



FIMA CORPORATION BERHAD (21185-P)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015
(THE FIGURES HAVE NOT BEEN AUDITED)**

| | Current Quarter | | 9 Months Cumulative | |
|---|---|---|---|--|
| | Current Year Quarter 31/12/15 RM'000 | Preceding Year Corresponding Quarter 31/12/14 RM'000 | Current Year To Date 31/12/15 RM'000 | Preceding Year Corresponding Period 31/12/14 RM'000 |
| Revenue | 92,415 | 105,220 | 289,763 | 282,308 |
| Cost of sales | (67,279) | (70,360) | (200,710) | (186,925) |
| Gross profit | 25,136 | 34,860 | 89,053 | 95,383 |
| Interest income | 1,304 | 1,257 | 3,510 | 4,713 |
| Other income | 430 | 78 | 2,314 | 1,540 |
| Administrative expenses | (4,843) | (5,609) | (17,202) | (15,471) |
| Selling and marketing expenses | (681) | (794) | (2,594) | (2,573) |
| Other operating expenses | (5,592) | (5,751) | (18,828) | (16,953) |
| Finance costs | (64) | (28) | (78) | (28) |
| Share of results from associates | 133 | 1,330 | 1,078 | 2,160 |
| Profit before tax | 15,823 | 25,343 | 57,253 | 68,771 |
| Income tax expense | (3,885) | (6,468) | (14,621) | (16,769) |
| Profit net of tax | 11,938 | 18,875 | 42,632 | 52,002 |
| Other comprehensive income, net of tax | | | | |
| Foreign currency translation gain/(loss) | 1,926 | 4,071 | 7,811 | (3,617) |
| Other comprehensive income/(loss) for the period | 1,926 | 4,071 | 7,811 | (3,617) |
| Total comprehensive income for the period | 13,864 | 22,946 | 50,443 | 48,385 |
| Profit attributable to : | | | | |
| Equity holders of the Company | 11,707 | 17,387 | 39,463 | 47,835 |
| Non-controlling interests | 231 | 1,488 | 3,169 | 4,167 |
| Profit for the period | 11,938 | 18,875 | 42,632 | 52,002 |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company | 13,248 | 20,644 | 45,712 | 44,941 |
| Non-controlling interests | 616 | 2,302 | 4,731 | 3,444 |
| Total comprehensive income for the period | 13,864 | 22,946 | 50,443 | 48,385 |
| Earnings per share attributable to equity holders of the Company | | | | |
| Basic/diluted earnings per share (sen) (Note B11) | 4.85 | 11.27 | 16.35 | 31.01 |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at End Of Current Quarter 31/12/15 (unaudited) | As at Preceding Financial Year End 31/03/15 (audited) |
|--|--|--|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant & equipment | 120,731 | 105,181 |
| Biological assets | 49,683 | 44,877 |
| Investment properties | 64,061 | 65,191 |
| Goodwill on consolidation | 9,334 | 6,200 |
| Investments in associates | 39,765 | 38,687 |
| Deferred tax assets | 3,803 | 5,921 |
| | <u>287,377</u> | <u>266,057</u> |
| Current Assets | | |
| Inventories | 77,651 | 91,234 |
| Trade and other receivables | 136,409 | 182,856 |
| Due from related companies | - | 17 |
| Cash and cash equivalents | 209,961 | 172,640 |
| | <u>424,021</u> | <u>446,747</u> |
| TOTAL ASSETS | <u>711,398</u> | <u>712,804</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 122,662 | 122,662 |
| Treasury shares | (3,654) | (3,604) |
| Other reserves | (3,008) | (9,257) |
| Retained earnings | 430,017 | 420,728 |
| | 546,017 | 530,529 |
| Non-controlling interests | 27,213 | 29,990 |
| Total Equity | <u>573,230</u> | <u>560,519</u> |
| Non-Current Liabilities | | |
| Retirement benefit obligations | 1,773 | 1,634 |
| Finance lease obligations | 19,030 | 5,585 |
| Deferred tax liabilities | 8,663 | 10,983 |
| | 29,466 | 18,202 |
| Current Liabilities | | |
| Trade and other payables | 100,075 | 127,887 |
| Tax payable | 7,682 | 5,471 |
| Due to related companies | 945 | 725 |
| | <u>108,702</u> | <u>134,083</u> |
| Total Liabilities | <u>138,168</u> | <u>152,285</u> |
| TOTAL EQUITY AND LIABILITIES | <u>711,398</u> | <u>712,804</u> |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | <u>2.26</u> | <u>2.20</u> |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

