

Financial Results (v12)

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RELEASED

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COMPANY INFORMATION SECTION			
Announcement Type	<input checked="" type="radio"/> New Announcement <input type="radio"/> Amended Announcement		
Company Name	KUMPULAN FIMA BERHAD		
Stock Name	KFIMA		
Stock Code	6491		
Board	Main Market		

CONTACT DETAIL			
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MAIN							
General Information							
Financial Year End	31 Mar 2017						
Quarter	3 Qtr						
Quarterly report for the financial period ended	31 Dec 2016						
The figures	have not been audited						
Remarks							
Please attach the full Quarterly Report here	<table border="1"> <thead> <tr> <th>No</th> <th>File Name</th> <th>Size</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>BM_Announcement_Q3 2017.pdf</td> <td>284.2KB</td> </tr> </tbody> </table>	No	File Name	Size	1	BM_Announcement_Q3 2017.pdf	284.2KB
	No	File Name	Size				
1	BM_Announcement_Q3 2017.pdf	284.2KB					

DEFAULT CURRENCY

Currency	Malaysian Ringgit (MYR)
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Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION

Summary of the Key Financial Information for the financial period ended	31 Dec 2016			
	INDIVIDUAL PERIOD	CUMULATIVE PERIOD		
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000
1. Revenue	140,493	134,706	419,915	407,146
2. Profit/(loss) before Tax	32,052	28,625	89,823	81,016
3. Profit/(loss) for the period	24,337	22,107	64,654	59,999
4. Profit/(loss) attributable to ordinary equity holders of the parent	18,370	17,412	44,946	41,590
5. Basic earnings/(loss) per share (Subunit)	6.59	6.30	16.12	15.05
6. Proposed/Declared dividend per share	0.00	0.00	0.00	0.00

(Subunit)		
	AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7. Net assets per share attributable to ordinary equity holders of the parent (\$\$)	2.8200	2.7000
Remarks		

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:

Country	Base unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Part A3 : ADDITIONAL INFORMATION (This Information is for Exchange's Internal Use only)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31 Dec 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000
1. Gross interest income	1,389	1,431	4,833	4,161
2. Gross interest expense	0	0	0	0
Remarks	For individual quarter RM'000 (i) as at 31/12/2016: (213) (ii) as at 31/12/2015: (40) For cumulative quarter RM'000 (i) as at 31/12/2016: (530) (ii) as at 31/12/2015: (231)			

OTHER CURRENCY

Other Currency				
Part A2 : SUMMARY OF KEY FINANCIAL INFORMATION				
Summary of the Key Financial Information for the financial period ended	31 Dec 2016			
	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000
1. Revenue				
2. Profit/(loss) before Tax				
3. Profit/(loss) for the period				
4. Profit/(loss) attributable to ordinary equity holders of the parent				
5. Basic earnings/(loss) per share (Subunit)				
6. Proposed/Declared dividend per share (Subunit)				
	AS AT END OF CURRENT QUARTER		AS AT PRECEDING FINANCIAL YEAR END	
7. Net assets per share attributable to ordinary equity holders of the parent (\$\$)				
Remarks				

In a currency system, there is usually a main unit (base) and subunit that is a fraction amount of the main unit.
Example for the subunit as follows:

Country	Base unit	Subunit
Malaysia	Ringgit	Sen
United States	Dollar	Cent
United Kingdom	Pound	Pence

Part A3 : ADDITIONAL INFORMATION (This Information is for Exchange's Internal Use only)

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000	[dd/mm/yyyy] \$\$'000
1. Gross interest income				
2. Gross interest expense				
Remarks				

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

Condensed Consolidated Financial Statements
For The Third Quarter Ended 31 December 2016

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016
(THE FIGURES HAVE NOT BEEN AUDITED)**

