



KUMPULAN FIMA BERHAD (11817-V)  
(Incorporated in Malaysia)

Condensed Consolidated Financial Statements  
For The First Quarter Ended 30 June 2016

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 30 JUNE 2016  
(THE FIGURES HAVE NOT BEEN AUDITED)**

	Note	Current Quarter		3 Months Cumulative	
		Current Year Quarter 30-06-2016 RM'000	Preceding Year Corresponding Quarter 30-06-2015 RM'000	Current Year To Date 30-06-2016 RM'000	Preceding Year Corresponding Period 30-06-2015 RM'000
Revenue	A9	124,819	141,339	124,819	141,339
Cost of sales		(78,075)	(92,231)	(78,075)	(92,231)
<b>Gross profit</b>		<b>46,744</b>	<b>49,108</b>	<b>46,744</b>	<b>49,108</b>
Other income		1,692	1,314	1,692	1,314
<b>Other items of expense</b>					
Administrative expenses		(15,732)	(16,641)	(15,732)	(16,641)
Selling and marketing expenses		(1,476)	(1,487)	(1,476)	(1,487)
Other expenses		(5,602)	(6,619)	(5,602)	(6,619)
		(22,810)	(24,747)	(22,810)	(24,747)
Finance costs		(688)	(92)	(688)	(92)
Share of profit of associates		1,231	171	1,231	171
<b>Profit before tax</b>	A9/A10	<b>26,169</b>	<b>25,754</b>	<b>26,169</b>	<b>25,754</b>
Income tax expense	B5	(8,643)	(7,332)	(8,643)	(7,332)
<b>Profit net of tax</b>		<b>17,526</b>	<b>18,422</b>	<b>17,526</b>	<b>18,422</b>
<b>Other comprehensive income</b>					
Foreign currency translation differences for foreign operations		2,400	(4,963)	2,400	(4,963)
<b>Total comprehensive income for the period</b>		<b>19,926</b>	<b>13,459</b>	<b>19,926</b>	<b>13,459</b>
<b>Profit attributable to :</b>					
Equity holders of the Company		11,927	11,293	11,927	11,293
Non-controlling interests		5,599	7,129	5,599	7,129
<b>Profit for the period</b>		<b>17,526</b>	<b>18,422</b>	<b>17,526</b>	<b>18,422</b>
<b>Total comprehensive income attributable to :</b>					
Equity holders of the Company		13,833	6,590	13,833	6,590
Non-controlling interests		6,093	6,869	6,093	6,869
<b>Total comprehensive income for the period</b>		<b>19,926</b>	<b>13,459</b>	<b>19,926</b>	<b>13,459</b>
<b>Earnings per share attributable to owners of the parent (sen per share):</b>					
Basic	B13	4.31	4.10	4.31	4.10
Diluted	B13	4.27	4.07	4.27	4.07

*(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements).*

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016**

	As At 30-06-2016 (unaudited) RM'000	As At 31-03-2016 (audited) RM'000 Restated
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	341,612	344,402
Investment properties	69,710	70,097
Biological assets	160,796	153,476
Investment in associates	47,623	46,659
Deferred tax assets	6,603	8,394
Goodwill on consolidation	12,710	12,710
	<u>639,054</u>	<u>635,738</u>
<b>Current assets</b>		
Inventories	88,031	90,807
Trade receivables	193,464	183,562
Other receivables	29,472	27,963
Cash and bank balances	255,841	247,592
	<u>566,808</u>	<u>549,924</u>
<b>TOTAL ASSETS</b>	<u>1,205,862</u>	<u>1,185,662</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	277,417	276,968
Share premium	25,115	24,713
Other reserves	139,723	138,002
Retained earnings	320,544	308,617
	<u>762,799</u>	<u>748,300</u>
Non-controlling interests	256,731	250,986
<b>Total equity</b>	<u>1,019,530</u>	<u>999,286</u>
<b>Non-current liabilities</b>		
Finance lease obligations	16,641	16,799
Retirement benefit obligations	1,437	1,391
Deferred tax liabilities	44,977	46,951
	<u>63,055</u>	<u>65,141</u>
<b>Current liabilities</b>		
Finance lease obligations	646	646
Short term borrowings	9,291	15,281
Trade payables	41,511	44,007
Other payables	70,455	60,615
Tax payable	1,374	686
	<u>123,277</u>	<u>121,235</u>
<b>Total liabilities</b>	<u>186,332</u>	<u>186,376</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,205,862</u>	<u>1,185,662</u>
Net assets per share (RM)	<u>2.75</u>	<u>2.70</u>

