12,917	(15,356)	38,116	272
Earnings per share attributable to equity holders of the Company					
Basic/diluted earnings per share (sen)	B9	4.34	(0.46)	11.37	4.90

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	As at 31/03/21	As at 31/03/20
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	87,083	81,530
Investment properties	56,149	57,656
Right-of-use assets	97,591	98,065
Goodwill on consolidation	510	510
Investment in associate	37,363	33,237
Deferred tax assets	6,612	5,856
	285,308	276,854
Current assets		
Biological assets	1,844	3,347
Inventories	29,094	41,745
Trade and other receivables	113,928	123,518
Due from related companies	2,382	2,606
Tax recoverable	7,483	8,024
Short term cash investments	144,563	127,030
Cash and bank balances	51,009	47,551
	350,303	353,821
TOTAL ASSETS	635,611	630,675
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	122,662	122,662
Treasury shares	(9,495)	(7,631)
Other reserves	(4,332)	(9,774)
Retained earnings	439,445	441,986
	548,280	547,243
Non-controlling interests	22,221	18,747
Total equity	570,501	565,990
Non-current liabilities		
Retirement benefit obligations	1,657	2,073
Lease liabilities	15,049	14,235
Deferred tax liabilities	4,538	4,570
	21,244	20,878
Current liabilities		
Trade and other payables	36,636	29,852
Provisions	3,115	8,078
Tax payable	55	1,844
Due to related companies	361	1,627
Lease liabilities	3,699	2,406
	43,866	43,807
Total liabilities	65,110	64,685
TOTAL EQUITY AND LIABILITIES	635,611	630,675
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.30	2.28

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2021**

	<----- Attributable to equity holders of the Company ----->				<----- Non-Distributable ----->				Distributable
	Share capital	Treasury shares	Other reserves	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
At 1 April 2019	122,662	(6,156)	(3,067)	(7,317)	4,250	460,336	573,775	23,383	597,158
Total comprehensive income for the period/year	-	-	(6,707)	(6,707)	-	11,615	4,908	(4,636)	272
Transactions with equity holders									
Acquisition of treasury shares	-	(1,475)	-	-	-	-	(1,475)	-	(1,475)
Dividend paid	-	-	-	-	-	(29,965)	(29,965)	-	(29,965)
Total transactions with equity holders	-	(1,475)	-	-	-	(29,965)	(31,440)	-	(31,440)
At 31 March 2020	122,662	(7,631)	(9,774)	(14,024)	4,250	441,986	547,243	18,747	565,990
At 1 April 2020	122,662	(7,631)	(9,774)	(14,024)	4,250	441,986	547,243	18,747	565,990
Total comprehensive income for the period/year	-	-	5,442	5,442	-	27,276	32,718	5,398	38,116
Transactions with equity holders									
Acquisition of treasury shares	-	(1,864)	-	-	-	-	(1,864)	-	(1,864)
Dividend paid	-	-	-	-	-	(29,817)	(29,817)	(1,924)	(31,741)
Total transactions with equity holders	-	(1,864)	-	-	-	(29,817)	(31,681)	(1,924)	(33,605)
At 31 March 2021	122,662	(9,495)	(4,332)	(8,582)	4,250	439,445	548,280	22,221	570,501

