

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

Condensed Consolidated Statement of Comprehensive Income
For the First Quarter Ended 30 June 2014
Except as disclosed otherwise, the figures have not been audited

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-06-2014	Preceding Year Corresponding Quarter 30-06-2013	Current Year To Date 30-06-2014	Preceding Year Corresponding Period 30-06-2013
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	129,375	112,806	129,375	112,806
Cost of sales		(80,170)	(63,174)	(80,170)	(63,174)
Gross profit		49,205	49,632	49,205	49,632
Other income		5,861	1,770	5,861	1,770
Administrative expenses		(15,437)	(15,074)	(15,437)	(15,074)
Selling and marketing expenses		(1,727)	(843)	(1,727)	(843)
Other expenses		(5,614)	(4,226)	(5,614)	(4,226)
		(22,778)	(20,143)	(22,778)	(20,143)
Finance cost		(57)	(295)	(57)	(295)
Share of profit of associates		(182)	(822)	(182)	(822)
Profit before taxation	A9/A10	32,049	30,142	32,049	30,142
Income tax expense	B5	(7,245)	(8,987)	(7,245)	(8,987)
Profit net of tax for the period		24,804	21,155	24,804	21,155
Other comprehensive income					
Foreign currency translation differences for foreign operations		58	(1,647)	58	(1,647)
Total comprehensive income for the period		24,862	19,508	24,862	19,508
Profit attributable to :					
Owners of the parent		17,293	14,614	17,293	14,614
Non-controlling interests		7,511	6,541	7,511	6,541
Profit net of tax for the period		24,804	21,155	24,804	21,155
Total comprehensive income attributable to :					
Owners of the parent		18,575	12,967	18,575	12,967
Non-controlling interests		6,287	6,541	6,287	6,541
Total comprehensive income for the period		24,862	19,508	24,862	19,508
Earnings per share attributable to owners of the parent (sen per share):					
Basic	B13	6.32	5.41	6.32	5.41
Diluted	B13	6.30	5.40	6.30	5.40

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2014 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 30 June 2014
Except as disclosed otherwise, the figures have not been audited

	As At End Of Current Quarter 30-06-2014 (Unaudited)	As At Preceding Financial Year Ended 31-03-2014 (Audited)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	247,915	245,986
Investment properties	71,297	71,805
Biological assets	118,397	119,018
Investment in associates	42,723	42,906
Deferred tax assets	2,834	3,041
Goodwill on consolidation	13,055	13,055
	<u>496,221</u>	<u>495,811</u>
Current Assets		
Inventories	130,392	109,228
Trade receivables	138,729	117,750
Other receivables	34,561	26,190
Cash and bank balances	243,158	242,798
	<u>546,840</u>	<u>495,966</u>
TOTAL ASSETS	<u>1,043,061</u>	<u>991,777</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	274,883	273,497
Share premium	22,823	21,473
Other reserves	65,609	64,916
Retained earnings	295,689	278,396
	<u>659,004</u>	<u>638,282</u>
Non-controlling interests	231,231	224,944
Total equity	<u>890,235</u>	<u>863,226</u>
Non-current liabilities		
Retirement benefit obligations	1,408	1,465
Deferred tax liabilities	20,468	20,830
	<u>21,876</u>	<u>22,295</u>
Current Liabilities		
Short term borrowings	4,054	6,195
Trade payables	77,824	50,356
Other payables	45,851	44,864
Tax payable	3,221	4,841
	<u>130,950</u>	<u>106,256</u>
Total liabilities	<u>152,826</u>	<u>128,551</u>
TOTAL EQUITY AND LIABILITIES	<u>1,043,061</u>	<u>991,777</u>
Net assets per share (RM)	<u>2.40</u>	<u>2.33</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2014 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 First Quarter Ended 30 June 2014
Except as disclosed otherwise, the figures have not been audited**