| | 9 months ended | |
|--|-----------------------|-----------------|
| | 31/12/15 | 31/12/14 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 57,253 | 68,771 |
| Adjustments for: | | |
| Depreciation for property, plant and equipment | 15,643 | 14,085 |
| Depreciation of investment properties | 1,130 | 1,131 |
| Amortisation of biological assets | 2,570 | 2,597 |
| Impairment loss on trade receivables | 768 | 380 |
| Write back of impairment loss on trade receivables | (744) | (76) |
| Writedown of inventories | 51 | 408 |
| Reversal of inventories written down | (442) | (242) |
| Provision for retirement benefit obligations | 37 | 41 |
| Gain on disposal of property, plant and equipment | - | (4) |
| Gain from plantation investment compensation | (351) | - |
| Share of results of associate | (1,078) | (2,160) |
| Interest expense | 78 | 28 |
| Interest income | (3,510) | (4,713) |
| Operating profit before working capital changes | 71,405 | 80,246 |
| Decrease/(increase) in trade and other receivables | 60,773 | (22,173) |
| Decrease/(increase) in inventories | 13,974 | (26,443) |
| Decrease in related companies balances | (325) | (416) |
| (Decrease)/increase in trade and other payables | (32,963) | 34,522 |
| Cash generated from operations | 112,864 | 65,736 |
| Taxes paid | (26,432) | (19,243) |
| Retirement benefits paid | (10) | - |
| Interest expense | (78) | (28) |
| Net cash generated from operating activities | <u>86,344</u> | <u>46,465</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (9,424) | (10,416) |
| Additions to biological assets | (4,396) | (3,182) |
| Interest income received | 3,510 | 4,713 |
| Proceeds from disposal of property, plant and equipment | - | 5 |
| Proceeds from plantation investment compensation | 722 | - |
| Acquisition of subsidiary, net cash acquired | (4,037) | (3,335) |
| Proceeds from finance lease obligations | - | 2,480 |
| Repayment of obligations under finance lease | (66) | (452) |
| Net cash used in investing activities | <u>(13,691)</u> | <u>(10,187)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Dividends paid | (30,174) | (28,165) |
| Dividends paid by a subsidiary to non-controlling interests | (7,911) | (3,632) |
| Purchase of Treasury Shares | (50) | - |
| Net cash used in financing activities | <u>(38,135)</u> | <u>(31,797)</u> |
| CASH AND CASH EQUIVALENTS | | |
| Net increase in cash and cash equivalents | 34,518 | 4,481 |
| Effect of foreign exchange rate changes in cash and cash equivalents | 2,803 | (2,228) |
| Cash and cash equivalents balances at beginning of period | 172,640 | 195,204 |
| Cash and cash equivalents at end of period | <u>209,961</u> | <u>197,457</u> |
| CASH AND CASH EQUIVALENTS COMPRISE OF : | | |
| Cash and bank balances | 23,586 | 7,900 |
| Deposits with licensed banks | 186,375 | 189,557 |
| | <u>209,961</u> | <u>197,457</u> |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements)



