

**KUMPULAN FIMA BERHAD**

(Company No.:11817-V)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Comprehensive Income**

**For the Second Quarter Ended 30 September 2015**

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

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-09-2015 RM'000	Preceding Year Corresponding Quarter 30-09-2014 RM'000	Current Year To Date 30-09-2015 RM'000	Preceding Year Corresponding Period 30-09-2014 RM'000
Revenue	A9	131,101	129,131	272,440	258,506
Cost of sales		(80,096)	(76,588)	(172,327)	(156,759)
<b>Gross profit</b>		<b>51,005</b>	<b>52,543</b>	<b>100,113</b>	<b>101,747</b>
Other income		5,072	4,149	6,385	10,010
Administrative expenses		(20,969)	(16,453)	(37,610)	(31,890)
Selling and marketing expenses		(1,914)	(1,826)	(3,401)	(3,552)
Other expenses		(6,825)	(9,515)	(13,444)	(15,128)
		(29,708)	(27,794)	(54,455)	(50,570)
Finance cost		(100)	(53)	(191)	(110)
Share of profit of associates		368	1,123	539	940
<b>Profit before taxation</b>	A9/A10	<b>26,637</b>	<b>29,968</b>	<b>52,391</b>	<b>62,017</b>
Income tax expense	B5	(7,167)	(7,383)	(14,499)	(14,628)
<b>Profit net of tax for the period</b>		<b>19,470</b>	<b>22,585</b>	<b>37,892</b>	<b>47,389</b>
<b>Other comprehensive income</b>					
Foreign currency translation differences for foreign operations		10,608	(363)	5,645	(315)
<b>Total comprehensive income for the period</b>		<b>30,078</b>	<b>22,222</b>	<b>43,537</b>	<b>47,074</b>
<b>Profit attributable to :</b>					
Owners of the parent		12,885	15,840	24,178	33,133
Non-controlling interests		6,585	6,745	13,714	14,256
<b>Profit net of tax for the period</b>		<b>19,470</b>	<b>22,585</b>	<b>37,892</b>	<b>47,389</b>
<b>Total comprehensive income attributable to :</b>					
Owners of the parent		23,753	15,935	30,083	34,032
Non-controlling interests		6,325	6,287	13,454	13,042
<b>Total comprehensive income for the period</b>		<b>30,078</b>	<b>22,222</b>	<b>43,537</b>	<b>47,074</b>
<b>Earnings per share attributable to owners of the parent (sen per share):</b>					
Basic	B13	4.68	5.78	8.78	12.08
Diluted	B13	4.65	5.77	8.72	12.05

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

**KUMPULAN FIMA BERHAD**

(Company No.:11817-V)

(Incorporated in Malaysia)

**Condensed Consolidated Statement of Financial Position as at 30 September 2015****Except as disclosed otherwise, the figures have not been audited**

	As At End Of Current Quarter 30-09-2015 (Unaudited) RM'000	As At Preceding Financial Year Ended 31-03-2015 (Audited) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	333,311	328,632
Investment properties	71,026	71,857
Biological assets	142,345	129,399
Investment in associates	45,306	45,907
Deferred tax assets	5,601	5,445
Goodwill on consolidation	18,400	18,400
	<u>615,989</u>	<u>599,640</u>
<b>Current Assets</b>		
Inventories	129,644	127,812
Trade receivables	184,189	192,285
Other receivables	30,885	33,048
Cash and bank balances	252,974	236,710
	<u>597,692</u>	<u>589,855</u>
<b>TOTAL ASSETS</b>	<u>1,213,681</u>	<u>1,189,495</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	276,802	276,087
Share premium	24,594	23,930
Other reserves	162,693	157,068
Retained earnings	275,852	275,202
	<u>739,941</u>	<u>732,287</u>
Non-controlling interests	251,266	245,723
<b>Total equity</b>	<u>991,207</u>	<u>978,010</u>
<b>Non-current liabilities</b>		
Finance lease obligations	6,307	5,585
Retirement benefit obligations	1,748	1,634
Deferred tax liabilities	40,413	40,413
	<u>48,468</u>	<u>47,632</u>
<b>Current Liabilities</b>		
Short term borrowings	13,117	5,944
Trade payables	75,598	93,241
Other payables	56,098	61,586
Dividend payable	23,528	-
Tax payable	5,665	3,082
	<u>174,006</u>	<u>163,853</u>
<b>Total liabilities</b>	<u>222,474</u>	<u>211,485</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,213,681</u>	<u>1,189,495</u>
Net assets per share (RM)	<u>2.67</u>	<u>2.65</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