*(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements).*



**KUMPULAN FIMA BERHAD (11817-V)**

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 30 JUNE 2016**

Group	Attributable to Equity Holders of the Company											
	Share capital	Share premium	Other reserves	Non-distributable					Distributable			Total equity
	RM'000	RM'000	RM'000	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Employee share option reserve	Foreign exchange reserve	Retained earnings	Total	Non-controlling interests	RM'000
<b>At 1 April 2016</b>	276,968	24,713	138,002	87,471	437	66,459	4,427	(20,792)	308,617	748,300	250,986	999,286
Total comprehensive income for the year	-	-	1,906	-	-	-	-	1,906	11,927	13,833	6,093	19,926
<b>Transactions with owners</b>												
Share options exercised	449	402	(185)	-	-	-	(185)	-	-	666	-	666
Purchase of treasury shares by a subsidiary	-	-	-	-	-	-	-	-	-	-	(348)	(348)
Total transaction with owners	-	-	(185)	-	-	-	(185)	-	-	666	(348)	318
<b>At 30 June 2016</b>	277,417	25,115	139,723	87,471	437	66,459	4,242	(18,886)	320,544	762,799	256,731	1,019,530
<b>At 1 April 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
Total comprehensive income for the year	-	-	(4,703)	-	-	-	-	(4,703)	11,293	6,590	6,869	13,459
<b>Transactions with owners</b>												
Share options exercised	190	168	(78)	-	-	-	(78)	-	-	280	-	280
Purchase of treasury shares by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Total transaction with owners	190	168	(78)	-	-	-	(78)	-	-	280	-	280
<b>As 30 June 2015</b>	276,277	24,098	152,287	87,471	437	66,459	4,482	(6,562)	286,495	739,157	252,592	991,749

(The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements).

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2016**

	← 3 months ended →	
	<u>30-06-2016</u>	<u>30-06-2015</u>
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	26,169	25,754
Adjustments for:		
Depreciation for property, plant and equipment	6,317	7,082
Depreciation of investment properties	408	434
Amortisation of biological assets	2,188	1,376
Impairment loss on trade receivables	20	1,640
Write back of impairment loss on trade receivables	(253)	(571)
Provision for retirement benefit obligation	20	27
Inventories written back	(161)	(123)
Share of result of associates	(1,231)	(171)
Interest expense	688	92
Interest income	(1,606)	(1,176)
Operating profit before working capital changes	32,559	34,364
Increase in inventories	(2,615)	(2,207)
Increase in receivables	(11,158)	(10,796)
Increase/(decrease) in payables	9,231	(14,336)
Cash generated from operations	28,017	7,025
Interest paid	(688)	(92)
Taxes paid	(5,770)	(6,739)
Retirement benefits paid	(5)	(5)
Net cash generated from operating activities	21,554	189
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Biological assets expenditure	(7,576)	(6,316)
Proceeds from disposal of property, plant and equipment	-	1
Purchase of property, plant and equipment	(2,158)	(1,973)
Repayment of obligation under finance lease	(158)	(12)
Interest received	1,606	1,176
Net cash used in investing activities	(8,286)	(7,124)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (repayment)/drawdown of borrowings	(6,343)	1,681
Proceeds from exercise of employee share scheme	666	280
Net cash (used in)/generated from financing activities	(5,677)	1,961
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	7,591	(4,974)
<b>EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS</b>	658	(643)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	247,592	236,710
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	255,841	231,093
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	63,378	39,733
Fixed deposits with financial institutions	192,463	191,360
	255,841	231,093

*(The condensed consolidated statement of cash flow should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to the interim financial statements).*

**PART A - Explanatory notes pursuant to FRS 134**

**A1. Basis of preparation**

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 2016. 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 2016.