FIMA CORPORATION BERHAD (21185-P)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2015**

| | <----- Attributable to Owners of the Parent -----> | | | | | | | | | | |
|--|--|------------------|--------------------|-------------------|---------------------------------|-----------------------------------|---------------------------------------|----------------------|----------|----------------------------------|-----------------|
| | ----- Non-Distributable ----- | | | | | | | Distributable | | | |
| | Share Capital | Share Premium | Treasury Shares | Other Reserves | Asset Revaluation Reserve | Foreign Translation Reserve | Equity Contribution From Parent | Retained Earnings | Total | Non- controlling Interests | Total Equity |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 April 2014 | 82,427 | 534 | (3,604) | (22,720) | 1,530 | (28,199) | 3,949 | 432,833 | 489,470 | 25,987 | 515,457 |
| Profit for the period | - | - | - | - | - | - | - | 47,835 | 47,835 | 4,167 | 52,002 |
| Other comprehensive loss | - | - | - | (2,894) | - | (2,894) | - | - | (2,894) | (723) | (3,617) |
| Total comprehensive income for the period | - | - | - | (2,894) | - | (2,894) | - | 47,835 | 44,941 | 3,444 | 48,385 |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | - | (3,632) | (3,632) |
| Dividends paid | - | - | - | - | - | - | - | (28,165) | (28,165) | - | (28,165) |
| Bonus issue | 40,235 | (534) | - | - | - | - | - | (39,701) | - | - | - |
| At 31 December 2014 | 122,662 | - | (3,604) | (25,614) | 1,530 | (31,093) | 3,949 | 412,802 | 506,246 | 25,799 | 532,045 |
| At 1 April 2015 | 122,662 | - | (3,604) | (9,257) | 16,823 | (30,203) | 4,123 | 420,728 | 530,529 | 29,990 | 560,519 |
| Profit for the period | - | - | - | - | - | - | - | 39,463 | 39,463 | 3,169 | 42,632 |
| Other comprehensive income | - | - | - | 6,249 | - | 6,249 | - | - | 6,249 | 1,562 | 7,811 |
| Total comprehensive income for the period | - | - | - | 6,249 | - | 6,249 | - | 39,463 | 45,712 | 4,731 | 50,443 |
| Acquisition of subsidiary | - | - | - | - | - | - | - | - | - | 403 | 403 |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | - | (7,911) | (7,911) |
| Dividend paid | - | - | - | - | - | - | - | (30,174) | (30,174) | - | (30,174) |
| Purchase of Treasury Shares | - | - | (50) | - | - | - | - | - | (50) | - | (50) |
| At 31 December 2015 | 122,662 | - | (3,654) | (3,008) | 16,823 | (23,954) | 4,123 | 430,017 | 546,017 | 27,213 | 573,230 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements)

PART A - Explanatory notes pursuant to FRS 134

A1. Basis of Preparation and Accounting Policies

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

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2015. 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 2015.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 March 2015 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations.

(a) Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 April 2015, the Group adopted the following FRSs and Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations:-

- Amendments to FRS 10: Consolidated Financial Statements (Investment Entities)
- Amendments to FRS 12: Disclosure of Interest in Other Entities (Investment Entities)
- Amendments to FRS 127: Separate Financial Statements (Investment Entities)
- Amendments to FRS 132: Financial Instruments: Presentation
 - Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 136: Impairment of assets
 - Recoverable amount disclosures for non-financial assets
- Amendments to FRS 139: Financial instruments recognition and measurement
 - Novation of Derivatives and Continuation of Hedge Accounting
- IC Interpretation 21: Levies
- Amendments to FRS 119: Defined Benefits Plan (Employee Contribution)
- Annual Improvements to FRSs 2010-2012 Cycle
- Annual Improvements to FRSs 2011-2013 Cycle

The adoption of the above FRSs and Amendments to FRSs did not have any effect on the financial performance or presentation of the financial statements of the Group.

A2. Significant Accounting Policies (Contd.)