	Note	Current Quarter		9 Months Cumulative	
		Current Year Quarter 31-12-2016 RM'000	Preceding Year Corresponding Quarter 31-12-2015 RM'000	Current Year To Date 31-12-2016 RM'000	Preceding Year Corresponding Period 31-12-2015 RM'000
Revenue	A9	140,493	134,706	419,915	407,146
Cost of sales		(88,298)	(88,592)	(266,787)	(260,919)
Gross profit		52,195	46,114	153,128	146,227
Other income		5,048	3,341	11,832	9,726
Other items of expense					
Administrative expenses		(21,520)	(14,161)	(55,058)	(51,771)
Selling and marketing expenses		(1,569)	(1,456)	(4,601)	(4,857)
Other expenses		(2,273)	(4,944)	(15,773)	(18,388)
		(25,362)	(20,561)	(75,432)	(75,016)
Finance costs		(213)	(40)	(530)	(231)
Share of profit of associates		384	(229)	825	310
Profit before tax	A9/A10	32,052	28,625	89,823	81,016
Income tax expense	B5	(7,715)	(6,518)	(25,169)	(21,017)
Profit net of tax		24,337	22,107	64,654	59,999
Other comprehensive income					
Foreign currency translation differences for foreign operations		10,500	(9,692)	19,974	(4,047)
Total comprehensive income for the period		34,837	12,415	84,628	55,952
Profit attributable to :					
Equity holders of the Company		18,370	17,412	44,946	41,590
Non-controlling interests		5,967	4,695	19,708	18,409
Profit for the period		24,337	22,107	64,654	59,999
Total comprehensive income attributable to :					
Equity holders of the Company		28,818	8,279	64,868	38,362
Non-controlling interests		6,019	4,136	19,760	17,590
Total comprehensive income for the period		34,837	12,415	84,628	55,952
Earnings per share attributable to owners of the parent (sen per share):					
Basic	B13	6.59	6.30	16.12	15.05
Diluted	B13	6.57	6.30	16.06	14.95

(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 31 DECEMBER 2016

	As At 31-12-2016 (unaudited) <u>RM'000</u>	As At 31-03-2016 (audited) <u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	344,452	344,402
Investment properties	68,936	70,097
Biological assets	176,856	153,476
Investment in associates	44,252	46,659
Deferred tax assets	6,870	8,394
Goodwill on consolidation	12,710	12,710
	<u>654,076</u>	<u>635,738</u>
Current assets		
Inventories	100,181	90,807
Trade receivables	144,428	183,562
Other receivables	30,132	27,963
Cash and bank balances	392,261	247,592
	<u>667,002</u>	<u>549,924</u>
TOTAL ASSETS	<u>1,321,078</u>	<u>1,185,662</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	282,232	276,968
Share premium	29,438	24,713
Other reserves	155,814	138,002
Retained earnings	328,239	308,617
	<u>795,723</u>	<u>748,300</u>
Non-controlling interests	258,615	250,986
Total equity	<u>1,054,338</u>	<u>999,286</u>
Non-current liabilities		
Finance lease obligations	16,313	16,799
Retirement benefit obligations	1,528	1,391
Deferred tax liabilities	46,036	46,951
	<u>63,877</u>	<u>65,141</u>
Current liabilities		
Finance lease obligations	646	646
Short term borrowings	25,449	15,281
Trade payables	79,973	44,007
Other payables	94,954	60,615
Tax payable	1,841	686
	<u>202,863</u>	<u>121,235</u>
Total liabilities	<u>266,740</u>	<u>186,376</u>
TOTAL EQUITY AND LIABILITIES	<u>1,321,078</u>	<u>1,185,662</u>
Net assets per share (RM)	<u>2.82</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).

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016**

Group	Attributable to Equity Holders of the Company											
	Non-distributable									Distributable		
	Share capital	Share premium	Other reserves	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiary	Employee share option reserve	Foreign exchange reserve	Retained earnings	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
At 1 April 2016	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 period	-	-	19,922	-	-	-	-	19,922	44,946	64,868	19,760	84,628
Transactions with owners												
Dividends	-	-	-	-	-	-	-	-	(25,324)	(25,324)	-	(25,324)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	(11,739)	(11,739)
Share options exercised	5,264	4,725	(2,110)	-	-	-	(2,110)	-	-	7,879	-	7,879
Purchase of treasury shares by a subsidiary	-	-	-	-	-	-	-	-	-	-	(392)	(392)
Total transaction with owners	5,264	4,725	(2,110)	-	-	-	(2,110)	-	(25,324)	(17,445)	(12,131)	(29,576)
At 31 December 2016	282,232	29,438	155,814	87,471	437	66,459	2,317	(870)	328,239	795,723	258,615	1,054,338
At 1 April 2015	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 period	-	-	(3,228)	-	-	-	-	(3,228)	41,590	38,362	17,590	55,952
Transactions with owners												
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	402	402
Dividends	-	-	-	-	-	-	-	-	(23,528)	(23,528)	-	(23,528)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	(19,679)	(19,679)
Share options exercised	855	741	(337)	-	-	-	(337)	-	-	1,259	-	1,259
Total transaction with owners	855	741	(337)	-	-	-	(337)	-	(23,528)	(22,269)	(19,277)	(41,546)
As 31 December 2015	276,942	24,671	153,503	87,471	437	66,459	4,223	(5,087)	293,264	748,380	244,036	992,416

