

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Comprehensive Income
For the Third Quarter Ended 31 December 2013
Except as disclosed otherwise, the figures have not been audited

| | Note | Individual Quarter | | Cumulative Quarter | |
|---|--------|---------------------------------------|--|---------------------------------------|---|
| | | Current Year Quarter 31-12-2013 | Preceding Year Corresponding Quarter 31-12-2012 | Current Year To Date 31-12-2013 | Preceding Year Corresponding Period 31-12-2012 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | A9 | 132,109 | 119,532 | 368,074 | 363,926 |
| Cost of sales | | (74,640) | (69,172) | (209,934) | (206,703) |
| Gross profit | | 57,469 | 50,360 | 158,140 | 157,223 |
| Other income | | 3,937 | 3,151 | 8,596 | 9,906 |
| Administrative expenses | | (15,172) | (15,886) | (46,453) | (45,825) |
| Selling and marketing expenses | | (1,901) | (1,601) | (4,757) | (3,875) |
| Other expenses | | (4,404) | (3,039) | (12,621) | (12,466) |
| | | (21,477) | (20,526) | (63,831) | (62,166) |
| Finance cost | | (187) | (371) | (766) | (822) |
| Share of profit of associates | | 2,719 | 1,316 | 3,397 | 2,962 |
| Profit before taxation | A9/A10 | 42,461 | 33,930 | 105,536 | 107,103 |
| Income tax expense | B5 | (9,626) | (5,858) | (27,400) | (23,420) |
| Profit net of tax for the period | | 32,835 | 28,072 | 78,136 | 83,683 |
| Other comprehensive income | | | | | |
| Foreign currency translation differences for foreign operations | | 566 | 4,663 | (29,805) | 4,663 |
| Total comprehensive income for the period | | 33,401 | 32,735 | 48,331 | 88,346 |
| Profit attributable to : | | | | | |
| Owners of the parent | | 21,939 | 22,724 | 52,727 | 62,487 |
| Non-controlling interests | | 10,896 | 5,348 | 25,409 | 21,196 |
| Profit net of tax for the period | | 32,835 | 28,072 | 78,136 | 83,683 |
| Total comprehensive income attributable to : | | | | | |
| Owners of the parent | | 22,505 | 27,387 | 22,922 | 67,150 |
| Non-controlling interests | | 10,896 | 5,348 | 25,409 | 21,196 |
| Total comprehensive income for the period | | 33,401 | 32,735 | 48,331 | 88,346 |
| Earnings per share attributable to owners of the parent (sen per share): | | | | | |
| Basic | B13 | 8.09 | 8.53 | 19.44 | 23.45 |
| Diluted | B13 | 8.06 | 8.51 | 19.35 | 23.28 |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position as at 31 December 2013**Except as disclosed otherwise, the figures have not been audited**

| | As At End Of Current Quarter 31-12-2013 (Unaudited) RM'000 | As At Preceding Financial Year Ended 31-03-2013 (Audited) RM'000 |
|---|--|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 216,918 | 220,452 |
| Investment properties | 72,200 | 73,310 |
| Biological assets | 110,286 | 100,273 |
| Investment in associates | 39,410 | 37,152 |
| Deferred tax assets | 4,323 | 4,297 |
| Goodwill on consolidation | 13,055 | 13,055 |
| | <u>456,192</u> | <u>448,539</u> |
| Current Assets | | |
| Inventories | 109,479 | 113,564 |
| Trade receivables | 100,879 | 97,749 |
| Other receivables | 63,285 | 38,551 |
| Cash and bank balances | 237,154 | 272,236 |
| | <u>510,797</u> | <u>522,100</u> |
| TOTAL ASSETS | <u>966,989</u> | <u>970,639</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the Company | | |
| Share capital | 272,834 | 269,987 |
| Share premium | 20,882 | 18,273 |
| Other reserves | 54,576 | 85,565 |
| Retained earnings | 270,413 | 237,099 |
| | <u>618,705</u> | <u>610,924</u> |
| Non-controlling interests | 230,884 | 220,816 |
| Total equity | <u>849,589</u> | <u>831,740</u> |
| Non-current liabilities | | |
| Retirement benefit obligations | 1,191 | 1,338 |
| Deferred tax liabilities | 17,282 | 17,665 |
| | <u>18,473</u> | <u>19,003</u> |
| Current Liabilities | | |
| Short term borrowings | 8,637 | 18,472 |
| Trade payables | 44,128 | 48,077 |
| Other payables | 42,849 | 49,650 |
| Tax payable | 3,313 | 3,697 |
| | <u>98,927</u> | <u>119,896</u> |
| Total liabilities | <u>117,400</u> | <u>138,899</u> |
| TOTAL EQUITY AND LIABILITIES | <u>966,989</u> | <u>970,639</u> |
| | | |
| Net assets per share (RM) | <u>2.27</u> | <u>2.26</u> |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

KUMPULAN FIMA BERHAD

(Company No.:11817-V)
(Incorporated in Malaysia)

