

FIMA CORPORATION BERHAD

(Company No. 21185-P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2007
THE FIGURES HAVE NOT BEEN AUDITED**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	<i>Current Quarter</i>		<i>6 Months Cumulative</i>	
	<i>Current Year Quarter 30/09/07 RM'000</i>	<i>Preceding Year Corresponding Quarter 30/09/06 RM'000</i>	<i>Current Year To Date 30/09/07 RM'000</i>	<i>Preceding Year Corresponding Period 30/09/06 RM'000</i>
Revenue	49,783	42,855	89,953	80,902
Cost of Sales	<u>(33,695)</u>	<u>(27,833)</u>	<u>(61,128)</u>	<u>(53,736)</u>
Gross Profit	16,088	15,022	28,825	27,166
Other income	1,288	424	1,426	848
Administrative Expenses	(2,026)	(1,627)	(4,190)	(2,839)
Selling and Marketing Expenses	(345)	(231)	(631)	(405)
Other Expenses	(2,240)	(1,524)	(5,173)	(3,966)
Finance costs	(407)	-	(775)	-
Share of profit in associates	<u>1,623</u>	<u>396</u>	<u>2,390</u>	<u>778</u>
Profit before taxation	13,981	12,460	21,872	21,582
Taxation	<u>(3,559)</u>	<u>(3,561)</u>	<u>(5,611)</u>	<u>(6,141)</u>
Profit for the period	<u>10,422</u>	<u>8,899</u>	<u>16,261</u>	<u>15,441</u>
Attributable to :				
Equity holders of the parent	9,569	8,899	15,679	15,441
Minority interest	853	-	582	-
Profit for the period	<u>10,422</u>	<u>8,899</u>	<u>16,261</u>	<u>15,441</u>
Earnings per share				
Basic earnings per share (sen)	11.74	10.92	19.24	18.95
Fully diluted earnings per share (sen)	11.74	10.90	19.24	18.91

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2007)

FIMA CORPORATION BERHAD (Company No. 21185-P)
CONDENSED CONSOLIDATED BALANCE SHEETS

	As at End Of Current Quarter 30/09/07 (unaudited) RM'000	As at Preceding Financial Year End 31/03/07 (audited) RM'000
ASSETS		
Non-Current Assets		
Property, Plant & Equipment	117,754	6,354
Investment Properties	69,873	68,790
Prepaid land lease payments	6,665	6,707
Intangible assets	638	-
Interest in Associates	25,868	66,986
Long Term Receivables	3,286	3,596
Deferred Tax Assets	1,754	1,180
	225,838	153,613
Current Assets		
Inventories	48,610	35,252
Trade Receivables	39,237	24,324
Other Receivables	3,540	6,989
Due from Related Companies	2,014	1,127
Cash and Bank Balances	18,460	29,198
	111,861	96,890
TOTAL ASSETS	337,699	250,503
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share Capital	82,427	82,427
Share Premium	534	534
Treasury Shares	(1,688)	(1,389)
Other Reserve	(7,013)	-
Retained Earnings	135,058	119,379
	209,318	200,951
Minority Interest	23,062	-
Total Equity	232,380	200,951
Non-Current Liabilities		
Retirement Benefit Obligations	315	368
Deferred Tax Liabilities	574	-
	889	368
Current Liabilities		
Borrowings	38,770	0
Trade Payables	43,543	32,669
Other Payables	19,946	14,021
Tax Payable	2,171	2,485
Due to Related Companies	-	9
	104,430	49,184
Total Liabilities	105,319	49,552
TOTAL EQUITY AND LIABILITIES	337,699	250,503
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.57	2.47

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2007)

FIMA CORPORATION BERHAD (Company No. 21185-P)
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
 FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2007

	-----Attributable to Equity Holders of the Parent----->					Minority Interest	Total Equity	
	<-----Non-Distributable----->				Distributable			
	Share Capital	Share Premium	Treasury Shares	Other Reserve	Retained Profits			
RM'000	RM'000	RM'000	RM'000	RM'000	Total RM'000	RM'000	RM'000	
At 01 April 2006	81,864	342	(1,389)	-	100,576	181,393	-	181,393
Net Profit	-	-	-	-	15,441	15,441	-	15,441
Dividends Paid	-	-	-	-	(4,675)	(4,675)	-	(4,675)
Issue of share capital	231	64	-	-	-	295	-	295
At 30 September 2006	82,095	406	(1,389)	-	111,342	192,454	-	192,454
At 01 April 2007	82,427	534	(1,389)	-	119,379	200,951	-	200,951
Net Profit	-	-	-	-	15,679	15,679	582	16,261
Purchase of Treasury Shares	-	-	(299)	-	-	(299)	-	(299)
Foreign currency translation	-	-	-	(7,013)	-	(7,013)	-	(7,013)
Acquisition of subsidiary	-	-	-	-	-	-	22,480	22,480
At 30 September 2007	82,427	534	(1,688)	(7,013)	135,058	209,318	23,062	232,380

