

**FIMA CORPORATION BERHAD**  
(Company No. 21185-P)

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

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<i>Current Quarter</i>		<i>6 Months Cumulative</i>	
	Current Year Quarter <u>30/09/08</u> RM'000	Preceding Year Corresponding Quarter <u>30/09/07</u> RM'000	Current Year To Date <u>30/09/08</u> RM'000	Preceding Year Corresponding Period <u>30/09/07</u> RM'000
Revenue	59,017	49,783	122,908	89,953
Cost of Sales	<u>(39,693)</u>	<u>(34,802)</u>	<u>(77,207)</u>	<u>(62,677)</u>
Gross Profit	19,324	14,981	45,701	27,276
Other income	716	1,288	956	1,426
Administrative Expenses	(3,472)	(2,040)	(5,612)	(4,204)
Selling and Marketing Expenses	(471)	(346)	(757)	(629)
Other Expenses	(3,135)	(1,118)	(7,015)	(3,612)
Finance costs	(426)	(407)	(858)	(775)
Share of (loss)/profit in associates	<u>(173)</u>	<u>1,623</u>	<u>1,531</u>	<u>2,390</u>
<b>Profit before taxation</b>	12,363	13,981	33,946	21,872
Taxation	<u>(3,931)</u>	<u>(3,559)</u>	<u>(9,580)</u>	<u>(5,611)</u>
<b>Profit for the period</b>	<u>8,432</u>	<u>10,422</u>	<u>24,366</u>	<u>16,261</u>
Attributable to :				
Equity holders of the parent	7,952	9,569	21,958	15,679
Minority interest	480	853	2,408	582
<b>Profit for the period</b>	<u>8,432</u>	<u>10,422</u>	<u>24,366</u>	<u>16,261</u>
<b>Earnings per share</b>				
Basic earnings per share (sen)	9.81	11.74	27.08	19.24

(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**

	<b>As at End Of Current Quarter 30/09/08 (unaudited) RM'000</b>	<b>As at Preceding Financial Year End 31/03/08 (audited) RM'000</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant & Equipment	37,233	34,037
Biological Assets	79,174	75,840
Investment Properties	68,442	69,158
Prepaid land lease payments	6,718	6,753
Intangible assets	510	510
Interest in Associates	29,163	27,632
Long Term Receivables	2,480	2,852
Deferred Tax Assets	2,166	1,729
	225,886	218,511
<b>Current Assets</b>		
Inventories	41,804	44,095
Trade Receivables	53,910	57,711
Other Receivables	5,349	4,099
Due from Related Companies	447	41
Cash and Bank Balances	34,930	12,220
	136,440	118,166
<b>TOTAL ASSETS</b>	<b>362,326</b>	<b>336,677</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	82,427	82,427
Share Premium	534	534
Treasury Shares	(2,964)	(2,161)
Other Reserve	(8,246)	(14,424)
Retained Earnings	157,529	141,027
	229,280	207,403
<b>Minority Interest</b>	24,201	21,793
<b>Total Equity</b>	253,481	229,196
<b>Non-Current Liabilities</b>		
Retirement Benefit Obligations	535	582
Provision for litigation claims	2,120	-
Deferred Tax Liabilities	1,117	643
	3,772	1,225
<b>Current Liabilities</b>		
Borrowings	35,000	35,000
Trade Payables	35,630	43,756
Other Payables	27,828	25,721
Tax Payable	6,615	1,779
	105,073	106,256
<b>Total Liabilities</b>	108,845	107,481
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>362,326</b>	<b>336,677</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.83	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 SECOND QUARTER ENDED 30 SEPTEMBER 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	
<b>At 01 April 2007</b>	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)
Issue of share capital	-	-	-	-	-	-	-	-
Foreign currency translation	-	-	-	(7,013)	-	(7,013)	-	(7,013)
Acquisition of subsidiary	-	-	-	-	-	-	22,480	22,480
<b>At 30 September 2007</b>	<u>82,427</u>	<u>534</u>	<u>(1,688)</u>	<u>(7,013)</u>	<u>135,058</u>	<u>209,318</u>	<u>23,062</u>	<u>232,380</u>
<b>At 01 April 2008</b>	82,427	534	(2,161)	(14,424)	141,027	207,403	21,793	229,196
Net Profit	-	-	-	-	21,958	21,958	2,408	24,366
Dividends Paid	-	-	-	-	(5,456)	(5,456)	-	(5,456)
Purchase of Treasury Shares	-	-	(803)	-	-	(803)	-	(803)
Foreign currency translation	-	-	-	6,178	-	6,178	-	6,178
<b>At 30 September 2008</b>	<u>82,427</u>	<u>534</u>	<u>(2,964)</u>	<u>(8,246)</u>	<u>157,529</u>	<u>229,280</u>	<u>24,201</u>	<u>253,481</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 SECOND QUARTER ENDED 30 SEPTEMBER 2008**