**Condensed Consolidated Statements of Changes in Equity
For the Third Quarter Ended 31 December 2013
Except as disclosed otherwise, the figures have not been audited**

| Group | Attributable to Owners of the Parent | | | Non-distributable | | | | | Distributable | | | |
|---|--------------------------------------|---------------------------------|----------------------------------|---------------------------------------|-----------------------------------|--|---|--|-----------------------------------|-------------------------|--------------------------------------|--------------------------------|
| | Share capital RM'000 | Share premium RM'000 | Other Reserves RM'000 | Revaluation reserve RM'000 | Capital reserve RM'000 | Capital reserve arising from bonus issue in subsidiaries RM'000 | Employee share option reserve RM'000 | Foreign exchange reserve RM'000 | Retained profit RM'000 | Total RM'000 | Non-controlling interests RM'000 | Total equity RM'000 |
| At 1-4-2013 | 269,987 | 18,273 | 85,565 | 43,313 | 437 | 26,758 | 6,140 | 8,917 | 237,099 | 610,924 | 220,816 | 831,740 |
| Total comprehensive income for the period | - | - | (29,805) | - | - | - | - | (29,805) | 52,727 | 22,922 | 25,409 | 48,331 |
| Exercise of employee share options | 2,847 | 2,609 | (1,184) | - | - | - | (1,184) | - | - | 4,272 | - | 4,272 |
| Dividend | - | - | - | - | - | - | - | - | (19,413) | (19,413) | - | (19,413) |
| Dividend paid to minority shareholders of a subsidiary | - | - | - | - | - | - | - | - | - | - | (15,341) | (15,341) |
| At 31-12-2013 | 272,834 | 20,882 | 54,576 | 43,313 | 437 | 26,758 | 4,956 | (20,888) | 270,413 | 618,705 | 230,884 | 849,589 |
| Group | Share capital RM'000 | Share premium RM'000 | Other Reserves RM'000 | Revaluation reserve RM'000 | Capital reserve RM'000 | Capital reserve arising from bonus issue in subsidiaries RM'000 | Employee Share Option Reserve RM'000 | Foreign exchange reserve RM'000 | Retained profit RM'000 | Total RM'000 | Minority interests RM'000 | Total equity RM'000 |
| At 1-4-2012 | 265,069 | 13,860 | 94,383 | 43,313 | 437 | 26,758 | 7,802.00 | 16,073 | 175,860 | 549,172 | 203,636 | 752,808 |
| Total comprehensive income for the period | - | - | (5,509) | - | - | - | - | (5,509) | 62,487 | 56,978 | 21,196 | 78,174 |
| Exercise of employee share options | 2,903 | 2,618 | (1,224) | - | - | - | (1,224) | - | - | 4,297 | - | 4,297 |
| Dividend | - | - | - | - | - | - | - | - | (16,072) | (16,072) | - | (16,072) |
| Dividend paid to minority shareholders of a subsidiary | - | - | - | - | - | - | - | - | - | - | (8,240) | (8,240) |
| Redemption of RCLS by minority shareholders of a subsidiary | - | - | - | - | - | - | - | - | - | - | (1,519) | (1,519) |
| At 31-12-2012 | 267,972 | 16,478 | 87,650 | 43,313 | 437 | 26,758 | 6,578 | 10,564 | 222,275 | 594,375 | 215,073 | 809,448 |

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to the interim financial statements.

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Cash Flows for the Third Quarter Ended 31 December 2013

Except as disclosed otherwise, the figures have not been audited

| | ← To Date → | |
|---|-------------|------------|
| | 31-12-2013 | 31-12-2012 |
| | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 105,536 | 107,103 |
| Adjustment for: | | |
| Depreciation for property, plant and equipment | 16,417 | 15,859 |
| Depreciation of investment properties | 1,196 | 1,255 |
| Amortisation of biological assets | 3,571 | 4,159 |
| Impairment loss on trade receivables | 1,072 | 2,727 |
| Write back of impairment loss on trade receivables | (556) | (1,170) |
| Impairment of property, plant and equipment | - | 1,486 |
| Provision for retirement benefit obligation | 184 | 47 |
| Writedown of inventories | 583 | 141 |
| Reversal of inventories written down | (130) | (82) |
| Gain on disposal of property, plant and equipment | (338) | (102) |
| Gain from plantation investment compensation | (778) | - |
| Gain on disposal of investment property | - | (2,096) |
| Share of result of associates | (3,397) | (2,962) |
| Interest expense | 766 | 822 |
| Interest income | (5,665) | (5,297) |
| Operating profit before working capital changes | 118,461 | 121,890 |
| Increase in inventories | (3,559) | (27,210) |
| Increase in receivables | (35,021) | (62,007) |
| (Decrease)/increase in payables | (11,098) | 25,028 |
| Cash generated from operations | 68,783 | 57,701 |
| Interest paid | (766) | (822) |
| Taxes paid | (18,587) | (30,413) |
| Retirement benefits paid | (181) | (37) |
| Net cash generated from operating activities | 49,249 | 26,429 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Biological assets expenditure | (22,609) | (20,397) |
| Proceeds from disposal of property, plant and equipment | 304 | 107 |
| Plantation investment compensation | 1,097 | - |
| Proceeds from disposal of investment property | - | 7,797 |
| Purchase of property, plant and equipment | (23,042) | (18,672) |
| Redemption of Redeemable Cumulative Loan Stock (RCLS) | - | (3,556) |
| Net dividend received from an associated company | 1,140 | 571 |
| Interest received | 5,665 | 5,297 |
| Net cash used in investing activities | (37,445) | (28,853) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Net repayment of short term borrowings | (8,808) | (4,783) |
| Proceeds from exercise of employee share scheme | 4,271 | 4,295 |
| Dividend paid | (19,413) | (16,072) |
| Dividend paid to minority shareholders of a subsidiary | (15,341) | (8,240) |
| Increase in deposits on lien | (6) | (4) |
| Net cash used in financing activities | (39,297) | (24,804) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (27,493) | (27,228) |
| EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS | (14,575) | (1,467) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD | 272,236 | 270,573 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD | 230,168 | 241,878 |
| CASH AND CASH EQUIVALENTS COMPRISE: | | |
| Cash and bank balances | 28,572 | 30,390 |
| Fixed deposits with financial institutions * | 208,409 | 215,444 |
| Secured bank overdrafts | (6,813) | (3,956) |
| | 230,168 | 241,878 |
| * Fixed deposits with financial institutions comprise: | | |
| Fixed deposits | 208,582 | 215,611 |
| less : Deposits on lien | (173) | (167) |
| | 208,409 | 215,444 |