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2021

	12 months ended	
	31/03/21	31/03/20
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	38,470	18,129
Adjustments for:		
Depreciation for property, plant and equipment	6,599	10,819
Depreciation of investment properties	1,507	1,507
Depreciation of right-of-use assets	5,520	5,471
Impairment loss on property, plant and equipment	-	8,940
Impairment loss on right-of-use assets	-	8,851
Net impairment loss on trade and other receivables	(394)	709
Fair value changes on biological assets	1,781	(2,672)
Inventories written (back)/down	(1,760)	1,959
Net provision for retirement benefit obligations	(180)	273
Net reversal of provision for warranty	(4,963)	(1,114)
Reversal of provision for compensation claim	-	(2,120)
Gain on disposal of property, plant and equipment	(21)	(58)
Share of results of associate	(4,126)	(1,963)
Income from rent concession	(588)	-
Interest expense	645	371
Interest income	(47)	(210)
Profit income	(1,295)	(961)
Distribution from short term investments	(2,924)	(5,040)
Unrealised foreign exchange gain	(220)	(2,722)
Operating profit before working capital changes	38,004	40,169
Decrease/(increase) in trade and other receivables	50,851	(18,233)
Decrease in inventories	15,309	17,403
(Decrease) in related companies balances	(1,042)	(966)
Increase/(decrease) in trade and other payables	6,449	(3,601)
Cash generated from operations	109,571	34,772
Taxes paid	(9,195)	(16,091)
Retirement benefits paid	(183)	(77)
Net cash generated from operating activities	100,193	18,604
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(10,729)	(17,000)
Proceeds from disposal of property, plant and equipment	23	61
Deposit paid for acquisition of land	(38,163)	(1,030)
Interest income received	47	210
Profit income	1,295	961
Distribution received from short term investments	2,924	5,040
Net investment in short term cash investments	(17,533)	21,092
Net cash (used in)/generated from investing activities	(62,136)	9,334
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(29,817)	(29,965)
Dividends paid by a subsidiary to non-controlling interests	(1,924)	-
Repayment of lease obligations	(2,940)	(3,048)
Acquisition of treasury shares	(1,864)	(1,475)
Net cash used in financing activities	(36,545)	(34,488)

**FIMA CORPORATION BERHAD (197401004110) (21185-P)****CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2021 (CONT'D.)**

	12 months ended	
	<u>31/03/21</u>	<u>31/03/20</u>
	RM'000	RM'000
CASH AND CASH EQUIVALENTS		
Net increase/(decrease) in cash and cash equivalents	1,512	(6,550)
Effect of exchange rate changes in cash and cash equivalents	1,946	(3,754)
Cash and cash equivalents balances at beginning of the year	47,551	57,855
Cash and cash equivalents at end of year	<u>51,009</u>	<u>47,551</u>
CASH AND CASH EQUIVALENTS COMPRISE OF:		
Cash and bank balances	15,830	20,210
Deposits with licensed banks	35,179	27,341
Cash and cash equivalents	<u>51,009</u>	<u>47,551</u>

(The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2020 and the accompanying explanatory notes attached to the interim financial statements)

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 MARCH 2021

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 2020. 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 2020.

A2. Changes in accounting policies

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 March 2020 except for the adoption of the following new and revised Malaysian Financial Reporting Standards ("MFRSs"), Amendments to MFRSs and IC Interpretations.

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

On 1 April 2020, the Group adopted the following new and amended MFRSs and IC Interpretation:

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101 and 108: Definition of Material
- Amendments to MFRS 16: COVID-19-Related Rent Concessions

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 Interpretation that are not yet effective:

	Effective for annual period beginning on or after
Amendments to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 16: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
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 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

A2. Changes in accounting policies (cont'd.)

(b) Standards and Interpretations issued but not yet effective (cont'd.)

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

	Effective for annual period beginning on or after
Amendments to MFRS 108: Definition of Accounting Estimates	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 interpretation 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 2020 were not subject to any audit qualification.

A4. Seasonality or cyclicity of the interim operations

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

A5. Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence other than as disclosed in Note B7(2).

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 quarter.

During the current quarter, the Company repurchased 194,300 of its issued ordinary shares from the open market at an average price of RM1.81. The total transaction paid for the repurchase including transaction costs was RM350,895. Of the total 245,324,330 issued ordinary shares, 7,231,800 shares are held as treasury shares by the Company.