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2007)

**FIMA CORPORATION BERHAD (Company No. 21185-P)
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2007**

	6 months ended	
	30/09/07	30/09/06
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	21,872	21,582
Adjustments for :		
Depreciation	2,984	2,053
Amortisation of prepaid land lease payments	42	-
Bad & doubtful debts (net)	(732)	-
Provision/(Reversal) of provision for retirement benefit	(9)	(157)
Inventories written down/(Write back of inventories written down)	127	(807)
Loss on disposal of property, plant and equipment	-	76
Share of profit in associated company	(2,390)	(778)
Interest expense	775	-
Interest income	(1,408)	(848)
Operating profit before working capital changes	21,261	21,121
(Increase)/Decrease in receivables	(10,422)	12,813
Increase in inventories	(13,485)	(11,830)
Decrease in related companies balances	32,764	2,083
Increase in payables	16,799	7,662
Cash generated from operations	46,917	31,849
Tax paid	(5,730)	(5,341)
Retirement benefit paid	(44)	-
Interest paid	(775)	-
Interest income received	1,408	848
Net cash generated from/(used) in operating activities	41,776	27,356
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(9,446)	(1,986)
Proceeds from disposal of property, plant and equipment	-	30
Acquisition of subsidiary	(81,539)	(3,000)
Purchase of shares in associated company	-	(10,000)
Net cash used in investing activities	(90,985)	(14,956)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	-	(4,675)
Purchase of Treasury Shares	(299)	-
Issuance of shares	-	295
Drawdown of Revolving Credit	38,770	-
Net cash used in financing activities	38,471	(4,380)
CASH AND CASH EQUIVALENTS		
Net increase/(decrease)	(10,738)	8,020
At the beginning of financial period	29,198	46,983
At the end of financial period	18,460	55,003
CASH AND CASH EQUIVALENTS COMPRISE OF :		
Cash and bank balances	11,922	4,324
Deposits with licensed banks	6,538	50,679
	18,460	55,003

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2007)

- Part A - FRS 134 Requirements
 Part B - Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements

PART A - FRS 134 Requirements

A1. Basis of Preparation and Accounting Policies

The interim 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 2007. The 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 2007.

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 2007 except for the adoption of revised FRS 117-Leases and FRS 124-Related Party Disclosures issued by MASB that are effective for the Group's annual reporting date, 31 March 2008.

The adoption of the FRSs listed above, other than those stated below, does not have any significant financial impact on the Group. The principal effects of changes in accounting policies resulting from the adoption of the new/revised FRSs are as follows:

(a) FRS 117: Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. Prior to 1 April 2007, leasehold land was classified as property, plant and equipment. At 1 April 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and certain comparative amounts as at 31 March 2007 have been restated as follows:

	<u>As previously reported</u> RM'000	<u>Adoption of FRS 117</u> RM'000	<u>As restated</u> RM'000
Balance as at 31 March 2007			
Property, plant and equipment	13,061	(6,707)	6,354
Prepaid lease payments	-	6,707	6,707

(b) FRS 124: Related Party Disclosures

This standard affects the identification of related parties and other similar related party disclosures. This standard requires the disclosure of related party transactions and outstanding balances with other entities in a group. Intra-group related party transactions and outstanding balances are eliminated in the preparation of consolidated financial statements of the Group.

The adoption of this FRS has no financial impact on the Group's consolidation financial statements

A3. Audit Qualification

The preceding annual financial statements of the Group were not subject to any audit qualification.

A4. Seasonality or cyclical of the interim operations.

The production of security and confidential documents is influenced by the cyclical changes in volume of certain jobs.

A5. Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A6. Changes in estimates

There were no changes or estimates that have a material effect to the current quarter's results.

A7. Issuances, cancellation, repurchases, resale and repayment of debt and equity securities.

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities for the current financial year todate except for the following:-

- i) During the current quarter, the Company repurchased 135,500 of its issued ordinary shares from the open market at an average price of RM2.20 per share. The total consideration paid for the repurchase including transaction costs was RM299,737 and this was financed by internally generated funds. Of the total 82,426,810 issued and fully paid ordinary shares as at 30 September 2007, 1,051,100 shares are held as treasury shares by the Company.

A8. Dividends paid

There were no dividends paid in the current quarter.