**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 2016 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 2016, the Group adopted the following new and amended FRSs and IC Interpretations:

	<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
<b>Amendments to FRS 127: Equity Method in Separate Financial Statements</b>	1 January 2016
Amendments to FRS 101: Disclosure Initiatives	1 January 2016
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

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 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 107: Disclosure Initiative	1 January 2017
FRS 15: Revenue from Contracts with Customers	1 January 2018
FRS 9: Financial Instruments	1 January 2018
Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate of Joint Venture	Deferred

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any significant 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.

**(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 interim financial statements for the quarter ending 30 June 2018. In presenting its first MFRS financial statements, the Group will be required to adjust the comparative financial statements prepared under FRS to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against 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. 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 2016 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 ended 30 June 2016.

**A6. Changes in estimates**

There were no changes or estimates that 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	450,000	666,000

**A8. Dividend paid**

There were no dividends paid in the current quarter (preceeding year corresponding period: nil).



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

	Quarter Ended		3 Months Cumulative	
	30-06-2016	30-06-2015	30-06-2016	30-06-2015
<b>Revenue</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Manufacturing*	53,224	72,503	53,224	72,504
Plantation	31,988	37,553	31,988	37,553
Bulking	14,543	15,261	14,543	15,261
Food	23,947	14,857	23,947	14,857
Others	3,653	6,119	3,653	6,119
	127,355	146,293	127,355	146,294
Elimination of inter-segment sales	(2,536)	(4,954)	(2,536)	(4,955)
	124,819	141,339	124,819	141,339
<b>Profit before tax</b>				
Manufacturing*	13,574	11,973	13,574	11,973
Plantation	3,535	9,129	3,535	9,129
Bulking	7,651	7,984	7,651	7,984
Food	(248)	(3,339)	(248)	(3,339)
Others	426	(164)	426	(164)
	24,938	25,583	24,938	25,583
Associated companies	1,231	171	1,231	171
	26,169	25,754	26,169	25,754

\* Production and trading of security documents.

**A10. Profit before tax**

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

	Quarter Ended		3 Months Cumulative	
	30-06-2016	30-06-2015	30-06-2016	30-06-2015
<b>Other income</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	1,606	1,176	1,606	1,176
Foreign exchange (loss)/gain	(554)	283	(554)	283
<b>Operating expenses</b>				
Depreciation and amortisation	8,913	8,892	8,913	8,892
Interest expense	688	92	688	92
Impairment loss on trade receivables	20	1,640	20	1,640
Write back of impairment loss on trade receivables	(253)	(571)	(253)	(571)
Inventories written back	(161)	(123)	(161)	(123)

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 2016.

**A12. Subsequent 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 current quarter and 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 :

	<b>Current Year To Date RM'000</b>
Plant and equipment	990
Vehicles	175
Land and buildings	790
Furniture and fittings	203
	<b><u>2,158</u></b>

**A17. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 30 June 2016 were as follows:

	<b>Current Year To Date RM'000</b>
Property, plant and equipment	
- Approved and contracted for	3,222
- Approved but not contracted for	64,560
	<b><u>64,560</u></b>

**A18. Related party transactions**

The Group's related party transactions during the financial period were as follows:

<b>KFB and its subsidiaries</b>	<b>Transacting parties</b>	<b>Relationship</b>	<b>Nature of transactions</b>	<b>RM'000</b>
Kumpulan Fima Berhad	BHR Enterprise Sdn Bhd	Common Shareholders/ Directors	Advisory services	(30)
Fima Corporation Berhad	Nationwide Express Courier Services Bhd	Common Shareholders/ Directors	Rental income	20
PT Nunukan Jaya Lestari	PT Pohon Emas Lestari	Common Shareholders/ Directors	Purchase of fresh fruit bunches	(1,387)

**PART B - Bursa Securities Listing Requirements**
**B1. Review of performance**
**Group Performance**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
Revenue	124.82	141.34	(16.52)	(11.7)
Profit before tax	26.17	25.75	0.42	1.6

Group revenue for the first quarter ended 30 June 2016 decreased to RM124.82 million as compared to RM141.34 million recorded in the previous financial year. The decrease of RM16.52 million (11.7%) was attributed to the lower revenue generated by manufacturing, plantation and bulking divisions.