Group	Attributable to Owners of the Parent								Distributable			
	Share capital	Share premium	Other Reserves	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Employee share option reserve	Foreign exchange reserve	Retained profit	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 1-4-2014	273,497	21,473	64,916	43,313	437	26,758	5,224	(10,816)	278,396	638,282	224,944	863,226
Profit for the period	-	-	-	-	-	-	-	-	17,293	17,293	7,511	24,804
Other comprehensive profit	-	-	1,282	-	-	-	-	1,282	-	1,282	(1,224)	58
Exercise of employee share options	1,386	1,350	(589)	-	-	-	(589)	-	-	2,147	-	2,147
At 30-06-2014	274,883	22,823	65,609	43,313	437	26,758	4,635	(9,534)	295,689	659,004	231,231	890,235
Group	Share capital	Share premium	Other Reserves	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Employee Share Option Reserve	Foreign exchange reserve	Retained profit	Total	Minority 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 1-4-2013	269,987	18,273	87,536	43,313	437	26,758	6,140	10,888	237,507	613,303	218,437	831,740
Total comprehensive income for the period	-	-	(2,039)	-	-	-	-	(2,039)	14,614	12,575	6,541	19,116
Exercise of employee share options	1,117	1,038	(468)	-	-	-	(468)	-	-	1,687	-	1,687
At 30-06-2013	271,104	19,311	85,029	43,313	437	26,758	5,672	8,849	252,121	627,565	224,978	852,543

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to the interim financial statements.

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

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Condensed Consolidated Statement of Cash Flows for the First Quarter Ended 30 June 2014**Except as disclosed otherwise, the figures have not been audited**

	← To Date →	
	30-06-2014	30-06-2013
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	32,049	30,142
Adjustment for:		
Depreciation for property, plant and equipment	6,173	5,263
Depreciation of investment properties	387	399
Amortisation of biological assets	1,372	1,400
Impairment loss on trade receivables	1,414	-
Write back of impairment loss on trade receivables	(20)	(72)
Provision for retirement benefit obligation	53	1
Writedown of inventories	20	164
Write back of inventories	-	(87)
Gain on disposal of property, plant and equipment	(1)	-
Share of result of associates	182	822
Interest expense	57	295
Interest income	(1,219)	(1,399)
Operating profit before working capital changes	40,467	36,928
Increase in inventories	(16,590)	(15,826)
Increase/(decrease) in receivables	(30,775)	33,335
Increase in payables	22,496	4,024
Cash generated from operations	15,598	58,461
Interest paid	(57)	(295)
Taxes paid	(5,094)	(5,560)
Retirement benefits paid	(39)	(20)
Net cash generated from operating activities	10,408	52,586
CASH FLOWS FROM INVESTING ACTIVITIES		
Biological assets expenditure	(5,985)	(7,734)
Proceeds from disposal of property, plant and equipment	2	21
Purchase of property, plant and equipment	(3,723)	(4,624)
Interest received	1,219	1,399
Net cash used in investing activities	(8,487)	(10,938)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of short term borrowings	(2,141)	(3,506)
Proceeds from exercise of employee share scheme	2,146	1,686
Net cash generated from/(used in) financing activities	5	(1,820)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,926	39,828
EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	(1,566)	98
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	242,625	272,236
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	242,985	312,162
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	33,416	10,994
Fixed deposits with financial institutions *	209,569	309,570
Secured bank overdrafts	-	(8,402)
	242,985	312,162
* Fixed deposits with financial institutions comprise:		
Fixed deposits	209,742	309,737
less : Deposits on lien	(173)	(167)
	209,569	309,570

- 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 2014. 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 2014.

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 2014 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 2014, the Group adopted the following FRSs, 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 Interests 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

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 119: Employee benefits - Defined Benefit Plans: Employee Contributions	1 July 2014
Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014
FRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009)	To be announced
FRS 9 Financial Instruments (IFRS 9 issued by IASB in October 2010)	To be announced
FRS 9 Financial Instruments :Mandatory Effective Date of FRS 9 and Transition Disclosures (Amendments to FRS 9 and FRS 7)	To be announced
FRS 9 Financial Instruments : Hedge Accounting and amendments to FRS 9. FRS 7 and FRS 139	To be announced

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 9 Financial Instruments. The Group will assess the financial implications of FRS 9 Financial Instruments when the full standard is issued.

(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 2015. 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.

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.

A2. Changes in accounting policies (contd)

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

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 2014 were not subject to any audit qualification.

A4. Seasonal and cyclical factors

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

A5. Unusual items affecting the financial statements

There were no 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	1,078,000	1,595,440
1.76	108,600	191,136
1.81	199,100	360,371
Total	1,385,700	2,146,947

A8. Dividend paid

There was no dividend paid during the current quarter (Q1 2013:Nil).