(b) Standards and Interpretations issued but not yet effective

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

| | Effective for annual period beginning on or after |
|---|--|
| Annual Improvements to FRSs 2012 - 2014 Cycle | 1 January 2016 |
| Amendments to FRS 11: Accounting for Acquisition of Interests in Joint Operations | 1 January 2016 |
| Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation | 1 January 2016 |
| Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants | 1 January 2016 |
| Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |
| Amendments to FRS 127: Equity Method in Separate Financial Statements | 1 January 2016 |
| Amendments to FRS 101: Disclosure Initiatives | 1 January 2016 |
| Amendments to FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception | 1 January 2016 |
| FRS 14: Regulatory Deferral Accounts | 1 January 2016 |
| FRS 15 Revenue from Contracts with Customers | 1 January 2018 |
| FRS 9 Financial Instruments | 1 January 2018 |

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application, other than for FRS 15: Revenue from Contracts with Customers and FRS 9: Financial Instruments.

(c) Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board ("MASB") issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards ("MFRS Framework").

The MFRS Framework is to be applied by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for the Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called "Transitioning Entities").

Transitioning Entities are allowed to defer adoption of the new MFRS Framework. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS interim financial statements for the quarter ending 30 June 2018. In presenting its first MFRS financial statements, the Group will be required to adjust the comparative financial statements prepared under FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2019.

A3. Audit Qualification

The preceding annual financial statements of the Group were not subject to any audit qualification.

A4. Seasonality or cyclical of the interim operations

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

A5. Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A6. Changes in estimates

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

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

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

During the current quarter, the Company did not repurchase any of its issued ordinary shares. Of the total 245,324,330 issued and fully paid ordinary shares of RM0.50 each, 3,935,100 shares are held as treasury shares by the Company.

A8. Dividends paid

| | | Cumulative Quarter Ended | |
|-------------------------|--|---------------------------------|-----------------|
| | | 31/12/15 | 31/12/14 |
| | | RM'000 | RM'000 |
| Final Dividend | | | |
| 2015 | 15% single-tier 2nd interim dividend (Paid on 9 October 2015) | 18,104 | - |
| Interim Dividend | | | |
| 2014 | 15% single-tier 2nd interim dividend (Paid on 12 August 2014) | - | 12,071 |
| 2015 | 10% single-tier interim dividend (Paid on 24 December 2014) | - | 12,071 |
| 2016 | 10% single-tier interim dividend (Paid on 31 December 2015) | 12,070 | - |
| Special Dividend | | | |
| 2014 | 5% single-tier special dividend (Paid on 12 August 2014) | - | 4,023 |
| | | 30,174 | 28,165 |

A9. Segmental Information

| | 9 Months Cumulative | | | |
|---|-----------------------------|-------------------|-----------------------------|-------------------|
| | Current Year to date | | Preceding Year | |
| | 31/12/15 | | Corresponding Period | |
| | Revenue | Profit | Revenue | Profit |
| | RM'000 | Before Tax | RM'000 | Before Tax |
| | | RM'000 | RM'000 | RM'000 |
| Segments | | | | |
| Production and trading of security and confidential documents | 202,529 | 38,039 | 202,951 | 39,785 |
| Oil palm production and processing | 83,990 | 17,910 | 76,182 | 27,315 |
| Property management | 4,225 | 830 | 4,222 | 545 |
| Others | - | (604) | - | (1,034) |
| | <u>290,744</u> | <u>56,175</u> | <u>283,355</u> | <u>66,611</u> |
| Share of results of associate | - | 1,078 | - | 2,160 |
| | <u>290,744</u> | <u>57,253</u> | <u>283,355</u> | <u>68,771</u> |
| Eliminations | (981) | - | (1,047) | - |
| Group Results | <u>289,763</u> | <u>57,253</u> | <u>282,308</u> | <u>68,771</u> |