(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 THIRD QUARTER ENDED 31 DECEMBER 2016**

	← 9 months ended →	
	<u>31-12-2016</u>	<u>31-12-2015</u>
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	89,823	81,016
Adjustments for:		
Depreciation for property, plant and equipment	19,064	23,889
Depreciation of investment properties	1,225	1,202
Amortisation of biological assets	4,786	4,482
Impairment loss on trade receivables	35	2,378
Write back of impairment loss on trade receivables	(1,437)	-
Provision for retirement benefit obligation	28	65
Write down of inventories	136	1,509
Gain from plantation investment compensation	-	(351)
Share of result of associates	(825)	(310)
Interest expense	530	231
Interest income	(4,833)	(4,161)
Operating profit before working capital changes	<u>108,532</u>	<u>109,950</u>
Increase in inventories	(9,510)	(17,674)
Decrease in receivables	38,656	48,106
Increase/(decrease) in payables	<u>70,305</u>	<u>(23,277)</u>
Cash generated from operations	207,983	117,105
Interest paid	(530)	(231)
Taxes paid	(19,506)	(19,769)
Retirement benefits paid	(10)	(5)
Net cash generated from operating activities	<u>187,937</u>	<u>97,100</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Biological assets expenditure	(23,779)	(22,143)
Acquisition of subsidiary, net cash acquired	-	(4,037)
Proceed from plantation investment compensation	-	722
Purchase of property, plant and equipment	(11,449)	(21,245)
Purchase of investment property	-	(1,626)
Net dividend received from an associated company	570	1,140
Repayment of obligation under finance lease	(486)	(12)
Interest received	4,833	4,161
Net cash used in investing activities	<u>(30,311)</u>	<u>(43,040)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net drawdown of borrowings	10,169	16,353
Proceeds from exercise of employee share scheme	7,879	1,259
Dividend paid	(25,324)	(23,528)
Dividend paid by a subsidiary to non-controlling interests	(11,739)	(19,679)
Net cash used in financing activities	<u>(19,015)</u>	<u>(25,595)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	138,611	28,465
EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	6,058	5,134
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>247,592</u>	<u>236,710</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>392,261</u>	<u>270,309</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	82,210	66,859
Fixed deposits with financial institutions	310,051	203,450
	<u>392,261</u>	<u>270,309</u>

(The condensed consolidated statement of cash flows 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 FRSs and Amendments to FRSs, IC Interpretations and amendments to IC Interpretations:

Annual Improvements to FRSs 2012-2014 Cycle
Amendments to FRS 11: Accounting for Acquisition of Interests in Joint Operations
Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127: Equity Method in Separate Financial Statements
Amendments to FRS 101: Disclosure Initiatives
Amendments FRS 10, FRS 12 and FRS 128: Investment Entities: Applying the Consolidation Exception
FRS 14: Regulatory Deferral Accounts

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

A2. Changes in accounting policies (contd)

(b) Standards and interpretations issued but not yet effective

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

	Effective for annual period beginning on or after
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Annual Improvements to FRSs 2014 - 2016 Cycle	1 January 2017
FRS 140: Transfers of Investment Property	1 January 2018
FRS 9: Financial Instruments	1 January 2018
FRS 2: Classification and measurement of share-based payment transactions	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.

(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 31 December 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	746,600	1,104,968
Total	746,600	1,104,968

A8. Dividend paid

There were no dividends paid in the current quarter (preceeding year corresponding period: RM23.5 million).