- PART A - FRS 134 requirements
- PART B - Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements

PART A - REQUIREMENT OF FRSs

A1. Accounting policies

The interim financial 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 2013. 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 2013.

A2. Changes in accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2013 except for the adoption of the following new and revised Financial Reporting Standards ("FRS"), Amendments to FRSs and IC Interpretations.

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

On 1 April 2013, the Group adopted the following FRSs, Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations:

- Amendments to FRS 101: Presentation of Financial Statements (Improvements to FRSs (2012))
- FRS 10 Consolidated Financial Statements
- FRS 11 Joint Arrangements
- FRS 12 Disclosure of Interests in Other Entities
- FRS 13 Fair Value Measurement
- FRS 119 Employee Benefits
- FRS 127 Separate Financial Statements
- FRS 128 Investment in Associate and Joint Ventures
- Amendments to FRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
- Amendments to FRS 1: First-time Adoption of Malaysian Financial Reporting Standards (Improvements to FRSs(2012))
- Amendments to FRS 116: Property, Plant and Equipment (Improvements to FRSs (2012))
- Amendments to FRS 132: Financial Instruments: Presentation (Improvements to FRSs (2012))
- Amendments to FRS 134: Interim Financial Reporting (Improvements to FRSs (2012))
- Amendments to FRS 10: Consolidated Financial Statements: Transition Guidance
- Amendments to FRS 12: Disclosure of Interests in Other Entities: Transition Guidance

The adoption of the above FRSs, Amendments to FRS and Interpretations do not have significant impact on the financial statements of the Group for the current financial period.

A2. Changes in accounting policies (contd)

(b) Standards and interpretations issued but not yet effective

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

| | Effective for annual period beginning on or after |
|--|--|
| Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities | 1 January 2014 |
| Amendments to FRS 10, FRS 12 and FRS 127: Investment Entities | 1 January 2014 |
| Amendments to FRS 136: Impairment of assets - Recoverable amount disclosures for non-financial assets | 1 January 2014 |
| Amendments to FRS 139: Financial instruments recognition and measurement - Novation of derivatives and Continuation of Hedge Accounting | 1 January 2014 |
| IC Interpretation 21: Levies | 1 January 2014 |
| Amendments to FRS 2: Share based payment - Annual Improvements to FRSs 2010-2012 Cycle | 1 July 2014 |
| Amendments to FRS 3: Business combinations - Annual Improvements to FRSs 2010-2012 Cycle | 1 July 2014 |
| Amendments to FRS 3: Annual Improvements to FRSs 2011-2013 Cycle | 1 July 2014 |
| Amendments to FRS 8: Annual Improvements to FRSs 2010-2012 Cycle | 1 July 2014 |
| Amendments to FRS 13: Fair value measurement - Annual Improvements to FRSs 2011-2013 Cycle | 1 July 2014 |
| Amendments to FRS 116: Property, plant and equipment - Annual Improvements to FRSs 2010-2012 Cycle | 1 July 2014 |
| Amendments to FRS 119: Employee benefits - Defined Benefit Plans: Employee Contributions | 1 July 2014 |
| Amendments to FRS 124: Related party disclosures - Annual Improvements to FRSs 2010-2012 Cycle | 1 July 2014 |
| Amendments to FRS 138: Intangible assets - Annual Improvements to FRSs 2010-2012 Cycle | 1 July 2014 |
| Amendments to FRS 140: Investment property - Annual Improvements to FRSs 2011-2013 Cycle | 1 July 2014 |
| FRS 9 Financial Instruments | 1 January 2015 |

Adoption of the FRSs, Amendments to FRS and interpretations above are expected to have no significant impact on the financial statements of the Group and the Company in the period of the initial application.