A8. Dividends paid

		12 months cumulative	
		31/03/21	31/03/20
		RM'000	RM'000
Interim Dividend			
2020	Single-tier first interim dividend of 5.0 sen (Paid on 30 December 2019)	-	11,980
	Single-tier second interim dividend of 7.5 sen (Paid on 7 September 2020)	17,899	-
2021	Single-tier first interim dividend of 5.0 sen (Paid on 30 December 2020)	11,918	-
Final Dividend			
2019	Single-tier final dividend of 7.5 sen (Paid on 30 September 2019)	-	17,985
		<u>29,817</u>	<u>29,965</u>

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

	Quarter ended		12 months cumulative	
	31/03/21	31/03/20	31/03/21	31/03/20
	RM'000	RM'000	RM'000	RM'000
Revenue				
Production and trading of security and confidential documents	20,636	34,332	101,933	134,004
Oil palm production and processing	26,157	34,767	103,747	103,117
Property management	2,114	1,879	8,335	7,736
Others	50,400	1,751	93,931	27,076
	<u>99,307</u>	<u>72,729</u>	<u>307,946</u>	<u>271,933</u>
Eliminations	(50,702)	(2,168)	(95,297)	(28,806)
	<u>48,605</u>	<u>70,561</u>	<u>212,649</u>	<u>243,127</u>
Profit before tax				
Production and trading of security and confidential documents	2,512	8,609	14,596	25,988
Oil palm production and processing	10,739	(12,816)	20,950	(10,619)
Property management	928	2,435	2,237	3,723
Others	50,354	1,667	90,577	24,288
	<u>64,533</u>	<u>(105)</u>	<u>128,360</u>	<u>43,380</u>
Share of results of associate	795	371	4,126	1,963
	<u>65,328</u>	<u>266</u>	<u>132,486</u>	<u>45,343</u>
Eliminations	(50,225)	(1,670)	(94,016)	(27,214)
	<u>15,103</u>	<u>(1,404)</u>	<u>38,470</u>	<u>18,129</u>

A9. Segmental information (cont'd.)

(b) Geographical segments

	Quarter ended		12 months cumulative	
	31/03/21	31/03/20	31/03/21	31/03/20
	RM'000	RM'000	RM'000	RM'000
Revenue				
Malaysia	74,673	38,926	212,456	172,076
Indonesia	24,634	33,803	95,490	99,857
	99,307	72,729	307,946	271,933
Eliminations	(50,702)	(2,168)	(95,297)	(28,806)
	48,605	70,561	212,649	243,127
Profit before tax				
Malaysia	52,918	11,349	107,760	50,167
Indonesia	12,410	(11,083)	24,726	(4,824)
	65,328	266	132,486	45,343
Eliminations	(50,225)	(1,670)	(94,016)	(27,214)
	15,103	(1,404)	38,470	18,129

	Quarter ended/9 months cumulative		31/03/20	
	31/03/21		31/03/20	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Malaysia	691,489	60,974	664,872	73,117
Indonesia	122,831	17,146	102,224	12,577
	814,320	78,120	767,096	85,694
Eliminations	(178,709)	(13,010)	(136,421)	(21,009)
Group	635,611	65,110	630,675	64,685

A10. Profit before tax

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

	Quarter ended		12 months cumulative	
	31/03/21	31/03/20	31/03/21	31/03/20
	RM'000	RM'000	RM'000	RM'000
Other income				
Gain on disposal of property, plant and equipment	3	2	21	58
Interest income	11	159	47	210
Profit income	487	256	1,295	961
Distribution from short term investments	421	844	2,924	5,040
Income from rent concession	588	-	588	-
Others	2,626	1,288	4,938	3,513

A10. Profit before tax (cont'd.)

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

	Quarter ended		12 months cumulative	
	31/03/21	31/03/20	31/03/21	31/03/20
	RM'000	RM'000	RM'000	RM'000
Operating expenses				
Depreciation	1,502	6,099	13,626	17,797
Unrealised foreign exchange gain	(220)	(2,722)	(220)	(2,722)
Realised foreign exchange loss/(gain)	2,572	(1,120)	5,251	(1,128)
Net impairment loss on trade and other receivables	24	32	(394)	709
Bad debts recovered	-	-	-	-
Fair value changes on biological assets	2,145	(2,170)	1,781	(2,672)
Inventories written (back)/down	(1,698)	1,163	(1,760)	1,959
Net provision for retirement benefit obligations	(284)	223	(180)	273
Net reversal of provision for warranty	(3,845)	365	(4,963)	(1,114)
Reversal of provision for compensation claim	-	(2,120)	-	(2,120)
Impairment loss on property, plant and equipment	-	8,940	-	8,940
Impairment loss on right-of-use assets	-	8,851	-	8,851

A11. Subsequent events

On 3 May 2021, the Company announced that the proposed acquisition of plantation land between the Company and PMBK Sawit Sdn Bhd has been completed.