A9. Segmental revenue and results for business segments

	Quarter Ended		9 Months Cumulative	
	31-12-2016	31-12-2015	31-12-2016	31-12-2015
	RM'000	RM'000	RM'000	RM'000
Revenue				
Manufacturing*	66,023	68,106	193,149	202,529
Plantation	32,217	25,759	106,130	91,736
Bulking	12,086	17,837	37,394	48,833
Food	29,293	21,590	80,355	60,188
Others	6,317	5,557	16,165	20,509
	145,936	138,849	433,193	423,795
Elimination of inter-segment sales	(5,443)	(4,143)	(13,278)	(16,649)
	140,493	134,706	419,915	407,146
Profit before tax				
Manufacturing*	16,052	13,931	48,426	38,038
Plantation	4,295	(352)	14,790	13,105
Bulking	5,343	11,172	16,751	27,717
Food	6,021	2,595	8,155	942
Others	(43)	1,508	876	904
	31,668	28,854	88,998	80,706
Associated companies	384	(229)	825	310
	32,052	28,625	89,823	81,016

* Production and trading of security documents.

A10. Profit before tax

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

	Quarter Ended		9 Months Cumulative	
	31-12-2016	31-12-2015	31-12-2016	31-12-2015
	RM'000	RM'000	RM'000	RM'000
Other income				
Interest income	1,389	1,431	4,833	4,161
Foreign exchange gain	3,854	1,468	6,625	2,887
Operating expenses				
Depreciation and amortisation	9,388	8,350	25,075	29,573
Interest expense	213	40	530	231
Impairment loss on trade receivables	10	1,672	35	2,378
Write (back)/down of impairment loss on trade receivables	(1,144)	741	(1,437)	-
Write down of inventories	297	1,666	136	1,509

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 :

	Current Year To Date RM'000
Plant and equipment	6,686
Vehicles	592
Land and buildings	3,353
Furniture and fittings	818
	11,449

A17. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 31 December 2016 were as follows:

	Current Year To Date RM'000
Property, plant and equipment	
- Approved and contracted for	3,582
- Approved but not contracted for	63,114
	66,696

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	(90)
Fima Corporation Berhad	Nationwide Express Courier Services Bhd	Common Shareholders/ Directors	Rental income	59
PT Nunukan Jaya Lestari	PT Pohon Emas Lestari	Common Shareholders/ Directors	Purchase of fresh fruit bunches	(4,531)

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016
PART B - Bursa Securities Listing Requirements
B1. Review of performance
Group Performance

(RM Million)	<u>Current YTD</u>	<u>Previous YTD</u>	Variance	%
Revenue	419.92	407.15	12.77	3.1
Profit before tax	89.82	81.02	8.80	10.9

Group revenue for the 9 months ended 31 December 2016 increased to RM419.92 million as compared to RM407.15 million recorded in the previous corresponding period. The increase of RM12.77 million was attributed to the higher revenue generated by plantation and food divisions.

In line with the increase in revenue, profit before tax ("PBT") increased by RM8.80 million to RM89.82 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)	<u>Current YTD</u>	<u>Previous YTD</u>	Variance	%
Revenue	193.15	202.53	(9.38)	(4.6)
Profit before tax	48.43	38.04	10.39	27.3

Revenue from **Manufacturing Division** decreased by 4.6% to RM193.15 million from RM202.53 million recorded last year, mainly due to lower sales volume of certain security and confidential documents. PBT increased by 27.3% to RM48.43 million from RM38.04 million posted last year, mainly attributable to favourable sales mix and lower depreciation.

Plantation Division

(RM Million)	<u>Current YTD</u>	<u>Previous YTD</u>	Variance	%
Revenue				
<u>Indonesia</u>				
- Crude palm oil (CPO)	84.00	77.52	6.48	8.4
- Crude palm kernel oil (CPKO)	11.16	6.47	4.69	72.5
<u>Malaysia</u>				
- Fresh fruit bunch/Pineapple	10.97	7.75	3.22	41.5
Total	<u>106.13</u>	<u>91.74</u>	<u>14.39</u>	<u>15.7</u>
Profit Before Tax	14.79	13.11	1.68	12.8
Sales Quantity (mt)				
- CPO	33,066	35,639	(2,573)	(7.2)
- CPKO	2,075	2,199	(124)	(5.6)
Average net CIF selling price, net of duty (RM)				
- CPO	2,525	2,172	353	16.3
- CPKO	5,375	2,931	2,444	83.4

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

Revenue from **Plantation Division** increased by 15.7% to RM106.13 million compared to last year, primarily attributable to higher selling price of CPO & CPKO. The division posted a PBT of RM14.79 million, 12.8% higher 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 RM4.23 million as compared to RM2.86 million pretax loss recorded in the corresponding period last year.

