

FIMA CORPORATION BERHAD
(Company No. 21185-P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2008
THE FIGURES HAVE NOT BEEN AUDITED**

CONDENSED CONSOLIDATED INCOME STATEMENTS

| | <i>Current Quarter</i> | | <i>3 Months Cumulative</i> | |
|--------------------------------|---|---|---|--|
| | Current Year Quarter <u>30/06/08</u> RM'000 | Preceding Year Corresponding Quarter <u>30/06/07</u> RM'000 | Current Year To Date <u>30/06/08</u> RM'000 | Preceding Year Corresponding Period <u>30/06/07</u> RM'000 |
| Revenue | 63,891 | 40,170 | 63,891 | 40,170 |
| Cost of Sales | (37,514) | (27,875) | (37,514) | (27,875) |
| Gross Profit | 26,377 | 12,295 | 26,377 | 12,295 |
| Other income | 240 | 138 | 240 | 138 |
| Administrative Expenses | (2,140) | (2,164) | (2,140) | (2,164) |
| Selling and Marketing Expenses | (286) | (283) | (286) | (283) |
| Other Expenses | (3,880) | (2,494) | (3,880) | (2,494) |
| Finance costs | (432) | (368) | (432) | (368) |
| Share of profit in associates | 1,704 | 767 | 1,704 | 767 |
| Profit before taxation | 21,583 | 7,891 | 21,583 | 7,891 |
| Taxation | (5,649) | (2,052) | (5,649) | (2,052) |
| Profit for the period | <u>15,934</u> | <u>5,839</u> | <u>15,934</u> | <u>5,839</u> |
| Attributable to : | | | | |
| Equity holders of the parent | 14,006 | 6,110 | 14,006 | 6,110 |
| Minority interest | 1,928 | (271) | 1,928 | (271) |
| Profit for the period | <u>15,934</u> | <u>5,839</u> | <u>15,934</u> | <u>5,839</u> |
| Earnings per share | | | | |
| Basic earnings per share (sen) | 17.26 | 7.50 | 17.26 | 7.50 |

(The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2008)

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

| | As at End Of Current Quarter 30/06/08 (unaudited) RM'000 | As at Preceding Financial Year End 31/03/08 (audited) RM'000 |
|--|---|---|
| ASSETS | | |
| Non-Current Assets | | |
| Property, Plant & Equipment | 33,870 | 34,037 |
| Biological Assets | 76,981 | 75,840 |
| Investment Properties | 68,800 | 69,158 |
| Prepaid land lease payments | 6,735 | 6,753 |
| Intangible assets | 510 | 510 |
| Interest in Associates | 29,336 | 27,632 |
| Long Term Receivables | 2,666 | 2,852 |
| Deferred Tax Assets | 2,188 | 1,729 |
| | 221,086 | 218,511 |
| Current Assets | | |
| Inventories | 46,671 | 44,095 |
| Trade Receivables | 51,723 | 57,711 |
| Other Receivables | 6,454 | 4,099 |
| Due from Related Companies | - | 41 |
| Cash and Bank Balances | 28,288 | 12,220 |
| | 133,136 | 118,166 |
| TOTAL ASSETS | 354,222 | 336,677 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the parent | | |
| Share Capital | 82,427 | 82,427 |
| Share Premium | 534 | 534 |
| Treasury Shares | (2,545) | (2,161) |
| Other Reserve | (11,985) | (14,424) |
| Retained Earnings | 155,033 | 141,027 |
| | 223,464 | 207,403 |
| Minority Interest | 23,721 | 21,793 |
| Total Equity | 247,185 | 229,196 |
| Non-Current Liabilities | | |
| Retirement Benefit Obligations | 535 | 582 |
| Deferred Tax Liabilities | 1,117 | 643 |
| | 1,652 | 1,225 |
| Current Liabilities | | |
| Borrowings | 35,000 | 35,000 |
| Trade Payables | 35,108 | 43,756 |
| Other Payables | 30,213 | 25,721 |
| Tax Payable | 4,818 | 1,779 |
| Due to Related Companies | 246 | - |
| | 105,385 | 106,256 |
| Total Liabilities | 107,037 | 107,481 |
| TOTAL EQUITY AND LIABILITIES | 354,222 | 336,677 |
| Net assets per share attributable to ordinary equity holders of the parent (RM) | 2.76 | 2.56 |