However, profit before tax ("PBT") increased by RM0.42 million to RM26.17 million from last year, due to lower operating cost of certain division as explained below.

The performance of each business division is as follows:

**Manufacturing Division**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
Revenue	53.22	72.50	(19.28)	(26.6)
Profit before tax	13.57	11.97	1.60	13.4

Revenue from **Manufacturing Division** decreased by 26.6% to RM53.22 million from RM72.50 million recorded last year, mainly due to lower sales volume of certain travel documents. PBT increased by 13.4% to RM13.57 million from RM11.97 million posted last year, mainly attributable to favourable sales mix and lower depreciation cost.

**Plantation Division**

(RM Million)	<b>Current YTD</b>	<b>Previous YTD</b>	<b>Variance</b>	<b>%</b>
<b>Revenue</b>				
<u>Indonesia</u>				
- Crude palm oil (CPO)	24.28	31.61	(7.33)	(23.2)
- Crude palm kernel oil (CPKO)	4.59	3.36	1.23	36.6
<u>Malaysia</u>				
- Fresh fruit bunch/Pineapple	3.12	2.58	0.54	20.9
<b>Total</b>	<b>31.99</b>	<b>37.55</b>	<b>(5.56)</b>	<b>(14.8)</b>
<b>Profit Before Tax</b>	<b>3.54</b>	<b>9.13</b>	<b>(5.59)</b>	<b>(61.2)</b>
<b>Sales Quantity (mt)</b>				
- CPO	11,016	14,429	(3,413)	(23.7)
- CPKO	1,022	1,099	(77)	(7.0)
<b>Average net CIF selling price, net of duty (RM)</b>				
- CPO	2,204	2,191	13	0.6
- CPKO	4,492	3,056	1,436	47.0

**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2016**
**B1. Review of performance (contd)**
**Plantation Division (contd)**

Revenue from **Plantation Division** decreased by 14.8% to RM31.99 million compared to last year mainly due to lower sales volume of CPO. The division posted a PBT of RM3.54 million, 61.2% lower than last year.

Our plantation estates in Malaysia which are still in the process of land development or palm planting registered a total pretax loss of RM1.47 million as compared to RM0.96 million pretax loss recorded in the corresponding period last year.

**Bulking Division**

(RM Million)	<u>Current YTD</u>	<u>Previous YTD</u>	<b>Variance</b>	<b>%</b>
Revenue	14.54	15.26	(0.72)	(4.7)
Profit before tax	7.65	7.98	(0.33)	(4.1)

**Bulking Division** recorded decrease of RM0.72 million or 4.7% in revenue to RM14.54 million from RM15.26 million recorded last year. The decrease was mainly due to lower revenue recorded by most of the products. In line with the decrease in revenue, the division's PBT decreased by RM0.33 million (4.1%) to RM7.65 million.

**Food Division**

(RM Million)	<u>Current YTD</u>	<u>Previous YTD</u>	<b>Variance</b>	<b>%</b>
<b>Revenue</b>				
Papua New Guinea (PNG)	22.22	13.22	9.00	68.1
Malaysia	1.73	1.64	0.09	5.5
	<u>23.95</u>	<u>14.86</u>	<u>9.09</u>	<u>61.2</u>
Profit before tax	(0.25)	(3.34)	3.09	(92.5)

**Food Division's** revenue increased to RM23.95 million compared to RM14.86 million recorded in the same period last year. The increase in revenue was mainly due to the higher sales of mackerel and tuna. Results of the division improved by RM3.09 million as compared to RM3.34 million loss in the same period last year.