A9. Segmental Information

<u>Segments</u>	Current Year Todate 30/09/07	
	Revenue	Profit/(Loss) Before Tax
	RM'000	RM'000
Production and trading of security & confidential documents	76,974	17,487
Property Management	2,725	(913)
Oil palm production and processing	10,764	2,908
	<u>90,463</u>	<u>19,482</u>
Group's share of associated company's results	-	2,390
	<u>90,463</u>	<u>21,872</u>
Eliminations	(510)	-
Group Results	<u>89,953</u>	<u>21,872</u>

A10. Valuation of property, plant and equipment

Property, plant and equipment are not stated at any revalued amounts.

A11. Subsequent events

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

A12. 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 other than:

- (i) On 9 April 2007, a wholly-owned subsidiary, FCB Management Sdn Bhd ("FCB Management") increased its equity interest in an associate company, PT Nunukan Jaya Lestari ("NJL") from 32.5% to 80.0% by subscribing to the following:
1. 472,500 new shares issued by NJL for a cash consideration of RM21.0 million.
 2. Rp.135.0 billion nominal value of redeemable convertible loan stock issued by NJL for a cash consideration of RM60.0 million.

The acquired subsidiary has contributed the following results to the Group:

	Current Year Totdate 30/09/07 RM'000
Revenue	10,764
Profit for the period	<u>2,908</u>

The assets and liabilities arising from the acquisition are as follows:

	Fair Value RM'000	Acquiree's Carrying Amount RM'000
Property, plant & equipment	108,655	108,655
Inventories	1,821	1,821
Other receivables	387	387
Cash and bank balances	14,461	14,461
Trade and other payables	(16,290)	(16,290)
Borrowings	(1,079)	(1,079)
Foreign exchange translation	4,444	4,444
Total net assets	<u>112,399</u>	<u>112,399</u>
Less : Minority Interest	<u>22,480</u>	
	89,919	
Transfer from investment in associate	<u>5,443</u>	
	95,362	
Goodwill arising on acquisition	<u>638</u>	
Total cost of acquisition	<u>96,000</u>	

The cash outflow on acquisition is as follows:

	Current Year Totdate 30/09/07 RM'000
Purchase consideration satisfied in cash	96,000
Cash and cash equivalent of subsidiary acquired	<u>(14,461)</u>
Net cash outflow of the Group	<u>81,539</u>

A13. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since the last annual balance sheet (other than changes in material litigation disclosed in Note B11).

A14. Capital Commitments

	<u>As at 30/09/07</u> RM'000
Property, plant and equipment	
Approved and contracted for	3,852
Approved but not contracted for	8,959
	<u>12,811</u>

A15. Acquisition of Property, Plant and Equipment

As at the end of the financial period to date, the Group has acquired the following assets.

	<u>Current Year To date 30/09/07</u> RM'000
Property	1,796
Plant and Machinery	7,524
Furniture, Fittings and Computers	126
	<u>9,446</u>

A16. Related Party Transactions

	<u>Current Year To date 30/09/07</u> RM'000
Kumpulan Fima Berhad, penultimate holding company	
Interest income receivable	(20)
Rental income receivable	(222)
Fellow Subsidiaries :	
Malaysian Transnational Trading Corporation Berhad	
Rental income receivable	(47)
Fima TLP Feedlot	
Management services receivable	(75)
Related by virtue of having common director/(s)/shareholder/(s) :	
Nationwide Express Courier Services Berhad	
Purchases made - Delivery services	62
Rental income receivable	(45)
Nationwide Freight Forwarders Sdn Bhd	
Purchases made - Forwarding services	126
Associated Company :	
Giesecke & Devrient Malaysia Sdn Bhd	
Management services receivable	(12)

A17. Inventories

During the quarter, there was no significant write-down of inventories or reversal of such write-down.

PART B - Bursa Securities Listing Requirements

B1. Review of Performance

For the first half year under review, the Group registered a revenue of RM90.0 million, an increase of RM9.1 million over the same period of last year. The increase was mainly attributable to RM10.8 million revenue contributed by PT Nunukan Jaya Lestari ("PT NJL"), a subsidiary acquired at the beginning of the financial year.

A profit before taxation of RM21.9 million was recorded as compared to RM21.6 million pre-tax profit in the previous year. The marginal improvement was due to a higher contribution in profit from PT NJL and associate company. However, the production and trading of security and confidential documents recorded a lower profit due to lower revenue and unfavourable product mix.

B2. Material change in profit before taxation for the quarter reported as compared with the preceding quarter

During the quarter reported, the Group registered a revenue of RM49.8 million with a pre-tax profit of RM14.0 million as compared to RM7.9 million pre-tax profit on the back of RM40.2 million revenue in the preceding quarter. The improvement in performance in the quarter was mainly due to contribution from oil palm production and processing.