Bulking Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	37.39	48.83	(11.44)	(23.4)
Profit before tax	16.75	27.72	(10.97)	(39.6)

Bulking Division recorded decrease of RM11.44 million or 23.4% lower in revenue to RM37.39 million from RM48.83 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 RM10.97 million (39.6%) to RM16.75 million.

Food Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue				
Papua New Guinea (PNG)	75.75	55.69	20.06	36.0
Malaysia	4.61	4.50	0.11	2.4
	<u>80.36</u>	<u>60.19</u>	<u>20.17</u>	<u>33.5</u>
Profit before tax	8.16	0.94	7.22	768.1

Food Division's revenue increased to RM80.36 million compared to RM60.19 million recorded in the same period last year. The increase in revenue was mainly due to the higher sales volume of mackerel, tuna and fishmeal product. Results of the division improved by RM7.22 million as compared to RM0.94 million profit in the same period last year.

B2. Comparison with preceding quarter's results
Group Performance

(RM Million)	QTR 3 FY 2017	QTR 2 FY 2017	Variance	%
Revenue	140.49	154.60	(14.11)	(9.1)
Profit before tax	32.05	31.60	0.45	1.4

The Group's revenue decreased by RM14.11 million to RM140.49 million compared to the preceding quarter, as a result of the lower revenue recorded by manufacturing and plantation divisions.

PBT increased by RM0.45 million to RM32.05 million as compared to RM31.60 million recorded in the preceding quarter mainly due to the positive contributions by food and bulking divisions.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016

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

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	QTR 3 FY 2017	QTR 2 FY 2017	Variance	%
Revenue	66.02	73.90	(7.88)	(10.7)
Profit before tax	16.05	18.80	(2.75)	(14.6)

Manufacturing Division's revenue decreased by RM7.88 million or 10.7% in the current quarter compared to the preceding quarter. The decrease was mainly due to cyclical changes in volume of certain products and a decrease in volume of travel documents. In line with the decrease in revenue, PBT posted was lower by RM2.75 million, decline of 14.6% over the previous quarter.

Plantation Division

(RM Million)	QTR 3 FY 2017	QTR 2 FY 2017	Variance	%
Revenue				
<u>Indonesia</u>				
- CPO	27.55	32.18	(4.63)	(14.4)
- CPKO	0.62	5.94	(5.32)	(89.6)
<u>Malaysia</u>				
- Fresh fruit bunch/Pineapple	4.04	3.81	0.23	6.0
Total	32.21	41.93	(9.72)	(23.2)
Profit Before Tax	4.30	6.96	(2.66)	(38.2)
Sales Quantity (mt)				
- CPO	9,126	12,924	(3,798)	(29.4)
- CPKO	-	1,053	(1,053)	(100.0)
Average net CIF selling price, net of duty (RM)				
- CPO	2,964	2,431	533	21.9
- CPKO	-	5,642	(5,642)	(100.0)

Plantation Division's revenue for the quarter decreased by RM9.72 million, lower than the preceding quarter due to lower sales quantity of CPO and zero sales of CPKO. PBT decreased by RM2.66 million compared to the preceding quarter.

Bulking Division

(RM Million)	QTR 3 FY 2017	QTR 2 FY 2017	Variance	%
Revenue	12.09	10.77	1.32	12.3
Profit before tax	5.34	3.76	1.58	42.0

Revenue from **Bulking Division** of RM12.09 million was 12.3% higher than the preceding quarter. The increase in results was due to higher revenue generated by most of the segments in the current quarter. In line with increase in revenue, PBT increased 42.0% to RM5.34 million over the preceding quarter.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016

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

Food Division

(RM Million)	QTR 3 FY 2017	QTR 2 FY 2017	Variance	%
Revenue				
PNG	27.73	25.80	1.93	7.5
Malaysia	1.56	1.32	0.24	18.2
	<u>29.29</u>	<u>27.12</u>	<u>2.17</u>	<u>8.0</u>
Profit before tax	6.02	2.38	3.64	152.9

Revenue from **Food Division** increased by RM2.17 million or 8.0% to RM29.29 million as compared to the preceding quarter due to higher sales volume of tuna and fishmeal product. The division registered profit before tax of RM6.02 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. Profit from this segment is expected to be satisfactory due to better sales mix.