A10. Profit Before Tax

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

| | Quarter ended | | 9 Months Cumulative | |
|--|----------------------|-----------------|----------------------------|-----------------|
| | 31/12/15 | 31/12/14 | 31/12/15 | 31/12/14 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Other income | | | | |
| Management fees | 6 | 6 | 18 | 18 |
| Gain on disposal of property, plant and equipment | - | - | - | 4 |
| Gain from plantation investment compensation | 351 | - | 351 | - |
| Share of profit from sale of coal | 63 | 57 | 1,935 | 1,497 |
| Others | 10 | 15 | 10 | 21 |
| Operating expenses | | | | |
| Depreciation and amortisation | 6,506 | 6,300 | 19,343 | 17,813 |
| Foreign exchange gain/(loss) | 196 | (99) | (637) | (475) |
| Impairment loss on trade receivables | 103 | 2 | 768 | 380 |
| Write back of impairment loss on trade receivables | (3) | (1) | (744) | (76) |
| Inventories written down | - | 97 | 51 | 408 |
| Reversal of inventories written down | (234) | (70) | (442) | (242) |

A11. Valuation of property, plant and equipment

The carrying amounts of property, plant and equipment have been brought forward without amendment from the previous audited financial statements.

A12. Subsequent events

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

A13. Changes in the composition of the Group

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

On 4 December 2015, the Company announced that its wholly-owned subsidiary, FCB Plantation Holdings Sdn Bhd had completed the acquisition of 140,000 ordinary shares of RM1.00 each in R.N.E. Plantation Sdn Bhd ("R.N.E. Plantation"), representing 70% of the total issued and paid up share capital of R.N.E. Plantation for a total purchase consideration of RM4.2 million. Details of the acquisition are disclosed in Note B6.

A14. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since the last annual balance sheet (other than as disclosed in Note B9).

A15. Capital Commitments

| | As at 31/12/15 RM'000 |
|--|--------------------------------------|
| Property, plant and equipment: | |
| Approved and contracted for | 1,659 |
| Approved but not contracted for | <u>17,478</u> |
| Share of capital commitments of associated companies: | |
| Property, plant and equipment Approved and contracted for | <u>6,771</u> |

A16. Acquisition of Property, Plant and Equipment

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

| | Current Year to date 31/12/15 RM'000 |
|--------------------------------|---|
| Computer hardware and software | 4,792 |
| Plant and machinery | 1,620 |
| Buildings | 1,416 |
| Motor vehicles | 1,342 |
| Office equipment and fittings | <u>254</u> |
| | <u>9,424</u> |

A17. Related Party Transactions

| | Current Year to date 31/12/15 RM'000 |
|------------------------------------|---|
| Penultimate Holding Company | |
| Kumpulan Fima Berhad | |
| Rental income receivable | (561) |
| Fellow Subsidiaries : | |
| Fima Instanco Sdn Bhd | |
| Rental income receivable | (90) |

A17. Related Party Transactions (Contd.)

**Current
Year to date
31/12/15**

RM'000

Related by virtue of having common director/(s) of the Company :

Nationwide Express Courier Services Berhad

Rental income receivable (59)

Purchases made - Delivery services 218

**Related by virtue of director/(s) of the Company and/or Group
having substantial interest:**

PT Pohon Emas Lestari

Purchase of fresh fruit bunches 4,185

TD Technologies Sdn Bhd

Services payable - Software rental 74

First Zanzibar Sdn Bhd

Services payable - IT support 46

A18. Inventories

During the quarter, the amount of writedown was reversed by RM234,000.

B1. Review of Performance

| | Year to date | | Variance | |
|-------------------|--------------|----------|----------|--------|
| | 31/12/15 | 31/12/14 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Group | | | | |
| Revenue | 289,763 | 282,308 | 7,455 | 2.6 |
| Profit before tax | 57,253 | 68,771 | (11,518) | (16.7) |

Revenue to date for the Group closed at RM289.8 million, an increase of RM7.5 million or 2.6% over the corresponding period of last year.