A12. 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.

A13. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since 31 March 2020 other than as disclosed in Note B7.

A14. Capital commitments

	As at
	31/03/21
	RM'000
Property, plant and equipment:	
Approved and contracted for	11,939

A15. Acquisition of property, plant and equipment

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

	Current year to date 31/03/21
	RM'000
Buildings	187
Plant and machinery	956
Factory and office renovations	46
Equipment, furniture and fittings and motor vehicles	1,596
Bearer plants and infrastructure	7,253
Work in progress	691
	10,729

A16. Related party transactions

	Current year to date 31/03/21
	RM'000
Ultimate Holding Company	
- Kumpulan Fima Berhad - Rental income receivable	861
- Kumpulan Fima Berhad - Management fees and services payable	1,266
- Kumpulan Fima Berhad - Services receivable	131
Fellow Subsidiaries	
- Amgreen Gain Sdn. Bhd. - Service receivable	370
- Fimachem Sdn Bhd - Sales rendered	50
- Fima Bulking Services Berhad - Services receivable	26
- Fima Instanco Sdn Bhd - Rental income receivable	180
- Fima Instanco Sdn Bhd - Services receivable	226
- International Food Corporation Limited - Sales rendered	1,597
- Pineapple Cannery of Malaysia Sendirian Berhad - Services receivable	205
Transactions with related parties *	
- Nationwide Express Courier Services Berhad - Services payable	49
- Nationwide Express Courier Services Berhad - Rental income receivable	78
- TD Technologies Sdn. Bhd. - Services payable	161
- PT Pohon Emas Lestari - Purchase of fresh fruit bunches	5,859

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

A17. Inventories

During the quarter, there was no significant write down or write back of inventories other than 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		Variance	
	31/03/21	31/03/20	RM'000	%
	RM'000	RM'000	RM'000	
Group				
Revenue	212,649	243,127	(30,478)	(12.5)
Profit before tax and impairment *	38,470	35,920	2,550	7.1
Profit before tax	38,470	18,129	20,341	112.2
Profit after tax	31,135	8,807	22,328	253.5
Profit attributable to equity holders of the Company	27,133	11,736	15,397	131.2

* The amount is before the significant impairment loss on property, plant and equipment and right-of-use assets pursuant to the Mahkamah Agung's decision as disclosed in Note A10 and Note B7(2).

The Group recorded lower revenue by RM30.5 million or 12.5% primarily due to lower revenue contribution from manufacturing division. Despite this, the Group recorded higher profit before tax and impairment as compared to last year due to higher profit contribution from plantation division.

The performances of each business divisions are as follows:

	Year to date		Variance	
	31/03/21	31/03/20	RM'000	%
	RM'000	RM'000	RM'000	
Production and trading of security and confidential documents				
Revenue	101,933	134,004	(32,071)	(23.9)
Profit before tax	14,596	25,988	(11,392)	(43.8)

Revenue from this segment was RM32.0 million or 23.9% lower as compared to corresponding period last year, primarily due to decrease in sales volume for travelling and confidential documents due to Covid-19 pandemic.

	Year to date		Variance	
	31/03/21	31/03/20	RM'000	%
	RM'000	RM'000	RM'000	
Oil palm production and processing				
Revenue	103,747	103,117	630	0.6
Profit before tax and impairment *	20,950	7,172	13,778	192.1
Profit before tax	20,950	(10,619)	31,569	(297.3)

* The amount is before the significant impairment loss on property, plant and equipment and right-of-use assets pursuant to the Mahkamah Agung's decision as disclosed in Note A10 and Note B7(2).