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2008)

FIMA CORPORATION BERHAD (Company No. 21185-P)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 30 JUNE 2008

| | <-----Attributable to Equity Holders of the Parent-----> | | | | | | Minority Interest | Total Equity |
|------------------------------|--|---------------|-----------------|-----------------|------------------|----------------|-------------------|----------------|
| | <-----Non-Distributable-----> | | | Distributable | | | | |
| | Share Capital | Share Premium | Treasury Shares | Other Reserve | Retained Profits | Total | | |
| RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | |
| At 01 April 2007 | 82,427 | 534 | (1,389) | - | 119,379 | 200,951 | - | 200,951 |
| Net Profit | - | - | - | - | 6,110 | 6,110 | (271) | 5,839 |
| Foreign currency translation | - | - | - | (4,389) | - | (4,389) | | (4,389) |
| Acquisition of subsidiary | - | - | - | - | - | - | 22,480 | 22,480 |
| At 30 June 2007 | <u>82,427</u> | <u>534</u> | <u>(1,389)</u> | <u>(4,389)</u> | <u>125,489</u> | <u>202,672</u> | <u>22,209</u> | <u>224,881</u> |
| At 01 April 2008 | 82,427 | 534 | (2,161) | (14,424) | 141,027 | 207,403 | 21,793 | 229,196 |
| Net Profit | - | - | - | - | 14,006 | 14,006 | 1,928 | 15,934 |
| Purchase of Treasury Shares | - | - | (384) | - | - | (384) | - | (384) |
| Foreign currency translation | - | - | - | 2,439 | - | 2,439 | - | 2,439 |
| At 30 June 2008 | <u>82,427</u> | <u>534</u> | <u>(2,545)</u> | <u>(11,985)</u> | <u>155,033</u> | <u>223,464</u> | <u>23,721</u> | <u>247,185</u> |

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2008)

FIMA CORPORATION BERHAD (Company No. 21185-P)
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 30 JUNE 2008

| | 3 months ended | |
|--|----------------|----------|
| | 30/06/08 | 30/06/07 |
| | RM'000 | RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 21,583 | 7,891 |
| Adjustments for : | | |
| Depreciation for property, plant and equipment | 1,817 | 1,629 |
| Depreciation of investment properties | 358 | - |
| Amortisation of biological assets | 613 | - |
| Amortisation of prepaid land lease payments | 21 | 21 |
| Bad & doubtful debts (net) | 182 | (716) |
| Provision for retirement benefit | (38) | 3 |
| (Write back)/Inventories written down | (38) | 153 |
| Share of results of associate | (1,704) | (767) |
| Unrealised foreign exchange loss | 226 | - |
| Interest expense | 432 | 368 |
| Interest income | (123) | (138) |
| Operating profit before working capital changes | 23,329 | 8,444 |
| Decrease in receivables | 3,652 | 2,295 |
| Increase in inventories | (2,538) | (7,782) |
| Decrease in related companies balances | 287 | 38,888 |
| (Decrease)/Increase in payables | (4,156) | 12,627 |
| Cash generated from operations | 20,574 | 54,472 |
| Tax paid | (2,610) | (3,277) |
| Retirement benefit paid | (9) | (44) |
| Interest paid | (432) | (368) |
| Interest income received | 123 | 138 |
| Net cash generated from operating activities | 17,646 | 50,921 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (1,194) | (9,069) |
| Acquisition of subsidiary | - | (81,539) |
| Net cash used in investing activities | (1,194) | (90,608) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Purchase of Treasury Shares | (384) | - |
| Drawdown of Revolving Credit | - | 35,000 |
| Net cash (used in)/generated in financing activities | (384) | 35,000 |
| CASH AND CASH EQUIVALENTS | | |
| Net increase/(decrease) | 16,068 | (4,687) |
| At the beginning of financial period | 12,220 | 29,198 |
| At the end of financial period | 28,288 | 24,511 |
| CASH AND CASH EQUIVALENTS COMPRISE OF : | | |
| Cash and bank balances | 12,824 | 20,211 |
| Deposits with licensed banks | 15,464 | 4,300 |
| | 28,288 | 24,511 |

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2008)

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 2008. 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 2008.

