

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

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

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-09-2014	Preceding Year Corresponding Quarter 30-09-2013	Current Year To Date 30-09-2014	Preceding Year Corresponding Period 30-09-2013
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	129,131	123,159	258,506	235,965
Cost of sales		(76,588)	(72,121)	(156,759)	(135,294)
<b>Gross profit</b>		<b>52,543</b>	<b>51,038</b>	<b>101,747</b>	<b>100,671</b>
Other income		4,149	3,586	10,010	5,008
Administrative expenses		(14,912)	(14,181)	(30,349)	(29,256)
Selling and marketing expenses		(1,826)	(2,013)	(3,552)	(2,856)
Other expenses		(9,515)	(6,758)	(15,128)	(10,591)
		(26,253)	(22,952)	(49,029)	(42,703)
Finance cost		(53)	(239)	(110)	(579)
Share of profit of associates		1,123	1,500	940	678
<b>Profit before taxation</b>	A9/A10	<b>31,509</b>	<b>32,933</b>	<b>63,558</b>	<b>63,075</b>
Income tax expense	B5	(8,924)	(8,787)	(16,169)	(17,774)
<b>Profit net of tax for the period</b>		<b>22,585</b>	<b>24,146</b>	<b>47,389</b>	<b>45,301</b>
<b>Other comprehensive income</b>					
Foreign currency translation differences for foreign operations		(363)	(28,332)	(315)	(30,371)
<b>Total comprehensive income for the period</b>		<b>22,222</b>	<b>(4,186)</b>	<b>47,074</b>	<b>14,930</b>
<b>Profit attributable to :</b>					
Owners of the parent		15,840	16,279	33,133	30,788
Non-controlling interests		6,745	7,867	14,256	14,513
<b>Profit net of tax for the period</b>		<b>22,585</b>	<b>24,146</b>	<b>47,389</b>	<b>45,301</b>
<b>Total comprehensive income attributable to :</b>					
Owners of the parent		15,487	(12,053)	34,032	417
Non-controlling interests		6,735	7,867	13,042	14,513
<b>Total comprehensive income for the period</b>		<b>22,222</b>	<b>(4,186)</b>	<b>47,074</b>	<b>14,930</b>
<b>Earnings per share attributable to owners of the parent (sen per share):</b>					
Basic	B13	5.78	6.02	12.08	11.38
Diluted	B13	5.77	6.01	12.05	11.34

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 September 2014****Except as disclosed otherwise, the figures have not been audited**

	As At End Of Current Quarter 30-09-2014 (Unaudited) <u>RM'000</u>	As At Preceding Financial Year Ended 31-03-2014 (Audited) <u>RM'000</u>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	242,388	245,986
Investment properties	72,667	71,805
Biological assets	122,895	119,018
Investment in associates	43,276	42,906
Deferred tax assets	2,834	3,041
Goodwill on consolidation	13,055	13,055
	<u>497,115</u>	<u>495,811</u>
<b>Current Assets</b>		
Inventories	132,300	109,228
Trade receivables	148,934	117,750
Other receivables	39,407	26,190
Cash and bank balances	245,761	242,798
	<u>566,402</u>	<u>495,966</u>
<b>TOTAL ASSETS</b>	<u>1,063,517</u>	<u>991,777</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	275,851	273,497
Share premium	23,718	21,473
Other reserves	64,801	64,916
Retained earnings	289,460	278,396
	<u>653,830</u>	<u>638,282</u>
Non-controlling interests	228,077	224,944
<b>Total equity</b>	<u>881,907</u>	<u>863,226</u>
<b>Non-current liabilities</b>		
Retirement benefit obligations	1,429	1,465
Deferred tax liabilities	20,468	20,830
	<u>21,897</u>	<u>22,295</u>
<b>Current Liabilities</b>		
Short term borrowings	8,633	6,195
Trade payables	79,059	50,356
Other payables	47,483	44,864
Dividend payable	22,069	-
Tax payable	2,469	4,841
	<u>159,713</u>	<u>106,256</u>
<b>Total liabilities</b>	<u>181,610</u>	<u>128,551</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,063,517</u>	<u>991,777</u>
Net assets per share (RM)	<u>2.37</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 Second Quarter Ended 30 September 2014**  
**Except as disclosed otherwise, the figures have not been audited**