Profit before tax of RM57.3 million was recorded for the period under review as compared to RM68.8 million pretax profit in the previous year, a decrease of RM11.5 million or 16.7%.

| | Year to date | | Variance | |
|--|--------------|----------|----------|-------|
| | 31/12/15 | 31/12/14 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Production and trading of security and confidential documents | | | | |
| Revenue | 202,529 | 202,951 | (422) | (0.2) |
| Profit before tax | 38,039 | 39,785 | (1,746) | (4.4) |

Revenue from production and trading of security and confidential documents decreased by 0.2% to RM202.5 million from RM203.0 million last year. Pretax profit decreased by RM1.8 million or 4.4% compared to the corresponding period last year, mainly due to less favourable sales mix.

| | Year to date | | Variance | |
|--|--------------|----------|----------|--------|
| | 31/12/15 | 31/12/14 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Oil palm production and processing | | | | |
| Revenue | 83,990 | 76,182 | 7,808 | 10.2 |
| Profit before tax | 17,910 | 27,315 | (9,405) | (34.4) |
| Sales Quantity (mt) | | | | |
| Crude palm oil (CPO) | 35,639 | 33,335 | 2,305 | 6.9 |
| Crude palm kernel oil (CPKO) | 2,199 | - | 2,199 | - |
| Palm kernel (PK) | - | 3,526 | (3,526) | - |
| Average CIF selling price, net of duty (RM/mt) | | | | |
| CPO | 2,172 | 2,187 | (15) | (0.7) |
| CPKO | 2,931 | - | 2,931 | - |
| PK | - | 870 | (870) | - |

Revenue from this segment was RM7.8 million or 10.2% higher than corresponding period last year. A pretax profit of RM17.9 million was registered, a shortfall of RM9.4 million or 34.4% compared to previous year. Plantation estates in Malaysia which are presently in the process of land development or palm planting registered a total pretax loss of RM1.4 million (2014: RM983,000).

The decrease in profit from this segment was mainly due to higher manuring cost of RM4.3 million following the implementation of an improved fertilizer application programme. In addition, withholding tax on foreign dividend income increased by RM1.7 million while interest income decreased by RM1.1 million.

B1. Review of Performance (Contd.)

| | Year to date | | Variance | |
|----------------------------|--------------|----------|----------|------|
| | 31/12/15 | 31/12/14 | | |
| | RM'000 | RM'000 | RM'000 | % |
| Property Management | | | | |
| Revenue | 4,225 | 4,222 | 3 | 0.1 |
| Profit before tax | 830 | 545 | 285 | 52.3 |

Revenue from the property management division remained constant and pretax profit improved marginally by RM285,000 due to lower administration cost compared to previous year.

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

| | Current | Preceding | Variance | |
|-------------------|---------|-----------|----------|--------|
| | Quarter | Quarter | | |
| | RM'000 | RM'000 | RM'000 | % |
| Group | | | | |
| Revenue | 92,415 | 88,907 | 3,508 | 3.9 |
| Profit before tax | 15,823 | 18,423 | (2,600) | (14.1) |

During the quarter reported, the Group posted a revenue of RM92.4 million with a pretax profit of RM15.8 million as compared to RM18.4 million pretax profit on the back of RM88.9 million revenue in the preceding quarter.

| | Current | Preceding | Variance | |
|--|---------|-----------|----------|------|
| | Quarter | Quarter | | |
| | RM'000 | RM'000 | RM'000 | % |
| Production and trading of security and confidential documents | | | | |
| Revenue | 68,106 | 61,919 | 6,187 | 10.0 |
| Profit before tax | 13,932 | 12,134 | 1,798 | 14.8 |

Revenue from production of security and confidential documents increased by RM6.2 million or 10.0% from the preceding quarter, mainly due to higher sales of certain products. On the back of higher revenue, pretax profit increased by 14.8% for the current quarter.

| | Current | Preceding | Variance | |
|--|---------|-----------|----------|--------|
| | Quarter | Quarter | | |
| | RM'000 | RM'000 | RM'000 | % |
| Oil palm production and processing | | | | |
| Revenue | 23,114 | 25,900 | (2,786) | (10.8) |
| Profit before tax | 1,545 | 5,955 | (4,410) | (74.1) |
| Sales Quantity (mt) | | | | |
| Crude palm oil (CPO) | 11,209 | 10,001 | 1,208 | 12.1 |
| Crude palm kernel oil (CPKO) | - | 1,100 | (1,100) | - |
| Average CIF selling price, net of duty (RM/mt) | | | | |
| CPO | 2,052 | 2,277 | (225) | (9.9) |
| CPKO | - | 2,647 | (2,647) | - |