**KUMPULAN FIMA BERHAD**

(Company No.:11817-V)

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Changes in Equity**  
**For the Second Quarter Ended 30 September 2015**  
**Except as disclosed otherwise, the figures have not been audited**

Attributable to Owners of the Parent

Group	Non-distributable			Distributable					Retained profit	Total	Non-controlling interests	Total equity
	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				
	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 1-4-2015</b>	276,087	23,930	157,068	87,471	437	66,459	4,560	(1,859)	275,202	732,287	245,723	978,010
Profit for the period	-	-	-	-	-	-	-	-	24,178	24,178	13,714	37,892
Other comprehensive loss	-	-	5,905	-	-	-	-	5,905	-	5,905	(260)	5,645
Exercise of employee share options	715	664	(280)	-	-	-	(280)	-	-	1,099	-	1,099
Dividend	-	-	-	-	-	-	-	-	(23,528)	(23,528)	-	(23,528)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(7,911)	(7,911)
<b>At 30-09-2015</b>	276,802	24,594	162,693	87,471	437	66,459	4,280	4,046	275,852	739,941	251,266	991,207
<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
Net profit for the year	-	-	-	-	-	-	-	-	33,133	33,133	14,256	47,389
Other comprehensive income	-	-	899	-	-	-	-	899	-	899	(1,214)	(315)
Dividend paid	-	-	-	-	-	-	-	-	(22,069)	(22,069)	-	(22,069)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	(9,909)	(9,909)
Exercise of employee share options	2,354	2,245	(1,014)	-	-	-	(1,014)	-	-	3,585	-	3,585
<b>At 30-09-2014</b>	275,851	23,718	64,801	43,313	437	26,758	4,210	(9,917)	289,460	653,830	228,077	881,907

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to the interim financial statements.

**KUMPULAN FIMA BERHAD**(Company No.:11817-V)  
(Incorporated in Malaysia)**Condensed Consolidated Statement of Cash Flows for the Second Quarter Ended 30 September 2015**  
**Except as disclosed otherwise, the figures have not been audited**

	← To Date →	
	30-09-2015	30-09-2014
	<u>RM'000</u>	<u>RM'000</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	52,391	62,017
Adjustment for:		
Depreciation for property, plant and equipment	16,280	13,887
Depreciation of investment properties	831	771
Amortisation of biological assets	4,112	2,792
Impairment loss on trade receivables	706	2,226
Provision for retirement benefit obligation	40	35
Writedown of inventories	-	139
Reversal of inventories written down	(157)	-
Gain on disposal of property, plant and equipment	(48)	(9)
Share of result of associates	(539)	(940)
Interest expense	191	110
Interest income	(2,730)	(3,976)
Operating profit before working capital changes	<u>71,077</u>	<u>77,052</u>
Increase in inventories	(3,832)	(18,747)
Decrease/(Increase) in receivables	9,553	(45,589)
(Decrease)/Increase in payables	(23,131)	26,112
Cash generated from operations	<u>53,667</u>	<u>38,828</u>
Interest paid	(191)	(125)
Taxes paid	(11,816)	(16,457)
Retirement benefits paid	(5)	-
Net cash generated from operating activities	<u>41,655</u>	<u>22,246</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Biological assets expenditure	(15,029)	(9,231)
Proceeds from disposal of property, plant and equipment	-	21
Purchase of property, plant and equipment	(9,331)	(7,117)
Repayment of obligation under finance lease	(12)	-
Interest received	2,730	3,976
Net cash used in investing activities	<u>(21,642)</u>	<u>(12,351)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown of short term borrowings	7,700	2,438
Proceeds from exercise of employee share scheme	715	2,146
Traesury share	(51)	-
Dividend paid to minority shareholders of a subsidiary	(7,911)	(9,909)
(Decrease) in deposits on lien	-	(5)
Net cash generated from/(used in) financing activities	<u>453</u>	<u>(5,330)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	20,466	4,565
<b>EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS</b>	(4,202)	(1,607)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<u>236,710</u>	<u>242,625</u>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<u>252,974</u>	<u>245,583</u>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	54,132	27,176
Fixed deposits with financial institutions *	<u>198,842</u>	<u>218,407</u>
	<u>252,974</u>	<u>245,583</u>
<b>* Fixed deposits with financial institutions comprise:</b>		
Fixed deposits	198,842	218,585
less : Deposits on lien	-	(178)
	<u>198,842</u>	<u>218,407</u>

- 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 2015. 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 2015.