B3. Prospects

Barring unforeseen circumstances, the Directors are of the view that the Group's overall performance will be satisfactory in the second half of the financial year.

B4. Variance of actual profit from forecast profit

The Group did not issue any profit forecast and/or guarantees to the public.

B5. Taxation

	<u>Current Quarter 30/09/07 RM'000</u>	<u>Current Year To date 30/09/07 RM'000</u>
Current year's charge	3,559	5,611

The effective tax rate on Group's profit to date is marginally higher than the statutory tax rate mainly due to certain expenses disallowed for taxation purposes.

B6. Profit/Loss on sale of unquoted investments and/or properties

There was no sale of unquoted investments or properties.

B7. Purchase or disposal of quoted securities

There was no purchase or disposal of quoted securities.

B8. (a) Corporate proposals

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

Current
Year ToDate
30/09/07

RM'000

Short term borrowings

Secured

38,770

B10. Off Balance Sheet financial instruments

The Group is not a party to any financial instruments which may have off-balance sheet risk at the date of this report.

B11. Changes in material litigation

- i) A wholly-owned subsidiary of the Company ("Plaintiff") had served a Writ of Summons against a third party for arrears of rental income and other expenses amounting RM1.70 million. The defendant filed their Statement of Defence denying the tenancy contract and counter claim for over payment of RM2.06 million.

On 7 February 2003, the High Court ruled in the Plaintiff's favour in respect of the Plaintiff's application for Summary Judgement for the sum of RM1.18 million. The High Court also ordered that the remaining claim of RM0.52 million be proceeded with full trial. The Court had further ordered that the execution be stayed until the disposal of the trial. The case is now fixed for case management on 11 December 2007.

In view of the uncertainty of recovering the amount awarded to the Plaintiff, the amount of RM1.18 million has not been recognised in the income statement of the Plaintiff in the current financial period.

- ii) Following the termination of the Tenancy Agreement by Malaysia Airports Holding Berhad ("MAHB") on 11 May 2000, the Company as the Principal Tenant had 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, the Company 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 their renovation costs and general damages. The Board had sought the opinion from the solicitors who were of the opinion that there should be no compensation payable to the Plaintiff as the demised premise was acquired by a relevant authority which was provided in the Tenancy Agreement between the Company and the Plaintiff.

On 24 June 2002, the Plaintiff filed its amended Writ of Summons and Statement of Claims, naming MAHB as the 2nd Defendant and on 14 January 2003, served the same to the Company. On 20 January 2003, the Company's solicitors filed an amended Statement of Defence and on 22 April 2003, the 2nd Defendant obtained an order in terms from the Court to strike out the Plaintiff's claim.

The Plaintiff served its Application for Summons in Chambers on the Company on 15 December 2003. Subsequently, the Company replied to the Plaintiff on 16 December 2003 expressly stipulating that the Rules of the High Court requires the Plaintiff to file a Notice of Pre-Trial Case Management seeking the directions of the Judge as to the further conduct of the matter.

On 4 February 2004, the Plaintiff had withdrawn their Application for Summons in Chambers and the Court had directed the Plaintiff to file the necessary application in order to continue the proceeding.

The case is fixed for case management on 19 November 2007.

B12. Dividend

The Board of Directors declared a 7.0% interim dividend less taxation of 26% payable for the year ending 31 March 2008 (last year : 7.0% less taxation of 27%). The dividend payment will amount to approximately RM4.2 million (last year RM4.2 million).

B13. Earnings per share

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	<i>Current Year Quarter</i> <u>30/09/07</u>	<i>Preceding Year Corresponding Quarter</i> <u>30/09/06</u>	<i>Current Year To Date</i> <u>30/09/07</u>	<i>Preceding Year Corresponding Period</i> <u>30/09/06</u>
Earnings				
Profit attributable to ordinary equity holders of the parent (RM'000)	9,569	8,899	15,679	15,441
Basic Earning per Share				
Weighted average number of ordinary shares	81,506,043	81,470,343	81,506,043	81,470,343
Basic Earnings per Share (sen)	11.74	10.92	19.24	18.95
Diluted Earnings per Share				
ESOS				
Weighted average number of unissued shares	-	366,000	-	366,000
Weighted average number of shares that would have been issued at fair value	-	(171,013)	-	(171,013)
Adjusted weighted average number of ordinary shares	81,506,043	81,665,330	81,506,043	81,665,330
Diluted Earnings per Share (sen)	11.74	10.90	19.24	18.91

BY ORDER OF THE BOARD

LEE MO LENG
MOHD YUSOF BIN PANDAK YATIM
Company Secretaries

Kuala Lumpur
Date : 15 November 2007