A2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 March 2008 except for the adoption of the following new or revised Financial Reporting Standards ("FRSs"), Amendments to FRSs and Issues Committee Interpretations ("IC Interpretation") that are effective for the Group's financial statements commencing 1 April 2008.

FRS 107 Cash flow statements
FRS 111 Construction contracts
FRS 118 Revenue
FRS 119 Employee benefits
FRS 120 Accounting for government grants and disclosure of government assistance
FRS 126 Accounting and reporting by retirement benefits plans
FRS 129 Financial reporting in hyperinflationary economies
FRS 134 Interim financial reporting
FRS 137 Provisions, contingent liabilities and contingent assets
Amendment to FRS 121: The effects of changes in foreign exchange rates
- net investment in a foreign operation
IC Interpretation 1 : Changes in existing decommissioning, restoration and similar liabilities
IC Interpretation 2 : Members' shares in co-operative entities and similar instruments
IC Interpretation 5 : : Rights to interest arising from decommissioning, restoration and environment rehabilitation funds
IC Interpretation 6 : Liabilities arising from participating in a specific market
- waste electrical and electronic equipment
IC Interpretation 7: Applying the restatement approach under FRS 129₂₀₀₄
- financial reporting in hyperinflationary economies
IC Interpretation 8 : Scope of FRS 2

The adoption of the above FRSs and IC Interpretation does not have any significant financial impact to the Group.

A3. Audit Qualification

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

A4. Seasonality or cyclicity of the interim operations.

The production of security and confidential documents is influenced by cyclical changes in volume of certain jobs whilst the oil palm production and processing division is affected by seasonal crop production, weather conditions and fluctuating commodity prices.

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 to date except for the following:-

- i) During the current quarter, the Company repurchased 172,800 of its issued ordinary shares from the open market at an average price of RM2.21 per share. The total consideration paid for the repurchase including transaction costs was RM384,202 and this was financed by internally generated funds. Of the total 82,426,810 issued and fully paid ordinary shares as at 30 June 2008, 1,428,100 shares are held as treasury shares by the Company.

A8. Dividends paid

There were no dividends paid in the current quarter (last year: nil).

A9. Segmental Information

| <u>Segments</u> | Current Year Totdate 30/06/08 | |
|---|----------------------------------|---------------|
| | Revenue | Profit/(Loss) |
| | RM'000 | RM'000 |
| Production and trading of security & confidential documents | 38,302 | 10,410 |
| Oil palm production and processing | 24,514 | 9,638 |
| Property management | 1,370 | 370 |
| Others | - | (539) |
| | <hr/> | <hr/> |
| | 64,186 | 19,879 |
| Group's share of associated company's results | - | 1,704 |
| | <hr/> | <hr/> |
| | 64,186 | 21,583 |
| Eliminations | (295) | - |
| Group Results | <hr/> | <hr/> |
| | 63,891 | 21,583 |

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.