**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 2015 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 2015, the Group adopted the following FRSs, Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations:

	<b>Effective for annual period beginning on or after</b>
Amendments to FRS 119: Defined benefit plan (Employee contribution)	1 July 2014
Annual Improvements to FRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to FRSs 2011-2013 Cycle	1 July 2014

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.

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>
Annual Improvements to FRSs 2012-2014 Cycle	1 January 2016
Amendments to FRS 11: Accounting for Acquisition of Interests in Joint Operations	1 January 2016
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to FRS 116 and FRS 141: Agriculture: Bearer Plants	1 January 2016
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an investor and its Associate or Joint Venture	1 January 2016
Amendments to FRS 127: Equity Method in Separate Financial Statements	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016

**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 FRS 10, FRS 12 and FRS 128: Investment Entities:	
Applying the Consolidation Exception	1 January 2016
FRS 14: Regulatory Deferral Accounts	1 January 2016
FRS 15: Revenue from Contracts with Customers	1 January 2018
FRS 9: Financial Instruments	1 January 2018

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

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

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

The Group falls within the scope definition of Transitioning Entities and accordingly, will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2019. In presenting its first MFRS financial statements, the Group will be required to adjust the comparative financial statements prepared under FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against the opening retained earnings.

The Group has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these financial statements for the year ended 31 March 2015 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2019.

**A3. Auditors' Report on Preceding Annual Financial Statements.**

The financial statements of the Group for the financial year ended 31 March 2015 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	524,200	775,816

**A8. Dividend paid**

The Company's shareholders had at the Annual General Meeting on 22 September 2015 approved a single-tier final dividend of 8.5% for the financial year ended 31 March 2015 amounting to dividend payable of RM23.5 million. The dividend was subsequently paid on 20 October 2015.

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

	Individual Quarter		Cumulative Quarter	
	Current Year 30-09-2015	Preceding Year Corresponding Quarter 30-09-2014	Current Year To Date 30-09-2015	Preceding Year Corresponding Period 30-09-2014
<b>Revenue</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Manufacturing*	61,890	62,208	134,363	128,328
Plantation	28,424	22,247	65,977	51,274
Bulking	15,735	17,023	30,996	32,313
Food	23,741	26,305	38,598	44,260
Others	8,833	5,671	14,952	8,801
	138,623	133,454	284,886	264,976
Elimination of inter-segment sales	(7,522)	(4,323)	(12,446)	(6,470)
	<u>131,101</u>	<u>129,131</u>	<u>272,440</u>	<u>258,506</u>
<b>Profit before taxation</b>				
Manufacturing*	12,134	13,442	24,107	25,877
Plantation	4,328	6,230	13,457	15,072
Bulking	8,561	9,899	16,545	18,340
Food	1,686	621	(1,653)	3,645
Others	(440)	(1,346)	(604)	(1,857)
	26,269	28,846	51,852	61,077
Associated companies	368	1,122	539	940
	<u>26,637</u>	<u>29,968</u>	<u>52,391</u>	<u>62,017</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 30-09-2015	Preceding Year Corresponding Quarter 30-09-2014	Current Year 30-09-2015	Preceding Year Corresponding Quarter 30-09-2014
<b>Other income</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest Income	1,554	2,757	2,730	3,976
Gain on disposal of property, plant and equipment	48	6	48	9
Share of profit from sale of coal	1,872	1,440	1,872	1,440
Foreign exchange gain/(loss)	1,514	(146)	1,419	4,001
<b>Operating expenses</b>				
Depreciation and amortisation	12,331	9,518	21,223	17,450
Interest expense	100	53	191	110



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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-09-2015	Preceding Year Corresponding Quarter 30-09-2014	Current Year To Date 30-09-2015	Preceding Year Corresponding Period 30-09-2014
	RM'000	RM'000	RM'000	RM'000
<b>Operating expenses (contd)</b>				
(Reversal)/Impairment loss on trade receivables	(363)	832	706	2,226
Write down of inventories	-	67	-	139
Reversal of inventories written down	(34)	52	(157)	-

The Group does not deal in derivatives.