Revenue from this segment for the current quarter decreased by RM2.8 million or 10.8% compared to the previous quarter due to lower selling price of CPO and zero sales of CPKO. On the back of lower revenue, pretax profit decreased by RM4.4 million or 74.1%, mainly attributable to higher manuring cost of RM3.6 million following the implementation of an improved fertilizer application programme during the quarter.

B3. Prospects

While revenue from the production of security and confidential documents is expected to remain constant, profit from this segment is expected to be lower than that of the previous financial year due to less favourable sales mix.

Overall performance of the oil palm production and processing segment remains to be influenced by the direction of palm oil prices and crop production trends. The Group will continue its efforts to manage the controllable operational costs more efficiently. The performance of this segment for the current financial year is expected to be satisfactory.

B4. Variance of actual profit from forecast profit

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

B5. Taxation

| | Current Quarter 31/12/15 RM'000 | Current Year to date 31/12/15 RM'000 |
|------------|--|---|
| Tax charge | <u>3,885</u> | <u>14,621</u> |

The effective tax rate on the Group's profit to date is higher than the statutory tax rate mainly due to certain expenses disallowed for taxation purposes and no group relief.

B6. Corporate proposals

(a) Status of corporate proposal

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

Saved as disclosed below, there are no corporate proposals announced but not completed at the date of this report.

On 14 September 2015, wholly-owned subsidiary, FCB Plantation Holdings Sdn Bhd ("FCBPH") had accepted a letter of offer from Ahmad Faizel bin Abdul Karim and Farah Deba binti Omar (collectively referred to "Vendors") (the Vendors and FCBPH shall collectively be referred to as the "Parties") for the acquisition of 140,000 ordinary shares of RM1.00 each in R.N.E. Plantation Sdn Bhd ("R.N.E. Plantation"), representing 70% of the total issued and paid up share capital of R.N.E. Plantation for a total purchase consideration of RM4.2 million ("Proposed Transaction").

R.N.E. Plantation has been granted a lease by PKEINPk Sdn Bhd ("PKEINPk") over a parcel of land, measuring approximately 2,000 hectares, deemed suitable for oil palm cultivation, situated in Mukim Sungai Siput, Daerah Kuala Kangsar, Negeri Perak Darul Ridzuan for a term of 60 years with an option to renew for a further period of 30 years as set out in the agreement to lease dated 13 February 2015.

On 9 November 2015, FCBPH and the Vendors had entered into a Share Sale Agreement for the Proposed Transaction which is conditional upon the fulfilment of the following matters:

- (a) FCBPH being satisfied with the results of the due diligence review to be conducted by FCBPH; and
- (b) the consent and/or approval of the relevant authority and/or third party in relation to the sale and transfer of the shares from the Vendors to FCBPH.

FCBPH had received the Vendor's written confirmation dated 19 November 2015 that save for the consent from PKEINPk, there are no other consent or approval required from other relevant authority or third party in relation to the shares sale. On 25 November 2015, the Company announced that all conditions precedent pertaining to the Proposed Transaction have been fulfilled.

The Proposed Transaction was completed on 4 December 2015.