(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 a fully IFRS-compliant framework, equivalent to IFRSs which is mandatory for adoption by all Entities Other than Private Entities for annual periods beginning on or after 1 January 2012, with the exception for Transitioning Entities. Transitioning Entities, being entities which are subject to the application of MFRS 141 Agriculture and/or IC Interpretation 15 Agreements for the Construction of Real Estate are given an option to defer adoption of the MFRS Framework for one year. Consequently, adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014. Transitioning Entities also include those entities that consolidate, equity account or proportionately consolidate an entity that has chosen to continue to apply the FRS Framework for annual periods beginning on or after 1 January 2012.

(c) Malaysian Financial Reporting Standards (MFRS Framework) (contd)

Subsequent to MASB announcement on 30 June 2012, MASB had on 7 August 2013 decided to allow agriculture and real estate companies ("Transitioning Entities") to defer the adoption of the MFRS Framework for another year. MFRS will therefore be mandated for all companies for annual periods beginning on or after 1 January 2015. This decision comes after an extensive deliberation by MASB and taking into account both local and international developments affecting these standards.

The Group falls within the scope definition of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS interim financial statements for the quarter ending 30 June 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

Currently, the Group is in the process of assessing the gap between current Group accounting policies and the requirements of MFRS Framework and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2016.

A3. Auditors' Report on Preceding Annual Financial Statements.

The financial statements of the Group for the financial year ended 31 March 2013 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 product 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 unusual items affecting the financial statements of the Group for the current quarter.

A6. Changes in estimates

There were no changes in estimates arising from the adoption of the new and/or revised FRSs, that would have a material effect on the current quarter's results.

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

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter except for the issuance of the following new ordinary shares of RM1.00 each pursuant to the Company Employees' Share Scheme.

| Option price per share RM | No. of share issued | Cash Proceeds RM |
|--|------------------------------------|---------------------------------|
| 1.48 | 399,900 | 591,852 |

A8. Dividend paid

On 25 October 2013, a final dividend of 3.5% less 25% income tax and a single-tier final dividend of 4.5% in respect of the financial year ended 31 March 2013 amounting to a total dividend of RM19,412,738 was paid. (2012: RM16,072,116).

A9. Segmental revenue and results for business segments

| | Individual Quarter | | Cumulative Quarter | |
|--------------------------------------|---------------------------------------|--|---------------------------------------|---|
| | Current Year Quarter 31-12-2013 | Preceding Year Corresponding Quarter 31-12-2012 | Current Year To Date 31-12-2013 | Preceding Year Corresponding Period 31-12-2012 |
| Revenue | RM'000 | RM'000 | RM'000 | RM'000 |
| Manufacturing* | 68,516 | 49,288 | 183,462 | 155,636 |
| Plantation | 22,360 | 24,060 | 67,595 | 76,272 |
| Bulking | 15,567 | 20,362 | 47,006 | 54,535 |
| Food | 24,294 | 24,537 | 66,050 | 73,839 |
| Others | 33,500 | 27,123 | 53,273 | 60,087 |
| | <u>164,237</u> | <u>145,370</u> | <u>417,386</u> | <u>420,369</u> |
| Elimination of inter-segment sales | <u>(32,128)</u> | <u>(25,838)</u> | <u>(49,312)</u> | <u>(56,443)</u> |
| | <u>132,109</u> | <u>119,532</u> | <u>368,074</u> | <u>363,926</u> |
| Profit before taxation | | | | |
| Manufacturing* | 21,350 | 12,120 | 54,155 | 43,486 |
| Plantation | 6,698 | 5,076 | 18,632 | 21,484 |
| Bulking | 8,806 | 12,301 | 27,094 | 31,311 |
| Food | 882 | 2,844 | 1,833 | 9,748 |
| Others | 30,686 | 18,689 | 40,183 | 26,528 |
| | <u>68,422</u> | <u>51,030</u> | <u>141,897</u> | <u>132,557</u> |
| Associated companies | <u>2,719</u> | <u>1,316</u> | <u>3,397</u> | <u>2,962</u> |
| | <u>71,141</u> | <u>52,346</u> | <u>145,294</u> | <u>135,519</u> |
| Elimination of inter-segment results | <u>(28,680)</u> | <u>(18,416)</u> | <u>(39,758)</u> | <u>(28,416)</u> |
| | <u>42,461</u> | <u>33,930</u> | <u>105,536</u> | <u>107,103</u> |

* Production and trading of security documents.