**A11. Valuation of property, plant and equipment**

The valuation of land and building have been brought forward from the last financial statements for the year ended 31 March 2015.

**A12. Subsequent material events**

There were no material events subsequent to the end of the current quarter, except payment of dividend amounting to RM23.5 million on 20 October 2015 as disclosed in Note A8 above.

**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	6,599
Vehicles	1,314
Land and Buildings	1,087
Furniture and fittings	331
	<u>9,331</u>

**A17. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 30 September 2015 were as follows:

	Current Year To Date RM'000
Property, plant and equipment	
Approved and contracted for	2,895
Approved but not contracted for	<u>52,887</u>
Share of capital commitments of associated companies:	
Property, plant and equipment	
Approved and contracted for	626
Approved but not contracted for	<u>62</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/ Directors	Rental income	39
PT Nunukan Jaya Lestari	PT Pohon Emas Lestari	Common Shareholders/ Directors	Purchase of fresh fruit bunches	(3,207)
Percetakan Keselamatan Nasional Sdn. Bhd.	Nationwide Express Courier Services Bhd	Common Shareholders/ Directors	Purchase made - delivery services	(218)

**PART B - BURSA SECURITIES LISTING REQUIREMENTS**

**B1. Review of performance**

**Group Performance**

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	272.44	258.51	13.93	5.4
Profit Before Tax	52.39	62.02	(9.63)	(15.5)

Group revenue for the 6 months ended 30 September 2015 increased to RM272.44 million as compared to RM258.51 million recorded in the previous corresponding period. The increase of RM13.93 million (5.4%) was attributed to the higher revenue generated by manufacturing and plantation divisions.

However, profit before tax ("PBT") decreased by RM9.63 million to RM52.39 million from last year, due to lower PBT recorded by all divisions as explained below.

The performance of each business division is as follows:

**Manufacturing Division**

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	134.36	128.33	6.03	4.7
Profit Before Tax	24.11	25.88	(1.77)	(6.8)

Revenue from **Manufacturing Division** increased by 4.7% to RM134.36 million from RM128.33 million recorded last year, driven by higher sales volume of certain documents. However, PBT decreased by 6.8% to RM24.11 million from RM25.88 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)	54.39	46.61	7.78	16.7
- Crude palm kernel oil (CPKO)	6.49	-	6.49	-
<u>Malaysia</u>				
- Fresh fruit bunch/Pineapple	5.10	4.66	0.44	9.4
<b>Total</b>	<b>65.98</b>	<b>51.27</b>	<b>14.71</b>	<b>28.7</b>
<b>Profit Before Tax</b>	<b>13.46</b>	<b>15.07</b>	<b>(1.61)</b>	<b>(10.65)</b>
<b>Sales Quantity (mt)</b>				
CPO	24,430	22,099	2,331	10.5
CPKO	2,199	-	N/A	-
<b>Average net CIF selling price, net of duty (RM)</b>				
CPO	2,226	2,101	125	5.9
CPKO	2,949	-	N/A	-

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

Revenue from **Plantation Division** grew by 28.7% to RM65.98 million compared to the corresponding period last year, primarily attributable to the sale of CPKO and higher selling price of CPO. The division registered a PBT of RM13.46 million, 10.6% lower over the same period last year. The drop in PBT was mainly due to withholding tax of RM3.2 million on the foreign dividend income received (2014:RM1.5 million).

**Bulking Division**

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	31.00	32.31	(1.31)	(4.0)
Profit Before Tax	16.55	18.34	(1.79)	(9.7)

Revenue from **Bulking Division** dropped by RM1.31 million (4.0%) to RM31.00 million from RM32.31 recorded last year. The decline was mainly due to lower contributions from the base oil, oleo chemical and industrial chemical segments. In line with the decrease in revenue, the division's PBT decreased by RM1.79 million (9.7%) to RM16.55 million.