A9. Segmental revenue and results for business segments

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-06-2014	Preceding Year Corresponding Quarter 30-06-2013	Current Year To Date 30-06-2014	Preceding Year Corresponding Period 30-06-2013
Revenue	RM'000	RM'000	RM'000	RM'000
Manufacturing*	66,120	52,475	66,120	52,475
Plantation	29,027	24,259	29,027	24,259
Bulking	15,290	16,715	15,290	16,715
Food	17,955	18,033	17,955	18,033
Others	3,130	5,215	3,130	5,215
	<u>131,522</u>	<u>116,697</u>	<u>131,522</u>	<u>116,697</u>
Elimination of inter-segment sales	(2,147)	(3,891)	(2,147)	(3,891)
	<u>129,375</u>	<u>112,806</u>	<u>129,375</u>	<u>112,806</u>
Profit before taxation				
Manufacturing*	12,435	13,222	12,435	13,222
Plantation	8,842	8,623	8,842	8,623
Bulking	8,441	9,706	8,441	9,706
Food	3,024	102	3,024	102
Others	(511)	(689)	(511)	(689)
	<u>32,231</u>	<u>30,964</u>	<u>32,231</u>	<u>30,964</u>
Associated companies	(182)	(822)	(182)	(822)
	<u>32,049</u>	<u>30,142</u>	<u>32,049</u>	<u>30,142</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 30-06-2014	Preceding Year Corresponding Quarter 30-06-2013	Current Year To Date 30-06-2014	Preceding Year Corresponding Period 30-06-2013
	RM'000	RM'000	RM'000	RM'000
Other income				
Interest Income	1,219	1,399	1,219	1,399
Gain on disposal of property, plant and equipment	1	-	1	-
Foreign exchange gain / (loss)	4,147	(741)	4,147	(741)
Operating expenses				
Depreciation and amortisation	7,932	7,062	7,932	7,062
Interest expense	57	295	57	295
Impairment loss on trade receivables	1,414	-	1,414	-

A10. Profit before taxation (contd)

	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding Year
	Year	Corresponding	Year	Corresponding
	Quarter	Quarter	To Date	Period
	30-06-2014	30-06-2013	30-06-2014	30-06-2013
	RM'000	RM'000	RM'000	RM'000
Operating expenses (contd)				
Write back of impairment loss on trade receivables	(20)	(72)	(20)	(72)
Write down of inventories	20	164	20	164

The Group does not deal with derivatives.

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 2014.

A12. Subsequent material events

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

A13. Inventories

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

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	464
Vehicles	332
Land and Buildings	1,653
Furniture, fittings and computers	1,274
	<u>3,723</u>

A17. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 March 2014 were as follows:

	Current Year To Date <u>RM'000</u>
Property, plant and equipment	
Approved and contracted for	8,932
Approved but not contracted for	<u>42,037</u>
Share of capital commitments of associated companies:	
Property, plant and equipment	
Approved and contracted for	<u>256</u>

A18. Related party transactions

The Group's related party transactions during the financial period 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	(30)
Fima Corporation Berhad	Nationwide Express Courier Services Bhd	Common Shareholders	Rental income	17
Fima Corporation Berhad	TD Technologies Sdn. Bhd.	Common Shareholders/ Directors	Purchase made- Software rental	(18)
PT Nunukan Jaya Lestari	PT Pohon Emas Lestari	Common Shareholders/ Directors	Purchase of fresh fruit bunches	(3,934)
Percetakan Keselamatan Nasional Sdn. Bhd.	Fima Instanco Sdn. Bhd.	Common Shareholders	Rental income	30
Percetakan Keselamatan Nasional Sdn. Bhd.	Nationwide Express Courier Services Bhd	Common Shareholders	Purchase made - delivery services	(24)

PART B - BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of performance

Group Performance

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	129.38	112.81	16.57	14.7
Profit Before Tax	32.05	30.14	1.91	6.3

The Group revenue for the 3 months ended ended 30 June 2014 increased to RM129.38 million as compared to RM112.81 million recorded in the previous corresponding period. The increase of RM16.57 million (14.7%) was mainly attributable to the higher revenue generated by the manufacturing and plantation divisions.

Profit before tax ("PBT") increased slightly by RM1.91 million to RM32.05 million (6.3%) from last year on account of higher PBT registered by food division.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	66.12	52.48	13.64	26.0
Profit Before Tax	12.44	13.22	(0.78)	(5.9)

Revenue from **Manufacturing Division** increased by 26.0% to RM66.12 million from RM52.48 million last year, driven by higher sales volume of licenses and foreign travelling documents. However, PBT decreased by 5.9% to RM12.44 million from RM13.22 million posted last year mainly attributable to less favourable sales mix.