Group	Attributable to Owners of the Parent											
	Non-distributable							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	RM'000
<b>At 1-4-2014</b>	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	-	-	-	-	-	-	-	-	33,133	33,133	14,256	47,389
Other comprehensive profit	-	-	899	-	-	-	-	899	-	899	(1,214)	(315)
Exercise of employee share options	2,354	2,245	(1,014)	-	-	-	(1,014)	-	-	3,585	-	3,585
Dividend	-	-	-	-	-	-	-	-	(22,069)	(22,069)	-	(22,069)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	(9,909)	(9,909)
<b>At 30-09-2014</b>	<b>275,851</b>	<b>23,718</b>	<b>64,801</b>	<b>43,313</b>	<b>437</b>	<b>26,758</b>	<b>4,210</b>	<b>(9,917)</b>	<b>289,460</b>	<b>653,830</b>	<b>228,077</b>	<b>881,907</b>
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	RM'000
<b>At 1-4-2013</b>	269,987	18,273	87,536	43,313	437	26,758	6,140	10,888	237,507	613,303	218,437	831,740
Net profit for the year	-	-	-	-	-	-	-	-	30,788	30,788	-	3,681
Total comprehensive income for the period	-	-	(30,371)	-	-	-	-	(30,371)	-	(30,371)	14,513	(15,858)
Exercise of employee share options	2,447	2,254	(1,020)	-	-	-	(1,020)	-	-	3,681	-	3,681
Dividend	-	-	-	-	-	-	-	-	(19,413)	(19,413)	-	(19,413)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	(4,708)	(4,708)
<b>At 30-09-2013</b>	<b>272,434</b>	<b>20,527</b>	<b>56,145</b>	<b>43,313</b>	<b>437</b>	<b>26,758</b>	<b>5,120</b>	<b>(19,483)</b>	<b>248,882</b>	<b>597,988</b>	<b>228,242</b>	<b>795,442</b>

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 Second Quarter Ended 30 September 2014**

**Except as disclosed otherwise, the figures have not been audited**

	← To Date →	
	30-09-2014	30-09-2013
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	63,558	63,075
Adjustment for:		
Depreciation for property, plant and equipment	13,887	10,117
Depreciation of investment properties	771	798
Amortisation of biological assets	2,792	2,471
Impairment loss on trade receivables	2,301	76
Write back of impairment loss on trade receivables	(75)	(189)
Provision for retirement benefit obligation	35	140
Writedown of inventories	139	168
Reversal of inventories written down	-	(130)
Gain on disposal of property, plant and equipment	(9)	(221)
Gain from plantation investment compensation	-	(838)
Share of result of associates	(940)	(678)
Interest expense	125	533
Interest income	(3,976)	(3,525)
Operating profit before working capital changes	78,608	71,797
Increase in inventories	(18,747)	(11,652)
Increase in receivables	(45,604)	(2,710)
Increase/(decrease) in payables	26,112	(5,363)
Cash generated from operations	40,369	52,072
Interest paid	(125)	(533)
Taxes paid	(17,998)	(12,476)
Retirement benefits paid	-	(145)
Net cash generated from operating activities	22,246	38,918
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Biological assets expenditure	(9,231)	(14,923)
Proceeds from disposal of property, plant and equipment	21	221
Plantation investment compensation	-	1,180
Purchase of property, plant and equipment	(7,117)	(16,781)
Interest received	3,976	3,525
Net cash used in investing activities	(12,351)	(26,778)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown/(repayment) of short term borrowings	2,438	(8,965)
Proceeds from exercise of employee share scheme	2,146	3,680
Dividend paid to minority shareholders of a subsidiary	(9,909)	(4,708)
Increase in deposits on lien	(5)	(6)
Net cash used in financing activities	(5,330)	(9,999)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	4,565	2,141
<b>EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS</b>	(1,607)	(13,311)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	242,625	272,236
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	245,583	261,066
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	27,176	16,073
Fixed deposits with financial institutions *	218,407	251,806
Secured bank overdrafts	-	(6,813)
	245,583	261,066
<b>* Fixed deposits with financial institutions comprise:</b>		
Fixed deposits	218,585	251,979
less : Deposits on lien	(178)	(173)
	218,407	251,806

- 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:

	<b>Effective for annual period beginning on or after</b>
Amendments to FRS 119: Employee benefits	1 July 2014
- Defined Benefit Plans: Employee Contributions	
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 2017. 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 2017. 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 2017. 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 2018.