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

(RM Million)	<u>QTR 1 FY 2017</u>	<u>QTR 4 FY 2016</u>	<b>Variance</b>	<b>%</b>
Revenue	124.82	133.96	(9.14)	(6.8)
Profit before tax	26.17	29.84	(3.67)	(12.3)

The Group's revenue decreased by RM9.14 million to RM124.82 million compared to the preceding quarter, as a result of the lower revenue recorded by all divisions.

In line with the lower revenue, PBT decreased by RM3.67 million to RM26.17 million as compared to RM29.84 million recorded in the preceding quarter.

**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2016**
**B2. Comparison with preceding quarter's results (contd)**

The performance of each business division is as follows:

**Manufacturing Division**

(RM Million)	<b>QTR 1</b> <b>FY 2017</b>	<b>QTR 4</b> <b>FY 2016</b>	<b>Variance</b>	<b>%</b>
Revenue	53.22	65.77	(12.55)	(19.1)
Profit before tax	13.57	15.97	(2.40)	(15.0)

**Manufacturing Division's** revenue decreased by RM12.55 million or 19.1% in the current quarter compared to the preceding quarter. The decrease was mainly due to lower sales volume of certain travel documents. In line with the decrease in revenue, PBT registered lower by RM2.40 million in the current quarter.

**Plantation Division**

(RM Million)	<b>QTR 1</b> <b>FY 2017</b>	<b>QTR 4</b> <b>FY 2016</b>	<b>Variance</b>	<b>%</b>
<b>Revenue</b>				
<u>Indonesia</u>				
- CPO	24.28	14.03	10.25	73.1
- CPKO	4.59	3.03	1.56	51.5
- CP	-	1.56	(1.56)	(100.0)
<u>Malaysia</u>				
- Fresh fruit bunch/Pineapple	3.12	2.27	0.85	37.4
<b>Total</b>	<b>31.99</b>	<b>20.89</b>	<b>11.10</b>	<b>53.1</b>
<b>Profit Before Tax</b>	<b>3.54</b>	<b>1.16</b>	<b>2.38</b>	<b>205.2</b>
<b>Sales Quantity (mt)</b>				
- CPO	11,016	8,589	2,427	28.3
- CPKO	1,022	1,115	(93)	(8.3)
<b>Average net CIF selling price, net of duty (RM)</b>				
- CPO	2,204	1,747	457	26.2
- CPKO	4,492	2,730	1,762	64.5

**Plantation Division's** revenue for the quarter improved by RM11.10 million, higher than the preceding quarter due to higher sales volume of CPO and higher selling price of CPO and CPKO. PBT increased by RM2.38 million compared to the preceding quarter.

**Bulking Division**

(RM Million)	<b>QTR 1</b> <b>FY 2017</b>	<b>QTR 4</b> <b>FY 2016</b>	<b>Variance</b>	<b>%</b>
Revenue	14.54	18.62	(4.08)	(21.9)
Profit before tax	7.65	11.16	(3.51)	(31.5)

Revenue from **Bulking Division** of RM14.54 million was 21.9% lower than the preceding quarter. The decrease in results was due to lower revenue generated by edible oil, base oil and oleo chemical segments in the current quarter. In line with decrease in revenue, PBT decreased 31.5% to RM7.65 million over the preceding quarter.

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

**Food Division**

(RM Million)	QTR 1 FY 2017	QTR 4 FY 2016	Variance	%
<b>Revenue</b>				
PNG	22.22	26.74	(4.52)	(16.9)
Malaysia	1.73	1.49	0.24	16.1
	23.95	28.23	(4.28)	(15.2)
Profit before tax	(0.25)	3.78	(4.03)	(106.6)

Revenue from **Food Division** decreased by RM4.28 million or 15.2% to RM23.95 million as compared to the preceding quarter due to lower sales volume. The division registered loss before tax of RM0.25 million during the quarter.

**B3. Prospects**

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

The **Manufacturing Division** will endeavour to establish new strategic alliances to develop new products and solutions to complement its products. This segment will continue to put concerted efforts to improve its operational efficiency and productivity to deliver sustainable performance for this financial year.

The prospects for **Plantation Division** is very much influenced by the direction of palm oil prices and weather conditions. Notwithstanding this, the outlook for this segment continues to remain steady as the average yield is expected to improve.