A10. Profit before taxation

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

| | Individual Quarter | | Cumulative Quarter | |
|--|---------------------------------------|--|---------------------------------------|---|
| | Current Year Quarter 31-12-2013 | Preceding Year Corresponding Quarter 31-12-2012 | Current Year To Date 31-12-2013 | Preceding Year Corresponding Period 31-12-2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Other income | | | | |
| Interest Income | 2,140 | 1,893 | 5,665 | 5,297 |
| Gain on disposal of property, plant and equipment | 117 | 30 | 338 | 102 |
| Gain on disposal of investment properties | - | 413 | - | 2,096 |
| (Loss)/Gain from plantation investment compensation # | (60) | - | 778 | - |
| Foreign exchange gain | 1,639 | 348 | 1,245 | 1,294 |

A10. Profit before taxation (contd)

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|-----------------------|--------------------|----------------------|
| | Current Year | Preceding Year | Current Year | Preceding Year |
| | Quarter | Corresponding Quarter | To Date | Corresponding Period |
| | 31-12-2013 | 31-12-2012 | 31-12-2013 | 31-12-2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Operating expenses | | | | |
| Depreciation and amortisation | 7,798 | 8,075 | 21,184 | 21,273 |
| Interest expense | 187 | 371 | 766 | 822 |
| Impairment loss on trade receivables | 996 | 534 | 1,072 | 2,727 |
| Write back of impairment loss on trade receivables | (367) | (797) | (556) | (1,170) |
| Impairment of property, plant and equipment | - | - | - | 1,486 |
| Write down of inventories | 415 | 1 | 583 | 141 |
| Reversal of inventories written down | - | (5) | (130) | (82) |

The Group does not deal with derivatives.

On 18 April 2013, an agreement was signed between PT Nunukan Jaya Lestari ("PT NJL") a subsidiary of Fima Corporation Berhad and PT. Duta Tambang Rekayasa ("PT DTR") for utilization of PT NJL's palm oil cultivated area measuring up to 212 ha ("PT NJL's Planted Area") for mining activities. As at todate, only an area measuring 28.87 ha is directly affected.

PT DTR shall pay PT NJL a plantation investment compensation of USD100 per oil palm tree planted in PT NJL's Planted Area and an additional payment of USD2.50 per tonne for all coal mined and shipped from the affected area. In July 2013, PT NJL received USD415,100 (equivalent to Rp4.07 billion) as plantation investment compensation for 4,151 oil palm trees felled, resulting in a net gain of Rp2.89 billion or equivalent to RM778,000.

Loss of RM60,000 during the quarter was due to exchange rate variation.

A11. Valuation of property, plant and equipment

The valuations of land and building have been brought forward from the last financial statements for the year ended 31 March 2013.

A12. Subsequent material events

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

A13. Inventories

During the quarter, the amount of inventories written-down was RM415,000.

A14. Changes in the composition of the Group

There were no changes in the composition of the Group for the financial period to date including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operations.

A15. Changes in contingent liabilities

There were no additional contingent liabilities during the current quarter, except as disclosed in Note B11 herein.

A16. Significant acquisition of property, plant and equipment

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

| | Current Year To Date RM'000 |
|-----------------------------------|-----------------------------------|
| Plant and equipment | 7,933 |
| Vehicles | 770 |
| Land and Buildings | 4,071 |
| Furniture, fittings and computers | 10,268 |
| | <u>23,042</u> |

A17. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 December 2013 were as follows:

| | Current Year To Date RM'000 |
|---|-----------------------------------|
| Property, plant and equipment | |
| Approved and contracted for | 3,097 |
| Approved but not contracted for | 39,873 |
| | <u>39,873</u> |
| Share of capital commitments of associated companies: | |
| Property, plant and equipment | |
| Approved and contracted for | 26 |
| | <u>26</u> |

A18. Related party transactions

The Group's related party transactions at the end of current quarter were as follows:

| KFB and its subsidiaries | Transacting parties | Relationship | Nature of transactions | RM'000 |
|---|---|-----------------------------------|--------------------------------------|---------|
| Kumpulan Fima Berhad | BHR Enterprise Sdn Bhd | Common Shareholders/ Directors | Advisory services | (90) |
| Fima Corporation Berhad | Nationwide Express Courier Services Bhd | Common Shareholders | Rental income | 58 |
| Fima Corporation Berhad | TD Technologies Sdn. Bhd. | Common Shareholders/ Directors | Purchase made- Software rental | (53) |
| Fima Corporation Berhad | First Zanzibar Sdn. Bhd. | Common Shareholders/ Directors | Purchase made- IT support | (33) |
| PT Nunukan Jaya Lestari | PT Pohon Emas Lestari | Common Shareholders/ Directors | Purchase of fresh fruit bunches | (8,356) |
| Percetakan Keselamatan Nasional Sdn. Bhd. | Fima Instanco Sdn. Bhd. | Common Shareholders | Rental income | 90 |
| Percetakan Keselamatan Nasional Sdn. Bhd. | Nationwide Express Courier Services Bhd | Common Shareholders | Purchase made - delivery services | (158) |

PART B - BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of performance

Group Performance

| (RM Million) | Current YTD | Previous YTD | Variance | % |
|-------------------|----------------|-----------------|----------|-------|
| Revenue | 368.07 | 363.93 | 4.14 | 1.1 |
| Profit Before Tax | 105.54 | 107.10 | (1.56) | (1.5) |

The Group revenue for the 9 months period ended 31 December 2013 increased to RM368.07 million as compared to RM363.93 million recorded in the previous corresponding period. The increase of RM4.14 million (1.1%) was mainly attributable to the higher revenue generated by the manufacturing division.