**Food Division**

(RM Million)	Current YTD	Previous YTD	Variance	%
<b>Revenue</b>				
Papua New Guinea (PNG)	35.67	41.35	(5.68)	(13.7)
Malaysia	2.93	2.91	0.02	0.7
	<u>38.60</u>	<u>44.26</u>	<u>(5.66)</u>	<u>(12.8)</u>
Profit Before Tax	(1.65)	3.65	(5.30)	(145.3)

**Food Division's** revenue decreased to RM35.67 million compared to RM41.35 million recorded in the same period last year. The decrease in revenue was mainly due to the weaker sales of mackerel and tuna. In line with the decrease in revenue, the division recorded a loss of RM1.65 million as compared to RM3.65 million profit in the same period last year.

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

**Group Performance**

(RM Million)	QTR 2 FY 2016	QTR 1 FY 2016	Variance	%
Revenue	131.10	141.34	(10.24)	(7.2)
Profit Before Tax	26.64	25.75	0.89	3.5

The Group's revenue decreased by 7.2% or RM10.24 million to RM131.10 million compared to the preceding quarter, as a result of the lower revenue recorded by manufacturing and plantation divisions.

However, PBT increased by RM0.89 million to RM26.64 million as compared to RM25.75 million recorded in the preceding quarter mainly due to the positive contribution by Food Division.

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

The performance of each business division is as follows:

**Manufacturing Division**

(RM Million)	QTR 2 FY 2016	QTR 1 FY 2016	Variance	%
Revenue	61.89	72.47	(10.58)	(14.6)
Profit Before Tax	12.13	11.97	0.16	1.3

**Manufacturing Division's** revenue decreased by RM10.58 million (14.6%) in the current quarter compared to the preceding quarter. The shortfall was mainly due to lower sales volume in certain products. However, PBT improved by 1.3% over the previous quarter due to favourable sales mix.

**Plantation Division**

(RM Million)	QTR 2 FY 2016	QTR 1 FY 2016	Variance	%
<b>Revenue</b>				
<u>Indonesia</u>				
- CPO	22.78	31.62	(8.84)	(28.0)
- CPKO	3.12	3.36	(0.24)	(7.1)
<u>Malaysia</u>				
- Fresh fruit bunch/Pineapple	2.52	2.57	(0.05)	(1.9)
<b>Total</b>	<u>28.42</u>	<u>37.55</u>	<u>(9.13)</u>	<u>(24.3)</u>
<b>Profit Before Tax</b>	4.33	9.13	(4.80)	(52.6)
<b>Sales Quantity (mt)</b>				
CPO	10,001	14,429	(4,428)	(30.7)
CPKO	1,100	1,099	1	0.1
<b>Average net CIF selling price, net of duty (RM)</b>				
CPO	2,277	2,191	86	3.9
CPKO	2,647	3,056	(409)	-

**Plantation Division's** revenue for the quarter under review of RM28.42 million was RM9.13 million lower than the preceding quarter due to lower sales volume of CPO and lower selling price of CPKO mitigated by higher selling price of CPO. PBT decreased by RM4.80 million compared to the preceding quarter mainly due to RM3.2 million withholding tax on foreign dividend income.

**Bulking Division**

(RM Million)	QTR 2 FY 2016	QTR 1 FY 2015	Variance	%
Revenue	15.74	15.26	0.48	3.2
Profit Before Tax	8.56	7.98	0.58	7.2

Revenue from **Bulking Division** of RM15.74 million was 3.2% higher than the preceding quarter. The increase in results was due to higher volumes of edible oil being handled. In line with the increase in revenue, PBT grew 7.2% to RM8.56 million over the preceding quarter.

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

**Food Division**

(RM Million)	QTR 2 FY 2016	QTR 1 FY 2015	Variance	%
<b>Revenue</b>				
PNG	22.45	13.22	9.23	69.8
Malaysia	1.29	1.64	(0.35)	(21.3)
	<u>23.74</u>	<u>14.86</u>	<u>8.88</u>	<u>59.8</u>
Profit Before Tax	1.69	(3.34)	5.03	150.5

Revenue from **Food Division** increased by RM8.88 million (59.8%) to RM23.74 million as compared to the preceding quarter due to higher sales volume of mackerel and tuna. The division registered PBT of RM1.69 million during the quarter.