**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.

<b>Option price per share RM</b>	<b>No. of share issued</b>	<b>Cash Proceeds RM</b>
1.48	850,000	1,258,000
1.76	94,100	165,616
1.81	22,500	40,725
1.97	800	1,576
<b>Total</b>	<b>967,400</b>	<b>1,465,917</b>

**A8. Dividend paid**

The Company's shareholders had at the Annual General Meeting on 24 September 2014 approved a single-tier final dividend of 8% for the financial year ended 31 March 2014 amounting to dividend payable of RM22,069,320. The dividend was subsequently paid on 15 October 2014.

**A9. Segmental revenue and results for business segments**

	Individual Quarter		Cumulative Quarter	
	Current Year 30-09-2014	Preceding Year Corresponding Quarter 30-09-2013	Current Year To Date 30-09-2014	Preceding Year Corresponding Period 30-09-2013
<b>Revenue</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Manufacturing*	62,208	62,471	128,328	114,886
Plantation	22,247	20,976	51,274	45,235
Bulking	17,023	14,724	32,313	31,439
Food	26,305	23,723	44,260	41,756
Others	5,671	1,265	8,801	6,540
	133,454	123,159	264,976	239,856
Elimination of inter-segment sales	(4,323)	-	(6,470)	(3,891)
	129,131	123,159	258,506	235,965
<b>Profit before taxation</b>				
Manufacturing*	13,442	19,583	25,877	32,805
Plantation	7,771	3,311	16,613	11,934
Bulking	9,899	8,582	18,340	18,288
Food	621	849	3,645	951
Others	(1,346)	(892)	(1,857)	(1,581)
	30,387	31,433	62,618	62,397
Associated companies	1,122	1,500	940	678
	31,509	32,933	63,558	63,075

\* 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 30-09-2014	Preceding Year Corresponding Quarter 30-09-2013	Current Year 30-09-2014	Preceding Year Corresponding Quarter 30-09-2013
<b>Other income</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest Income	2,757	2,126	3,976	3,525
Gain on disposal of property, plant and equipment	6	221	7	221
Gain from plantation investment compensation	-	838	-	838
Share of profit from sale of coal	1,440	-	1,440	-
Foreign exchange (loss)/gain	(146)	347	4,001	(394)
<b>Operating expenses</b>				
Depreciation and amortisation	9,518	6,324	17,450	13,386
Interest expense	53	238	110	533
Impairment loss on trade receivables	887	76	2,301	76



**A10. Profit before taxation (contd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-09-2014	Preceding Year Corresponding Quarter 30-09-2013	Current Year To Date 30-09-2014	Preceding Year Corresponding Period 30-09-2013
	RM'000	RM'000	RM'000	RM'000
<b>Operating expenses (contd)</b>				
Write back of impairment loss on trade receivables	(55)	(117)	(75)	(189)
Write down of inventories	119	4	139	168
Reversal of inventories written down	-	(43)	-	(130)

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 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 Note 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	618
Vehicles	528
Land and Buildings	2,241
Furniture, fittings and computers	3,730
	<u>7,117</u>

**A17. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 30 September 2014 were as follows:

	Current Year To Date <u>RM'000</u>
Property, plant and equipment	
Approved and contracted for	8,729
Approved but not contracted for	<u>45,703</u>
Share of capital commitments of associated companies:	
Property, plant and equipment	
Approved and contracted for	<u>440</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	(60)
Fima Corporation Berhad	Nationwide Express Courier Services Bhd	Common Shareholders	Rental income	39
Fima Corporation Berhad	TD Technologies Sdn. Bhd.	Common Shareholders/ Directors	Purchase made- Software rental	(53)
PT Nunukan Jaya Lestari	PT Pohon Emas Lestari	Common Shareholders/ Directors	Purchase of fresh fruit bunches	(4,483)
Percetakan Keselamatan Nasional Sdn. Bhd.	Fima Instanco Sdn. Bhd.	Common Shareholders	Rental income	60
Percetakan Keselamatan Nasional Sdn. Bhd.	Nationwide Express Courier Services Bhd	Common Shareholders	Purchase made - delivery services	(47)

**PART B - BURSA SECURITIES LISTING REQUIREMENTS**

**B1. Review of performance**

**Group Performance**

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	258.51	235.97	22.54	9.6
Profit Before Tax	63.56	63.08	0.48	0.8

The Group revenue for the 1st half year under review had increased to RM258.51 million as compared to RM235.97 million recorded in the previous corresponding period. The increase of RM22.54 million (9.6%) was attributable to the higher revenue generated by all divisions.