Plantation Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
<u>Indonesia</u>				
- Crude palm oil (CPO)	26.90	19.71	7.19	36.5
- Crude palm kernel oil (CPKO)/ Palm kernel (PK)	-	2.91	(2.91)	(100.0)
<u>Malaysia</u>				
- Fresh fruit bunch/Pineapple	2.13	1.64	0.49	29.9
Total	29.03	24.26	4.77	19.7

Profit Before Tax	8.84	8.62	0.22	2.6
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Sales Quantity (mt)

CPO	12,022	10,066	1,956	19.4
CPKO	-	1,106	(1,106)	(100.0)

**Average net CIF selling price,
net of duty (RM)**

CPO	2,222	1,959	263	13.4
CPKO	-	1,874	(1,874)	(100.0)

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

Revenue from **Plantation Division** increased by 19.7% or RM4.77 million to RM29.03 million compared to corresponding period last year. This was mainly due to higher sales volume and higher selling price of CPO. The division registered a PBT of RM8.84 million, 2.6% higher over the same period last year.

Bulking Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	15.29	16.72	(1.43)	(8.6)
Profit Before Tax	8.44	9.71	(1.27)	(13.1)

Bulking Division's revenue decreased by RM1.43 million (8.6%) to RM15.29 million compared to last year's of RM16.72 million primarily as a result of lower contributions from the edible oil and base oil segments. In line with the decrease in revenue, PBT had also decreased by RM1.27 million (13.1%) to RM8.44 million.

Food Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Papua New Guinea (PNG)	16.11	15.95	0.16	1.0
Malaysia	1.85	2.08	(0.23)	(11.1)
	<u>17.96</u>	<u>18.03</u>	<u>(0.07)</u>	<u>(0.4)</u>
Profit Before Tax	3.02	0.10	2.92	-

Food Division posted a marginal drop in revenue to RM17.96 million as compared to the same period last year of RM18.03 million. Despite achieving lower sales volume, the division's subsidiary in PNG posted higher revenue on the back of higher average selling price following the price increase which took effect in April 2014. PBT for the current quarter rose by RM2.92 million compared to last year, mainly derived from recognition of unrealised forex gain due to the pegging of local currency, Kina against US Dollar effective from 4 June 2014

B2. Comparison with preceding quarter's results

Group Performance

(RM Million)	QTR 1 FY 2015	QTR 4 FY 2014	Variance	%
Revenue	129.38	136.51	(7.13)	(5.2)
Profit Before Tax	32.05	25.89	6.16	23.8

During the current quarter, the Group's revenue decreased by 5.2% or RM7.13 million to RM129.38 million against the preceding quarter, as a result of the lower revenue recorded by plantation and bulking divisions.

However, PBT improved by RM6.16 million to RM32.05 million as compared to RM25.89 million recorded in the preceding quarter on account of better performance of the manufacturing and food divisions.

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

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	QTR 1 FY 2015	QTR 4 FY 2014	Variance	%
Revenue	66.12	58.02	8.10	14.0
Profit Before Tax	12.44	9.24	3.20	34.6

Manufacturing Division revenue for the quarter under review grew 14.0% compared to the preceding quarter due to improved volumes for travel documents. In line with the increase in revenue, PBT for the current quarter rose RM3.20 million to RM12.44 million.

Plantation Division

(RM Million)	QTR 1 FY 2015	QTR 4 FY 2014	Variance	%
Revenue				
<u>Indonesia</u>				
- CPO	26.90	36.41	(9.51)	(26.1)
- PK/CPKO	-	4.44	(4.44)	(100.0)
<u>Malaysia</u>				
- Fresh fruit bunch/Pineapple	2.13	2.04	0.09	4.4
Total	29.03	42.89	(13.86)	(32.3)
Profit Before Tax	8.84	10.77	(1.93)	(17.9)
Sales Quantity (mt)				
CPO	12,022	14,119	(2,097)	(14.9)
CPKO	-	1,011	(1,011)	(100.0)
Average net CIF selling price, net of duty (RM)				
CPO	2,222	2,580	(358)	(13.9)
CPKO	-	3,969	(3,969)	(100.0)

Plantation Division revenue and PBT of RM29.03 million and RM8.84 million, respectively, representing a 32.3% and 17.9% decline respectively, over the previous quarter. The decrease was mainly due to lower sales volume of CPO and zero sales of CPKO.

Bulking Division

(RM Million)	QTR 1 FY 2015	QTR 4 FY 2014	Variance	%
Revenue	15.29	16.78	(1.49)	(8.9)
Profit Before Tax	8.44	10.19	(1.75)	(17.2)

Revenue from **Bulking Division** of RM15.29 million was 8.9% lower than preceding quarter. The decrease was mainly due to lower revenue from the edible oil segment.