**B3. Prospects**

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

The **Manufacturing Division's** outlook for the next financial year continues to remain satisfactory.

The prospects for **Plantation Division** is very much dependent on global commodity prices. The industry continues to face challenges such as changing weather condition and seasonal crop production. Notwithstanding this, the outlook of this segment remains positive.

**Bulking Division.** The prospects for the remaining period are expected to remain challenging. The demand for storage of Edible oil products and the Malaysia Derivatives Exchange's (MDEX) Edible Oil tender is anticipated to increase whilst transshipment businesses is expected to remain low. This arises from the levy imposed by the Indonesian Government on all edible oil exports. The storage utilisation rate is expected to be challenging for the remaining period of year. The division is looking to secure more long term contracts with customers and handling higher margin products.

**Food Division** faces tough challenges ahead particularly in Papua New Guinea where the division's main operation is located, amidst challenging market competition from the onslaught of cheaper imported products, currency fluctuation, and current global uncertainty. The division will continue its focus on productivity, margin improvements 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 30-09-2015	Preceding Year Corresponding Quarter 30-09-2014	Current Year To Date 30-09-2015	Preceding Year Corresponding Period 30-09-2014
	RM'000	RM'000	RM'000	RM'000
Current taxation	7,167	7,383	14,499	14,628

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

**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 corporate proposals announced but not completed at the date of this report.

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

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

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

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

FCBPH had received the Vendor's written confirmation dated 19 November 2015 that save for the consent from PKEINPk, there are no other consent or approval required from other relevant authority or third party in relation to the share sale.

On 25 November 2015, the Company announced that all conditions precedent pertaining to the Proposed Transaction have been fulfilled.

**B9. Borrowings and debt securities**

	As at 30-09-2015 RM'000	As at 31-03-2015 RM'000
<b>Secured:</b>		
<b>Non-current</b>		
*Obligations under finance leases	6,307	5,585
<b>Current</b>		
Bankers' acceptance	13,117	5,944
	<u>19,424</u>	<u>11,529</u>

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

(i) A 99 year land lease granted to subsidiary, Gabungan Warisan Sdn. Bhd. to develop approximately 249.8 ha of land in Kuala Krai, Kelantan Darul Naim. The lease expires on 2 July 2112.

(ii) Sub-leases granted to subsidiaries, Taka Worldwide Trading Sdn. Bhd. and Etika Gangsa Sdn. Bhd. over 2 parcels of land measuring approximately 404.6 ha, deemed suitable for oil palm cultivation, situated in Mukim Relai, Daerah Jajahan Gua Musang, Kelantan for a term of 66 years expiring 5 March 2075, with an option to renew for a further period of 33 years.

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

	As at 30-09-2015 RM'000	As at 31-03-2015 RM'000
Total retained profits of Kumpulan Fima Berhad and its subsidiaries:		
- Realised	356,687	299,418
- Unrealised	(60,681)	(36,137)
	<u>296,006</u>	<u>263,281</u>
Total share of retained profits from associated companies:		
- Realised	40,918	36,644
- Unrealised	(3,344)	(2,988)
	<u>37,574</u>	<u>33,656</u>
Consolidation adjustments	(57,728)	(21,735)
Total group retained profits as per consolidated accounts	<u>275,852</u>	<u>275,202</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.



**B11. Changes in material litigations (contd)**

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.

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 30/09/2015	Preceding Year Corresponding Quarter 30/09/2014	Current Year To Date 30/09/2015	Preceding Year Corresponding Period 30/09/2014
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	12,885	15,840	24,178	33,133
Weighted average number of ordinary shares in issues ('000)	275,519	274,283	275,519	274,283
Effect of dilution				
- Share options ('000)	1,804	182	1,804	697
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	277,323	274,465	277,323	274,980
Basic earnings per share (sen per share)	4.68	5.78	8.78	12.08
Diluted earnings per share (sen per share)	4.65	5.77	8.72	12.05

**By order of the Board**

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

**JASMIN BINTI HOOD (LS0009071)**

Company Secretaries

**Kuala Lumpur**

**Dated : 26 November 2015**