However, the profit before tax ("PBT") recorded for the same period was RM105.54 million, a decrease of RM1.56 million (1.5%) over the corresponding period last year. This was mainly due to lower PBT registered by plantation, bulking and food divisions.

The performance of each business division is as follows:

Manufacturing Division

| (RM Million) | Current YTD | Previous YTD | Variance | % |
|-------------------|----------------|-----------------|----------|------|
| Revenue | 183.46 | 155.64 | 27.82 | 17.9 |
| Profit Before Tax | 54.16 | 43.49 | 10.67 | 24.5 |

Revenue from **Manufacturing Division** increased by 17.9% to RM183.46 million from RM155.64 million last year, mainly due to higher volume of certain documents. Correspondingly, PBT increased by 24.5% to RM54.16 million from RM43.49 million posted in the corresponding period last year.

Plantation Division

| (RM Million) | Current YTD | Previous YTD | Variance | % |
|--|----------------|-----------------|---------------|---------------|
| Revenue | | | | |
| <u>Indonesia</u> | | | | |
| - Crude palm oil (CPO) | 54.99 | 70.61 | (15.62) | (22.1) |
| - Crude palm kernel oil (CPKO)/ Palm kernel (PK) | 6.93 | - | 6.93 | - |
| <u>Malaysia</u> | | | | |
| - Fresh fruit bunch/Pineapple | 5.68 | 5.66 | 0.02 | 0.4 |
| Total | <u>67.60</u> | <u>76.27</u> | <u>(8.67)</u> | <u>(11.4)</u> |
| Profit Before Tax | 18.63 | 21.48 | (2.85) | (13.3) |
| Sales Quantity (mt) | | | | |
| CPO | 30,096 | 31,979 | (1,883) | (5.9) |
| CPKO | 2,114 | - | 2,114 | - |
| Average net CIF selling price, net of duty (RM) | | | | |
| CPO | 1,827 | 2,208 | (381) | (17.3) |
| CPKO | 2,028 | - | 2,028 | - |

B1. Review of performance (contd)
Plantation Division (contd)

Revenue from **Plantation Division** decreased by 11.4% or RM8.67 million to RM67.6 million compared to the previous corresponding period mainly due to lower revenue of palm oil products. As a result, the division registered a PBT of RM18.63 million, 13.3% lower compared to the same period last year.

Bulking Division

| (RM Million) | Current YTD | Previous YTD | Variance | % |
|-------------------|----------------|-----------------|----------|--------|
| Revenue | 47.01 | 54.54 | (7.53) | (13.8) |
| Profit Before Tax | 27.09 | 31.31 | (4.22) | (13.5) |

Bulking Division's revenue decreased by RM7.53 million (13.8%) to RM47.01million compared to the same period last year of RM54.54 million. The lower recorded results were due to lower throughput for edible oil and base oil products. In line with the decrease in revenue, PBT had also decreased by RM4.22 million (13.5%) to RM27.09 million.

Food Division

| (RM Million) | Current YTD | Previous YTD | Variance | % |
|------------------------|----------------|-----------------|---------------|---------------|
| Revenue | | | | |
| Papua New Guinea (PNG) | 59.65 | 68.14 | (8.49) | (12.5) |
| Malaysia | 6.40 | 5.70 | 0.70 | 12.3 |
| | <u>66.05</u> | <u>73.84</u> | <u>(7.79)</u> | <u>(10.5)</u> |
| Profit Before Tax | 1.83 | 9.75 | (7.92) | (81.2) |

Food Division recorded lower revenue of RM66.05 million as compared to the same period last year of RM73.84 million, mainly due to weakening of PNG local currency, Kina. Kina depreciated by 21.7% and 14.4% against USD and RM respectively. The weakening of Kina has a direct impact on the PBT of the Division as major components of the raw materials are denominated in USD whilst domestic sales are denominated in Kina. Average exchange rates for the quarter are as follows:

Kina1:USD0.36 (FY2013: Kina1 : USD0.46).

Kina1: RM1.246 (FY2013: Kina1 : RM1.455).

B2. Comparison with preceding quarter's results

Group Performance

| (RM Million) | QTR 3 FY 2014 | QTR 2 FY 2014 | Variance | % |
|-------------------|------------------|------------------|----------|------|
| Revenue | 132.11 | 123.16 | 8.95 | 7.3 |
| Profit Before Tax | 42.46 | 32.93 | 9.53 | 28.9 |

During the current quarter, the Group's revenue improved by 7.3% or RM8.95 million to RM132.11 million against the preceding quarter, contributed by higher revenue recorded by all divisions.

In line with the increase in revenue, PBT also increased by RM9.53 million to RM42.46 million as compared to RM32.93 million recorded in the preceding quarter.