Below are the key operating statistics for the segment:

	Year to date		Variance	
	31/03/21	31/03/20	RM'000	%
	RM'000	RM'000	RM'000	
Indonesia				
Fresh fruit bunch (FFB) produced (mt)	133,799	148,637	(14,838)	(10.0)
Crude palm oil (CPO) produced (mt)	35,424	40,934	(5,510)	(13.5)
Sales quantity (mt)				
- CPO	35,177	44,022	(8,845)	(20.1)
- Crude palm kernel oil (CPKO)	3,692	1,067	2,625	246.0
Palm kernel (PK)	-	6,013	(6,013)	100.0
Malaysia				
Fresh fruit bunch (FFB) produced (mt)	14,960	7,813	7,147	91.5

B1. Review of performance (cont'd.)

	Year to date	
	31/03/21	31/03/20
Total Group's hectarage		
Palm profiles (ha)		
Mature	6,842.9	7,248.3
Immature	1,321.1	1,595.1
Total planted area	8,164.0	8,843.4

The division recorded consistent revenue with minimal increase of 0.6% as compared to prior year. Despite registering lower sales quantity, the decrease in quantity was mitigated by higher selling price during the year. In line with higher price, the division registered higher profit before tax and impairment of RM21.0 million, tripled its profit from last year.

Plantation estates in Malaysia which are presently in the development process and partially matured registered a lower total pre-tax loss of RM3.8 million (last year: RM5.8 million) mainly due to higher yield and selling price.

	Year to date		Variance	
	31/03/21	31/03/20	RM'000	%
Property Management				
Revenue	8,335	7,736	599	7.7
Profit before tax	2,237	3,723	(1,486)	(39.9)

The division recorded a higher revenue of RM0.6 million or 7.7% as compared to last year mainly due to additional revenue contribution from engineering and consultation services. However, profit before tax was RM1.5m million lower due to reversal of provision for compensation claim of RM2.1 million which was included in last year's profit.

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

	Q4	Q3	Variance	
	FY 2021	FY 2021	RM'000	%
Group				
Revenue	48,605	57,865	(9,260)	(16.0)
Profit before tax	15,103	6,657	8,446	126.9
Profit after tax	12,698	5,319	7,379	138.7
Profit attributable to equity holders of the Company	10,353	4,655	5,698	122.4

The performances of each business divisions are as follows:

	Q4	Q3	Variance	
	FY 2021	FY 2021	RM'000	%
Production and trading of security and confidential documents				
Revenue	20,636	28,340	(7,704)	(27.2)
Profit before tax	2,512	3,256	(744)	(22.9)

Revenue from production of security and confidential documents decreased by RM7.7 million or 27.2% as compared to preceding quarter mainly due to lower sales volume for travelling documents.

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

	Q4 FY 2021	Q3 FY 2021	Variance	
	RM'000	RM'000	RM'000	%
Oil palm production and processing				
Revenue	26,157	27,137	(980)	(3.6)
Profit before tax	10,739	3,566	7,173	201.1

	Q4 FY 2021	Q3 FY 2021	Variance	
				%
Indonesia				
Crude palm oil (CPO) produced (mt)	8,329	8,655	(326)	(3.8)
Sales Quantity (mt)				
- Crude palm oil (CPO)	7,841	8,019	(178)	(2.2)
- Crude palm kernel oil (CPKO)	953	1,006	(53)	(5.3)

Malaysia				
Fresh fruit bunch (FFB) produced (mt)	1,938	3,647	(1,709)	(46.9)

Revenue from this division for the current quarter of RM26.2 million was consistent with preceding quarter with minimal decrease of 3.6%. However, the pretax profit for the division increased by RM7.2 million mainly due to higher margin resulted from higher selling price of oil palm products and lower depreciation charged during the current quarter.

B3. Prospects

The Group anticipated the future revenue from all divisions to be affected by current pandemic Covid-19. In addition, fluctuations in exchange rates and commodity prices may influence the Group's financial performance and position.

To face the challenges ahead, the Group will continue to take necessary measures to ride out this challenging time by enhancing our operational efficiencies. 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 and our plantation division will remain focus in improving its efficiency.