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

| | As at 30/06/08 RM'000 |
|---------------------------------|--------------------------------------|
| Property, plant and equipment | |
| Approved and contracted for | 10,917 |
| Approved but not contracted for | 12,461 |
| | <u>23,378</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.

| | Current Year To date 30/06/08 RM'000 |
|-----------------------------------|---|
| Plant and Machinery | 80 |
| Furniture, Fittings and Computers | 205 |
| Motor Vehicles | 909 |
| | <u>1,194</u> |

A16. Related Party Transactions

| | Current Year To date 30/06/08 RM'000 |
|--|---|
| Kumpulan Fima Berhad, penultimate holding company | |
| Rental income receivable | (111) |
| Fellow Subsidiaries : | |
| Malaysian Transnational Trading Corporation Berhad | |
| Rental income receivable | (24) |
| Related by virtue of having common director/(s)/shareholder/(s) : | |
| Nationwide Express Courier Services Berhad | |
| Purchases made - Delivery services | 47 |
| Rental income receivable | (26) |
| Nationwide Freight Forwarders Sdn Bhd | |
| Purchases made - Forwarding services | 71 |

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 quarter, the Group's revenue increased from RM40.2 million to RM63.9 million, an improvement of RM23.7 million or 59.1%, mainly attributable to revenue generated from oil palm production and processing.

Profit before tax recorded for the quarter under review was RM21.6 million, representing an increase of RM13.7 million or 173.5% from the corresponding period of last year. The hike in pre-tax profit was primarily due to RM9.6 million profit from oil palm production and processing, an increase of RM11.0 million compared with last year's loss of RM1.4 million.

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

The Group's revenue for the current quarter at RM63.9 million was RM18.7 million higher than the preceding quarter. The increase in the Group's revenue was mainly attributable to revenue from oil palm production and processing.

The Group registered a RM10.9 million increase in pre-tax profit by posting a profit before tax of RM21.6 million as compared with the preceding quarter's pre-tax profit of RM10.7 million. Profit from production of security and confidential documents increased by RM2.5 million due to higher sales volume and favorable sales mix. Oil palm production and processing contributed RM9.6 million profit, an increase of RM7.1 million compared with the preceding quarter.

B3. Prospects

Barring unforeseen circumstances, the Directors are of the view that the Group's overall performance will be satisfactory in the remaining quarters 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

| | Current Quarter 30/06/08 RM'000 | Current Year Totdate 30/06/08 RM'000 |
|-----------------------|--|---|
| Current year's charge | 5,649 | 5,649 |

The effective tax rate on Group's profit todate is marginally higher than the statutory tax rate mainly due to a higher tax rate of 30% applicable to a subsidiary in Indonesia.

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 Totdate 30/06/08 |
|------------------------------|--|
| | RM'000 |
| Short term borrowings | |
| Secured | <u>35,000</u> |

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.

On 6 March 2003, the Defendant has filed their Notice of Appeal to the Court of Appeal against the High Court decision. The Hearing date for the Defendant's appeal had been fixed on 5 January 2009. On 7 December 2008, the proceeding to claim on the balance sum outstanding of RM0.52 million has been fixed for mention on 5 December 2008 pending the Defendant's appeal to the Court of Appeal.

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.

B11. Changes in material litigation (Contd.)

- 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 decision on 10 September 2008.

B12. Dividend

For the current quarter under review, no dividend has been proposed and declared (last year: nil).

B13. Earnings per share

| | <i>Individual Quarter</i> | | <i>Cumulative Quarter</i> | |
|---|-----------------------------|---|-----------------------------|--|
| | <i>Current Year Quarter</i> | <i>Preceding Year Corresponding Quarter</i> | <i>Current Year To Date</i> | <i>Preceding Year Corresponding Period</i> |
| | <u>30/06/08</u> | <u>30/06/07</u> | <u>30/06/08</u> | <u>30/06/07</u> |
| Earnings | | | | |
| Profit attributable to ordinary equity holders of the parent (RM'000) | 14,006 | 6,110 | 14,006 | 6,110 |
| Basic Earning per Share | | | | |
| Weighted average number of ordinary shares | 81,149,360 | 81,511,210 | 81,149,360 | 81,511,210 |
| Basic Earnings per Share (sen) | 17.26 | 7.50 | 17.26 | 7.50 |

BY ORDER OF THE BOARD

LEE MO LENG
MOHD YUSOF BIN PANDAK YATIM
Company Secretaries

Kuala Lumpur
Date : 20 August 2008