B2. Comparison with preceding quarter's results (contd)

The performance of each business division is as follows:

Manufacturing Division

| (RM Million) | QTR 3 FY 2014 | QTR 2 FY 2014 | Variance | % |
|-------------------|------------------|------------------|----------|-----|
| Revenue | 68.52 | 62.47 | 6.05 | 9.7 |
| Profit Before Tax | 21.35 | 19.58 | 1.77 | 9.0 |

Manufacturing Division revenue increased by RM6.05 million (9.7%) from the preceding quarter, mainly due to cyclical changes in volume of certain products. On the back of higher revenue, PBT improved by RM1.77 million for the current quarter.

Plantation Division

| (RM Million) | QTR 3 FY 2014 | QTR 2 FY 2014 | Variance | % |
|--|------------------|------------------|-------------|--------------|
| Revenue | | | | |
| <u>Indonesia</u> | | | | |
| - CPO | 17.87 | 17.64 | 0.23 | 1.3 |
| - PK/CPKO | 2.35 | 1.44 | 0.91 | 63.2 |
| <u>Malaysia</u> | | | | |
| - Fresh fruit bunch/Pineapple | 2.14 | 1.90 | 0.24 | 12.6 |
| Total | 22.36 | 20.98 | 1.38 | 6.6 |
| Profit Before Tax | 6.70 | 3.31 | 3.39 | 102.4 |
| Sales Quantity (mt) | | | | |
| CPO | 10,039 | 9,991 | 48 | 0.5 |
| CPKO | 1,008 | - | 1,008 | - |
| Average net CIF selling price, net of duty (RM) | | | | |
| CPO | 1,759 | 1,763 | (4) | (0.2) |
| CPKO | 2,507 | - | 2,507 | - |

Plantation Division achieved revenue and PBT of RM22.36 million and RM6.70 million, respectively representing an increase of RM1.38 million and RM3.39 million respectively, over the previous quarter. The increase was mainly due to the sales of CPKO.

Bulking Division

| (RM Million) | QTR 3 FY 2014 | QTR 2 FY 2014 | Variance | % |
|-------------------|------------------|------------------|----------|-----|
| Revenue | 15.57 | 14.72 | 0.85 | 5.8 |
| Profit Before Tax | 8.81 | 8.58 | 0.23 | 2.7 |

Revenue from **Bulking Division** of RM15.57 million was 5.8% higher than preceding quarter. The increase was primarily driven by the higher throughput recorded for edible oil in tandem with the increase in monthly average country stock level of 21.57% and the increase in export level by about 18.2% compared to the preceding quarter.

B2. Comparison with preceding quarter's results (contd)

Food Division

| (RM Million) | QTR 3 FY 2014 | QTR 2 FY 2014 | Variance | % |
|-------------------|------------------|------------------|-------------|------------|
| Revenue | | | | |
| PNG | 21.94 | 21.75 | 0.19 | 0.9 |
| Malaysia | 2.35 | 1.97 | 0.38 | 19.3 |
| | <u>24.29</u> | <u>23.72</u> | <u>0.57</u> | <u>2.4</u> |
| Profit Before Tax | 0.88 | 0.85 | 0.03 | 3.5 |

Revenue from **Food Division** increased moderately by RM0.57 million to RM24.29 million as compared to preceding quarter mainly due to increase in sales volume. Correspondingly, PBT also increased slightly to RM0.88 million from RM0.85 million recorded in the preceding quarter.

B3. Prospects

The Directors expect the performance of the Group to be satisfactory for the remaining period of year. The prospect of each business division for the remaining period of the financial year is as follows:

The performance of **Manufacturing Division** is expected to remain stable in the final quarter of the year.

The performance of **Plantation Division** is expected to remain satisfactory for the remaining period of the financial year.

Bulking Division. The prospect for the year was expected to remain challenging with the anticipated variation in the Malaysia Derivatives Exchange's (MDEX) Edible Oil tender and transshipment businesses. This arises from the differential export duty structure between Malaysia and Indonesia. The anticipated increase in transshipment activities in base oil and import of industrial chemical products would be offset against the anticipated reduction in edible oil throughput. The storage utilisation rate is expected to be challenging for the remainder of the financial year.

Food Division faces challenging market conditions amidst continued uncertainties in the economic and business outlook globally, particularly in Papua New Guinea, where the main operation of the division is located. The division will continue to focus on maintaining sustainable profit growth by concentrating on productivity and cost control.

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. Taxation

Taxation comprises the following:

| | Individual Quarter | | Cumulative Quarter | |
|------------------|--------------------|-----------------------|--------------------|----------------------|
| | Current Year | Preceding Year | Current Year | Preceding Year |
| | Quarter | Corresponding Quarter | To Date | Corresponding Period |
| | 31-12-2013 | 31-12-2012 | 31-12-2013 | 31-12-2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Current taxation | 9,626 | 5,858 | 27,400 | 23,420 |

The effective tax rate on Group's profit to date is higher than the statutory tax rate mainly due to certain expenses disallowed for taxation purposes.