B4. Variance of actual profit from forecast profit

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

B5. Taxation

	Current quarter 31/03/21	Current year to date 31/03/21
	RM'000	RM'000
Tax charge	2,405	7,335

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. 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. Changes in material litigation

- (1) 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), 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, the Company 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 National Land Body of Indonesia ("NLB") issued a certificate, Hak Guna Usaha No.1/ Nunukan Barat ("HGU") providing PT Nunukan Jaya Lestari ("PTNJL") a right to use a land covering a total size of 19,974 hectares ("Total Parcel") for the purposes of plantation. The HGU is set to expire on 12 May 2038.

Notwithstanding the HGU, the Minister of Agrarian Affairs and Spatial Planning ("Minister") vide letter dated 25 July 2016 ("Revocation Letter") informed PTNJL among others, of the following:

- there were administrative irregularities performed by officer(s) of the Regional Land Body of East Kalimantan at the time of the issuance of the HGU in 2003, resulting in parts of the area within the HGU to overlap with forestry area measuring approximately 17,165 hectares ("Irregular Parcel").
- 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").

B7. Changes in material litigation (cont'd.)

(2) (a) Following the above, the Minister vide the Revocation Letter 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 Minister of Environmental Affairs and Forestry of Republic of Indonesia.

On 21 October 2016, PTNJL initiated an action in the State Administrative Court in Jakarta, Indonesia against the Minister seeking an order to annul the Revocation Letter and also sought an order to postpone the enforcement of the Revocation Letter pending full and final determination of the matter by the Indonesian courts (“Lawsuit”).

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 in an appeal filed by PTNJL in the High Administrative Court (“High Court”) of Jakarta, Indonesia, on 24 July 2017 (“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 Revocation to be void and the Revocation Letter be annulled, save for the Overlapping Parcel measuring 5,138 hectares. (“High Court Decision”).

On 10 January 2018, PTNJL has filed an appeal 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 Revocation Letter be annulled (“Decision of the Supreme Court”). The Supreme Court also ordered the Minister to simultaneously:

- (i) issue an order cancelling PTNJL’s HGU rights over the Overlapping Parcel measuring 3,500 hectares; and
- (ii) ensure the issuance of a new HGU certificate in favour of PTNJL to use the remaining 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, the Minister 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 the Minister upholding the legitimacy and the validity of the Revocation (“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.

B7. Changes in material litigation (cont'd.)

- (2) (b) On 28 November 2019, PTNJL has filed a civil suit in the Pengadilan Negeri Jakarta Selatan against the Defendant and PT Adindo Hutani Lestari (“AHL”) (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 Badan Pertahanan Nasional and Menteri Kehutanan to issue permit, recommendation, or approval for PTNJL to undertake its plantation activities;
- (ii) bar AHL 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, all parties have filed their respective cause papers to the court. The Defendants in their defence are challenging the jurisdiction and competency of the district court to examine the case. The Third Party has inter alia submitted a claim to seize PTNJL’s assets within the overlapping area and other loss.

On 15 September 2020, Pengadilan Negeri Jakarta Selatan 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 Pengadilan Negeri Jakarta Selatan) in respect of the decision of the Pengadilan Negeri Jakarta Selatan dated 15 September 2020.

B8. Dividend

The Board of Directors recommend the payment of a single-tier second interim dividend of 7.5 sen per share for the year ended 31 March 2021 (last year: 7.5 sen). The proposed second interim dividend will amount to approximately RM17.9 million (last year: RM18.0 million) and will be paid on a date to be determined.

B9. Earnings per share

	Quarter ended		12 months cumulative	
	31/03/21	31/03/20	31/03/21	31/03/20
Earnings				
Profit attributable to equity holders of the Company (RM'000)	<u>10,353</u>	<u>(1,105)</u>	<u>27,133</u>	<u>11,736</u>
Basic earnings per share				
Weighted average number of ordinary shares in issue	238,577,587	239,745,355	238,577,587	239,745,355
Basic earnings per share (sen)	<u>4.34</u>	<u>(0.46)</u>	<u>11.37</u>	<u>4.90</u>

BY ORDER OF THE BOARD

JASMIN BINTI HOOD (LS 0009071)

FADZIL AZAHA (MIA20995)

Company Secretaries

Kuala Lumpur

Date: 29 June 2021