However, profit before tax ("PBT") recorded a slight increase by RM0.48 million to RM63.56 million (0.8%) from last year due to lower PBT recorded by manufacturing division. The other divisions registered higher PBT than last year.

The performance of each business division is as follows:

**Manufacturing Division**

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	128.33	114.89	13.44	11.7
Profit Before Tax	25.88	32.81	(6.93)	(21.1)

Revenue from **Manufacturing Division** increased by 11.7% to RM128.33 million from RM114.89 million last year, driven by higher sales volume of licenses and foreign travelling documents. However, PBT decreased by 21.1% to RM25.88 million from RM32.81 million posted last year due to less favourable sales mix.

**Plantation Division**

(RM Million)	Current YTD	Previous YTD	Variance	%
<b>Revenue</b>				
<u>Indonesia</u>				
- Crude palm oil (CPO)	46.61	37.36	9.25	24.8
- Crude palm kernel oil (CPKO)	-	4.35	(4.35)	(100.0)
<u>Malaysia</u>				
- Fresh fruit bunch/Pineapple	4.66	3.53	1.13	32.0
<b>Total</b>	<b>51.27</b>	<b>45.24</b>	<b>6.03</b>	<b>13.3</b>
<b>Profit Before Tax</b>	<b>16.61</b>	<b>11.93</b>	<b>4.68</b>	<b>39.2</b>
<b>Sales Quantity (mt)</b>				
CPO	22,099	20,057	2,042	10.2
CPKO	-	1,106	(1,106)	-
<b>Average net CIF selling price, net of duty (RM)</b>				
CPO	2,101	1,861	240	12.9
CPKO	-	1,712	(1,712)	-

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

Revenue from **Plantation Division** increased by 13.3% or RM6.03 million to RM51.27 million compared to the corresponding period last year. This was due to higher sales volume and selling price of CPO. The division registered a PBT of RM16.61 million, 39.2% higher over the same period last year.

**Bulking Division**

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	32.31	31.44	0.87	2.8
Profit Before Tax	18.34	18.29	0.05	0.3

**Bulking Division's** revenue rose RM0.87 million (2.8%) to RM32.31 million compared to last year's of RM31.44 million primarily as a result of higher contributions from the base oil and oleo chemical segments. In line with the increase in revenue, the division's PBT increased by RM0.05 million (0.3%) to RM18.34 million.

**Food Division**

(RM Million)	Current YTD	Previous YTD	Variance	%
<b>Revenue</b>				
Papua New Guinea (PNG)	41.35	37.70	3.65	9.7
Malaysia	2.91	4.06	(1.15)	(28.3)
	<u>44.26</u>	<u>41.76</u>	<u>2.50</u>	<u>6.0</u>
Profit Before Tax	3.65	0.95	2.70	284.2

**Food Division** posted an increase in revenue to RM44.26 million compared to RM41.76 million recorded in the same period last year. The division's operation in PNG posted higher revenue on the back of higher average selling price following the price increase effected in August 2014. Correspondingly, PBT for the current quarter rose by RM2.70 million as compared to same period last year.

**B2. Comparison with preceding quarter's results**

**Group Performance**

(RM Million)	QTR 2 FY 2015	QTR 1 FY 2015	Variance	%
Revenue	129.13	129.38	(0.25)	(0.2)
Profit Before Tax	31.51	32.05	(0.54)	(1.7)

The Group's revenue decreased by 0.2% or RM0.25 million to RM129.13 million as compared to the preceding quarter, as a result of the lower revenue recorded by manufacturing and plantation divisions.

PBT also declined by RM0.54 million to RM31.51 million as compared to RM32.05 million recorded in the preceding quarter on account of slightly lower contributions of the plantation 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 2 FY 2015	QTR 1 FY 2015	Variance	%
Revenue	62.21	66.12	(3.91)	(5.9)
Profit Before Tax	13.44	12.44	1.0	8.1

**Manufacturing Division's** revenue for the quarter fell by 5.9% compared to the preceding quarter due to lower sales volume on certain security and confidential products. However, PBT for the current quarter rose by RM1.0 million to RM13.44 million due to favourable sales mix.