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

There were no changes in the composition of the Group for the current quarter and financial period to date including business combination, acquisition or disposal of subsidiaries and long term investment, restructuring and discontinued operations except the following:

On 24 December 2012, a subsidiary, Fima Corporation Berhad ("FimaCorp") had announced that Cendana Laksana Sdn. Bhd ("CLSB"), a wholly-owned subsidiary of FCB Plantation Holdings Sdn. Bhd. which in turn is a wholly-owned subsidiary of FimaCorp had on 24 December 2012 entered into a conditional Sale and Purchase Agreement ("SPA") with Lemo Sdn. Bhd. (Receiver and Manager Appointed) ("the vendor"), Khuzamy Musa bin Muhammad and Khuzairy Musa bin Muhammad ("the Directors") for the acquisition of 2 parcels of agricultural leasehold land in Kemaman, Negeri Terengganu measuring approximately 1,940.73 acres (hereinafter referred to as the "Lands") for a total purchase consideration of RM29,110,000 ("Proposed Acquisition").

Pursuant to Clause 3.9 of the SPA, the period for fulfillment of the Conditions Precedent as set out in the SPA has been automatically extended for a further period of 6 months i.e. from 24 June 2013 to 23 December 2013.

On 28 October 2013, FimaCorp announced that all conditions precedent pertaining to the Proposed Acquisition have been fulfilled. However, CLSB's obligation to pay the balance purchase price or such part thereof in accordance with the terms of the SPA is suspended until two (2) private caveats lodged against the said Lands vide presentation no. 338/2013 registered on 16 June 2013 and presentation no. 546/2013 registered on 6 October 2013 respectively have been removed or the Lands is free from encumbrances.

On 18 November 2013, FimaCorp announced that the private caveat presentation no. 338/2013 has been withdrawn on 7 November 2013 and private caveat presentation no. 546/2013 has also been withdrawn pursuant to a court order dated 7 November 2013. On 2 December 2013, a Consent to Variation was signed between the parties to vary certain terms of the SPA.

The Proposed Acquisition was completed on 6 January 2014.

B9. Borrowings and debt securities

| | As at 31-12-2013 RM'000 | As at 31-12-2012 RM'000 |
|-----------------|-------------------------------|-------------------------------|
| Secured: | | |
| Current | 8,637 | 10,559 |
| Non-current | - | 4,593 |
| | <u>8,637</u> | <u>15,152</u> |

B10. Realised/unrealised profits/losses

| | As at 31-12-2013 RM'000 | As at 31-03-2013 RM'000 |
|--|-------------------------------|-------------------------------|
| Total retained profits of Kumpulan Fima Berhad and its subsidiaries: | | |
| - Realised | 298,889 | 259,486 |
| - Unrealised | (25,160) | (21,594) |
| | <u>273,729</u> | <u>237,892</u> |
| Total share of retained profits from associated companies: | | |
| - Realised | 28,589 | 32,269 |
| - Unrealised | 2,722 | (3,789) |
| | <u>31,311</u> | <u>28,480</u> |
| Add: Consolidation adjustments | (34,627) | (29,273) |
| Total group retained profits as per consolidated accounts | <u>270,413</u> | <u>237,099</u> |

B11. Changes in material litigations

Pending material litigation since preceeding quarter is as follows:

Following the termination of the Tenancy Agreement by Malaysia Airports Holding Berhad ("MAHB") on 11 May 2000, a subsidiary, Fima Corporation Berhad ("FimaCorp"), as the Principal Tenant 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, FimaCorp 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 the renovation costs and general damages arising from the early termination of the Tenancy Agreement at Airtel Complex, in Subang. The Board of FimaCorp had sought the advice of the solicitors and was of the opinion that there should be no compensation payable to the Plaintiff as the demised premises was acquired by a relevant authority, MAHB, which was provided in the Tenancy Agreement between FimaCorp 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, FimaCorp had filed its Record of Appeal to the Court of Appeal to appeal against the decision.

B11. Changes in material litigations (contd)

The subsidiary had made full provision for the compensation claim of RM2.12 million in the financial year ended 31 March 2009.

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

B12. Dividends

The Directors of the Company do not recommend any interim dividend during the current quarter.

B13. Earnings per share

The basic earnings per share are calculated as follows:

| | Individual Quarter | | Cumulative Quarter | |
|--|--------------------|------------------------------|----------------------|-------------------------------------|
| | Current Year | Preceding Year Corresponding | Current Year To Date | Preceding Year Corresponding Period |
| | Quarter 31-12-13 | Quarter 31-12-12 | 31-12-13 | 31-12-12 |
| Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000) | 21,939 | 22,724 | 52,727 | 62,487 |
| Weighted average number of ordinary shares in issues ('000) | 271,293 | 266,453 | 271,293 | 266,453 |
| Effect of dilution - Share options ('000) | 830 | 436 | 1,245 | 1,911 |
| Weighted average number of ordinary shares for diluted earnings per share computation ('000) | 272,123 | 266,889 | 272,538 | 268,364 |
| Basic earnings per share (sen per share) | 8.09 | 8.53 | 19.44 | 23.45 |
| Diluted earnings per share (sen per share) | 8.06 | 8.51 | 19.35 | 23.28 |

By order of the Board

MOHD YUSOF BIN PANDAK YATIM (MIA 4110)
JASMIN BINTI HOOD (LS0009071)

Company Secretaries

Kuala Lumpur

Dated : 28 February 2014