The prospects for **Plantation Division** is very much influenced by the direction of commodity market, fluctuation in US Dollar and weather conditions. Notwithstanding this, the prospect of CPO prices is expected to be good for the remaining quarter of the financial year.

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.

B5. Income tax expense

	Current Year Quarter 31-12-2016 RM'000	Current Year To Date 31-12-2016 RM'000
Current taxation	7,715	25,169

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.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016

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 31-12-2016 RM'000	As at 31-03-2016 RM'000
Secured:		
Non-current		
*Obligations under finance leases	16,313	16,799
Current		
*Obligations under finance leases	646	646
Bankers' acceptance	20,449	10,281
Short term revolving credit	5,000	5,000
	<u>26,095</u>	<u>15,927</u>
	<u>42,408</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.
- (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.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016
B10. Realised/unrealised earnings/(losses)

	As at 31-12-2016 RM'000	As at 31-03-2016 RM'000
Total retained earnings of Kumpulan Fima Berhad and its subsidiaries:		
- Realised	367,668	367,486
- Unrealised	(49,164)	(57,791)
	318,504	309,695
Total share of retained earnings from associated companies:		
- Realised	34,432	38,408
- Unrealised	(4,346)	(4,000)
	30,086	34,408
Consolidation adjustments	(20,351)	(35,486)
Total group retained earnings as per consolidated accounts	328,239	308,617

B11. Changes in material litigations

Pending material litigation since preceeding quarter is as follows:

- (i) On 21 October 2016, a subsidiary, Fima Corporation Berhad ("FimaCorp") announced that its Indonesian subsidiary, PT Nunukan Jaya Lestari ("PTNJL") has instituted legal proceedings to challenge the order issued by the Menteri Agraria dan Tata Ruang/Kepala Badan Pertanahan Nasional ("Defendant") ("Ministerial Order") to revoke PT NJL's land title Hak Guna Usaha No. 01/Nunukan Barat ("HGU") with immediate effect.

The Ministerial Order was on the basis that the HGU was improperly issued due to administrative irregularities performed by certain officers of the Badan Pertanahan Nasional Provinsi Kalimantan Timur at the time of the issuance of the HGU in 2003, resulting in parts of the area within the HGU to overlap with foresty areas. PTNJL's planted area affected by the Ministerial Order measures 3,691.9 hectare.

On 21 October 2016, PTNJL filed an application in the Pengadilan Tata Usaha ("PTUN") in Jakarta, Indonesia seeking an order to annul the Ministerial Order. Simultaneously, in the said application, PTNJL has also sought an order from PTUN to postpone the enforcement of the Ministerial Order pending full and final determination of the matter by the Indonesian courts. The suit is still on-going and the Defendant, together with a third party intervener, PT Adindo Hutani Lestari, have filed a defence against the said suit.

Notwithstanding the Ministerial Order, the local government in Kabupaten Nunukan, in the interest of good order, has given its undertaking and allowed PTNJL to continue to lawfully operate its plantation operations until the final determination of the matter by the Indonesian courts. Based on the current circumstances, the Board is of the opinion that the Ministerial Order will not have any immediate operational and financial impact on the Group.

- (ii) Following the termination of the Tenancy Agreement by Malaysia Airports Holding Berhad ("MAHB") on 11 May 2000, a subsidiary, 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.

NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2016
B11. Changes in material litigations (contd)

Pending material litigation since preceeding quarter is as follows: (contd)

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

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

B12. Dividends

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	
	31-12-2016	31-12-2015	31-12-2016	31-12-2015
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	18,370	17,412	44,946	41,590
Weighted average number of ordinary shares in issues ('000)	278,809	276,422	278,809	276,422
Effect of dilution				
- Share options ('000)	605	132	1,121	1,800
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	279,414	276,554	279,930	278,222
Basic earnings per share (sen per share)	6.59	6.30	16.12	15.05
Diluted earnings per share (sen per share)	6.57	6.30	16.06	14.95

By order of the Board

MOHD YUSOF BIN PANDAK YATIM (MIA 4110)

JASMIN BINTI HOOD (LS0009071)

Company Secretaries

Kuala Lumpur

Dated : 27 February 2017