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

Food Division

(RM Million)	QTR 1 FY 2015	QTR 4 FY 2014	Variance	%
Revenue				
PNG	16.11	15.56	0.55	3.5
Malaysia	1.85	1.92	(0.07)	(3.6)
	<u>17.96</u>	<u>17.48</u>	<u>0.48</u>	<u>2.7</u>
Profit Before Tax	3.02	(5.27)	8.29	157.3

Revenue from **Food Division** increased slightly by RM0.48 million to RM17.96 million as compared to the preceding quarter. The division recorded PBT of RM3.02 million from loss of RM5.27 million recorded in the preceding quarter. This was mainly due to recognition of unrealised forex exchange loss during 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 **Manufacturing Division** shall continue to focus on product enhancement and operational efficiency.

The prospect for **Plantation Division** is very much dependent on global commodity prices. Based on the current prices of palm oil products, the outlook for this division continues to remain steady as the average yield is expected to remain at the present level.

Bulking Division. The prospect for the remaining period 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 remaining period of the financial year. The division is looking into tying up customers with long term contract and handling more high margin products.

Food Division faces tough market conditions particularly in Papua New Guinea where the division's main operation is located, amidst increased competition and the weakening Kina. In June 2014, the Bank of PNG had pegged its currency, Kina to the US Dollar to address the weakened Kina. The division will continue to concentrate on productivity improvement, cost control and passing through additional costs to customers.

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 Quarter 30-06-2014	Preceding Year Corresponding Quarter 30-06-2013	Current Year To Date 30-06-2014	Preceding Year Corresponding Period 30-06-2013
	RM'000	RM'000	RM'000	RM'000
Current taxation	(7,245)	(8,987)	(7,245)	(8,987)

The effective tax rate on Group's profit to date of 22.48% is lower than the statutory tax rate mainly due to utilisation of losses carried forward by a foreign subsidiary company.

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 17 June 2014, a subsidiary, Fima Corporation Berhad ("FimaCorp") entered into a conditional Sale and Purchase Agreement ("SPA") with Yee Kong Fatt and Cheong Kok Tong for the acquisition of two million (2,000,000) ordinary shares of RM1.00 each, representing the entire equity interest of Gabungan Warisan Sdn. Bhd. ("GWSB") for a total purchase consideration of RM3.702 million.

GWSB has been granted a 99 year lease by Akademi Yakin Sdn. Bhd ("AYSB"), a wholly-owned subsidiary of Yayasan Kelantan Darul Naim, to undertake the development of a parcel of land measuring approximately 617.3 acres land under PT 4718, HS(D) 9350, Mukim Kuala Stong, Jajahan Kuala Krai, Kelantan Darul Naim ("the Land") into an oil palm plantation in accordance with the terms and conditions as set out in the agreement to lease dated 18 May 2014.

On 14 August 2014, the Company announced that the period of fulfillment of the Conditions Precedent as set out in the SPA has been extended for a further period of 21 days i.e. from 16 August 2014 to 6 September 2014.

On 18 August 2014, the Company announced that AYSB's consent to the sale of Sale Shares to the Purchaser was obtained as per letter from AYSB dated 12 August 2014 which was received on 15 August 2014.

B9. Borrowings and debt securities

	As at 30-06-2014 RM'000	As at 30-06-2013 RM'000
Secured:		
Current	4,054	6,195

B10. Realised/unrealised profits/losses

	As at 30-06-2014 RM'000	As at 31-03-2014 RM'000
Total retained profits of Kumpulan Fima Berhad and its subsidiaries:		
- Realised	322,055	304,027
- Unrealised	(30,824)	(32,700)
	291,231	271,327
Total share of retained profits from associated companies:		
- Realised	33,107	32,960
- Unrealised	1,107	1,447
	34,214	34,407
Add: Consolidation adjustments	(28,959)	(27,338)
Total group retained profits as per consolidated accounts	296,486	278,396

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.

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

B11. Changes in material litigations (contd)

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 Quarter 30-06-14	Preceding Year Corresponding Quarter 30-06-13	Current Year To Date 30-06-14	Preceding Year Corresponding Period 30-06-13
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	17,293	14,614	17,293	14,614
Weighted average number of ordinary shares in issues ('000)	273,767	270,114	273,767	270,114
Effect of dilution - Share options ('000)	515	405	515	405
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	274,282	270,519	274,282	270,519
Basic earnings per share (sen per share)	6.32	5.41	6.32	5.41
Diluted earnings per share (sen per share)	6.30	5.40	6.30	5.40

By order of the Board

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

Kuala Lumpur
Dated : 25 August 2014