B6. Corporate proposals (Contd.)**(b) Utilisation of proceeds raised from any corporate proposal**

Not applicable

B7. Finance lease obligations

| | As at 31/12/15 | As at 31/12/14 |
|----------------------------------|---------------------------|---------------------------|
| | RM'000 | RM'000 |
| Non-current | | |
| Obligations under finance leases | 19,030 | 5,585 |

The obligations under finance leases are in respect of the following land lease:

- i. A 99 year land lease granted to subsidiary, Gabungan Warisan Sdn Bhd to develop approximately 249.8 ha of land in Kuala Krai, Kelantan Darul Naim. The lease will expire on 2 July 2112.
- ii. Sub-leases granted to subsidiaries, Taka Worldwide Trading Sdn Bhd and Etika Gangsa Sdn Bhd over 2 parcels of land measuring approximately 404.6 ha, deemed suitable for oil palm cultivation, situated in Mukim Reli, Daerah Jajahan Gua Musang, Kelantan for a term of 66 years expiring 5 March 2075, with an option to renew for a further period of 33 years.
- iii. A 60 year lease granted to subsidiary, R.N.E. Plantation Sdn Bhd over 1 plot of agricultural land measuring 2,000 ha located at Sungai Siput, Daerah Kuala Kangsar, Perak. The lease will expire on 3 August 2075, with an option to renew for a further 30 years.

B8. Realised/unrealised profits/(losses)

| | As at 31/12/15 | As at 31/03/15 |
|---|---------------------------|---------------------------|
| | RM'000 | RM'000 |
| Total retained profits/(accumulated losses) of | | |
| Fima Corporation Berhad and its subsidiaries: | | |
| - Realised | 411,106 | 411,529 |
| - Unrealised | (25,532) | (23,907) |
| | <u>385,574</u> | <u>387,622</u> |
| Total share of retained profits/(accumulated losses) from | | |
| associated company: | | |
| - Realised | 33,331 | 31,820 |
| - Unrealised | (3,566) | (3,133) |
| | <u>29,765</u> | <u>28,687</u> |
| Add: Consolidation adjustments | 14,678 | 4,419 |
| Total group retained profits as per consolidated accounts | <u>430,017</u> | <u>420,728</u> |

B9. Changes in material litigation

Following the termination of the Tenancy Agreement by Malaysia Airports Holding Berhad ("MAHB") on 11 May 2000, the Company as the Principal Tenant had issued a termination notice dated 15 May 2000 to all its respective sub-tenants at Airtel Complex, Subang.

Pursuant to the above, on 28 September 2001, the Company was served a Writ of Summons dated 9 August 2001 from a tenant ("Plaintiff") claiming for a compensation sum of approximately RM2.12 million being their renovation costs and general damages. The Board had sought the opinion from the solicitors who were of the opinion that there should be no compensation payable to the Plaintiff as the demised premise was acquired by a relevant authority which was provided in the Tenancy Agreement between the Company and the Plaintiff.

On 11 November 2008, the Court had disposed off this matter summarily in favour of the plaintiff and on 4 March 2009, the Company had filed its Record of Appeal to the Court of Appeal to appeal against the decision. The Company had made full provision for the compensation claim of RM2.12 million during the financial year ended 31 March 2009.

On 27 September 2011, the Court of Appeal had allowed the Company's appeal against the decision handed down by the High Court and directed that the matter be remitted back to the High Court for a full trial. There has been no development since 27 September 2011.

B10. Dividend

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

B11. Earnings per share

| | <i>Individual Quarter</i> | | <i>Cumulative Quarter</i> | |
|---|-----------------------------|---|-----------------------------|--|
| | Current Year Quarter | Preceding Year Corresponding Quarter | Current Year To Date | Preceding Year Corresponding Period |
| | 31/12/15 | 31/12/14 | 31/12/15 | 31/12/14 |
| | | Restated | | Restated |
| Earnings | | | | |
| Profit attributable to owners of the Company (RM'000) | 11,707 | 17,387 | 39,463 | 47,835 |
| Basic Earning per Share | | | | |
| Weighted average number of ordinary shares in issue | 241,404,497 | 154,235,527 | 241,404,497 | 154,235,527 |
| Basic earnings per share (sen) | 4.85 | 11.27 | 16.35 | 31.01 |

BY ORDER OF THE BOARD

JASMIN BINTI HOOD (LS 0009071)

LEE MO LENG (MIA 9505)

Company Secretaries

Kuala Lumpur

Date: 23 February 2016