**Bulking Division.** The prospects for the remaining period are expected to remain challenging. The Malaysia Derivatives Exchange's (MDEX) Edible Oil tender and transshipment businesses is expected to remain low. The storage utilisation rate is expected to be challenging for the current financial year. The division is looking at securing more long term contracts with customers as well as 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 operational efficiency, productivity, margin improvements and cost control as well as emphasis on quality, service and delivery.

**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.

**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2016**
**B5. Income tax expense**

	Current Year Quarter 30-06-2016 RM'000	Current Year To Date 30-06-2016 RM'000
Current taxation	8,643	8,643

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**
**(a) Status of corporate proposal**

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

**(b) Utilisation of proceeds raised from any corporate proposal**

Not applicable.

**B9. Borrowings and debt securities**

	As at 30-06-2016 RM'000	As at 31-03-2016 RM'000
<b>Secured:</b>		
<b>Non-current</b>		
*Obligations under finance leases	16,641	16,799
<b>Current</b>		
*Obligations under finance leases	646	646
Bankers' acceptance	4,291	10,281
Short term revolving credit	5,000	5,000
	<u>9,937</u>	<u>15,927</u>
	<u>26,578</u>	<u>32,726</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.



**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2016**
**B9. Borrowings and debt securities (contd)**

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

(iii) A 60 year lease granted to subsidiary, R.N.E. Plantation Sdn Bhd over 1 plot of agricultural land measuring 2,000 ha located at Sungai Siput, Daerah Kuala Kangsar, Perak. The lease will expire on 3 August 2075, with an option to renew for a further 30 years.

**B10. Realised/unrealised earnings/(losses)**

	<b>As at 30-06-2016 RM'000</b>	<b>As at 31-03-2016 RM'000</b>
Total retained earnings of Kumpulan Fima Berhad and its subsidiaries:		
- Realised	374,890	367,486
- Unrealised	(47,832)	(57,791)
	<u>327,058</u>	<u>309,695</u>
Total share of retained earnings from associated companies:		
- Realised	35,958	38,408
- Unrealised	(4,190)	(4,000)
	<u>31,768</u>	<u>34,408</u>
Consolidation adjustments	(38,282)	(35,486)
Total group retained earnings as per consolidated accounts	<u>320,544</u>	<u>308,617</u>

**B11. Changes in material litigations**

Pending material litigation since preceeding quarter is as follows:

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

Pursuant to the above, on 28 September 2001, FimaCorp was served a Writ of Summons dated 9 August 2001 from a tenant ("Plaintiff") claiming for a compensation sum of approximately RM2.12 million being the renovation costs and general damages arising from the early termination of the Tenancy Agreement at Airtel Complex, in Subang. The Board of FimaCorp had sought the advice of the solicitors and was of the opinion that there should be no compensation payable to the Plaintiff as the demised premises was acquired by a relevant authority, MAHB, which was provided in the Tenancy Agreement between FimaCorp and the Plaintiff.

On 11 November 2008, the Court had disposed off this matter summarily in favour of the Plaintiff and on 4 March 2009, FimaCorp had filed its Record of Appeal to the Court of Appeal to appeal against the decision.

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.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 2016

**B12. Dividends**

For the current quarter under review, no dividend has been proposed and declared (preceeding year corresponding period:nil)

**B13. Earnings per share**

The basic earnings per share are calculated as follows:

	Quarter Ended		Cumulative Quarter Ended	
	30/06/2016	30/06/2015	30/06/2016	30/06/2015
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	11,927	11,293	11,927	11,293
Weighted average number of ordinary shares in issues ('000)	277,003	275,519	277,003	275,519
Effect of dilution - Share options ('000)	2,165	1,804	2,165	1,804
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	279,168	277,323	279,168	277,323
Basic earnings per share (sen per share)	4.31	4.10	4.31	4.10
Diluted earnings per share (sen per share)	4.27	4.07	4.27	4.07

**By order of the Board**

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

**JASMIN BINTI HOOD (LS0009071)**

Company Secretaries

**Kuala Lumpur**

**Dated : 25 August 2016**