**Plantation Division**

(RM Million)	QTR 2 FY 2015	QTR 1 FY 2015	Variance	%
<b>Revenue</b>				
<u>Indonesia</u>				
- CPO	19.71	26.90	(7.19)	(26.7)
<u>Malaysia</u>				
- Fresh fruit bunch/Pineapple	2.54	2.13	0.41	19.2
<b>Total</b>	<b>22.25</b>	<b>29.03</b>	<b>(6.78)</b>	<b>(23.4)</b>
<b>Profit Before Tax</b>	<b>7.77</b>	<b>8.84</b>	<b>(1.07)</b>	<b>(12.1)</b>
<b>Sales Quantity (mt)</b>				
CPO	10,077	12,022	(1,945)	(16.2)
<b>Average net CIF selling price, net of duty (RM)</b>				
CPO	1,956	2,222	(266)	(12.0)

**Plantation Division** recorded revenue and PBT of RM22.25 million and RM7.77 million, respectively representing a 23.4% and 12.1% decline respectively, over the previous quarter. The decrease was due to lower sales volume and selling price of CPO.

**Bulking Division**

(RM Million)	QTR 2 FY 2015	QTR 1 FY 2015	Variance	%
Revenue	17.02	15.29	1.73	11.3
Profit Before Tax	9.90	8.44	1.46	17.3

Revenue from **Bulking Division** of RM17.02 million was 11.3% higher than preceding quarter. The upturn in results was due to higher revenue generated by most segments. On the same token, PBT improved 17.3% to RM9.9 million over the preceeding quarter.

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

**Food Division**

(RM Million)	QTR 2 FY 2015	QTR 1 FY 2015	Variance	%
<b>Revenue</b>				
PNG	25.24	16.11	9.13	56.7
Malaysia	1.06	1.85	(0.79)	(42.7)
	<u>26.30</u>	<u>17.96</u>	<u>8.34</u>	<u>46.4</u>
Profit Before Tax	0.62	3.02	(2.40)	79.4

Revenue from **Food Division** increased by RM8.34 million to RM26.30 million as compared to the preceding quarter. However, PBT declined by RM2.40 million to RM0.62 million mainly due to recognition of unrealised forex gain in the previous quarter.

**B3. Prospects**

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

The **Manufacturing Division** revenue in the second half year is expected to be lower due to cyclical demand in certain jobs.

The prospect for **Plantation Division** is very much dependent on global commodity prices. Based on the current prices of palm oil products supported with the average yield, the outlook for this division continues to remain satisfactory.

**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 to secure more long term contracts with customers and handling higher 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 introduction of a minimum wage rate by the government effective 3 July 2014. 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 30-09-2014	Preceding Year Corresponding Quarter 30-09-2013	Current Year To Date 30-09-2014	Preceding Year Corresponding Period 30-09-2013
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation	(8,924)	(8,787)	(16,169)	(17,774)

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 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.

On 8 September 2014 and 22 September 2014, the company announced that the Extended Conditional Period was extended by a further period of 14 days and 21 days respectively.

On 10 October 2014, the company announced that all conditions precedent pertaining to the Proposed Acquisition have been fulfilled.

The acquisition was completed on 17 October 2014.

**B9. Borrowings and debt securities**

	As at 30-09-2014 RM'000	As at 31-03-2014 RM'000
<b>Secured:</b>		
Current	8,633	6,195

**B10. Realised/unrealised profits/losses**

	As at 30-09-2014 RM'000	As at 31-03-2014 RM'000
Total retained profits of Kumpulan Fima Berhad and its subsidiaries:		
- Realised	314,648	304,027
- Unrealised	(31,400)	(32,700)
	283,248	271,327
Total share of retained profits from associated companies:		
- Realised	33,708	32,960
- Unrealised	1,059	1,447
	34,767	34,407
Add: Consolidation adjustments	(29,871)	(27,338)
Total group retained profits as per consolidated accounts	288,144	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 30-09-14	Preceding Year Corresponding Quarter 30-09-13	Current Year To Date 30-09-14	Preceding Year Corresponding Period 30-09-13
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	15,840	16,279	33,133	30,788
Weighted average number of ordinary shares in issues ('000)	274,283	270,630	274,283	270,630
Effect of dilution - Share options ('000)	182	415	697	820
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	274,465	271,045	274,980	271,450
Basic earnings per share (sen per share)	5.78	6.02	12.08	11.38
Diluted earnings per share (sen per share)	5.77	6.01	12.05	11.34

**By order of the Board**

**MOHD YUSOF BIN PANDAK YATIM (MIA 4110)**

**JASMIN BINTI HOOD (LS0009071)**

Company Secretaries

**Kuala Lumpur**

**Dated : 21 November 2014**