	6 months ended	
	30/09/08	30/09/07
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	33,946	21,872
Adjustments for :		
Depreciation for property, plant and equipment	3,702	2,984
Depreciation of investment properties	716	-
Amortisation of biological assets	1,269	-
Amortisation of prepaid land lease payments	43	42
Bad & doubtful debts (net)	414	(732)
Reversal of provision for retirement benefit	(38)	(9)
Provision for litigation claims	2,120	-
(Write back)/Inventories written down	(88)	127
Share of results of associate	(1,531)	(2,390)
Unrealised foreign exchange loss	369	-
Interest expense	858	775
Interest income	(336)	(1,408)
Operating profit before working capital changes	41,444	21,261
Decrease/(Increase) in receivables	2,546	(10,422)
Decrease/(Increase) in inventories	2,379	(13,485)
(Increase)/Decrease in related companies balances	(406)	32,764
(Decrease)/Increase in payables	(6,019)	16,799
Cash generated from operations	39,944	46,917
Tax paid	(4,744)	(5,730)
Retirement benefit paid	(9)	(44)
Interest paid	(858)	(775)
Interest income received	336	1,408
Net cash generated from operating activities	34,669	41,776
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(5,700)	(9,446)
Acquisition of subsidiary	-	(81,539)
Net cash used in investing activities	(5,700)	(90,985)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(5,456)	-
Purchase of Treasury Shares	(803)	(299)
Drawdown of Revolving Credit	-	38,770
Net cash (used in)/generated in financing activities	(6,259)	38,471
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase/(decrease)	22,710	(10,738)
At the beginning of financial period	12,220	29,198
At the end of financial period	34,930	18,460
<b>CASH AND CASH EQUIVALENTS COMPRISE OF :</b>		
Cash and bank balances	19,194	11,922
Deposits with licensed banks	15,736	6,538
	34,930	18,460

**(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 129<sub>2004</sub>
  - 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 194,900 of its issued ordinary shares from the open market at an average price of RM2.13 per share. The total consideration paid for the repurchase including transaction costs was RM418,727 and this was financed by internally generated funds. Of the total 82,426,810 issued and fully paid ordinary shares as at 30 September 2008, 1,623,000 shares are held as treasury shares by the Company.

**A8. Dividends paid**

	Cumulative Quarter Ended	
	30/09/08	30/09/07
	RM'000	RM'000
Final Dividend Ended		
2008 - 9% less taxation 25%	5,456	-
(Paid on 11 September 2008)		

**A9. Segmental Information**

<u>Segments</u>	Current Year Totdate	
	30/09/08	
	Revenue	Profit/(Loss)
	RM'000	RM'000
Production and trading of security & confidential documents	76,988	22,552
Oil palm production and processing	43,797	12,041
Property management	2,733	737
Others	-	(2,915)
	123,518	32,415
Group's share of associated company's results	-	1,531
	123,518	33,946
Eliminations	(610)	-
Group Results	122,908	33,946

**A10. Valuation of property, plant and equipment**

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

**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**

	<b>As at 30/09/08 RM'000</b>
Property, plant and equipment	
Approved and contracted for	3,085
Approved but not contracted for	15,981
	<u>19,066</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.

	<b>Current Year To date 30/09/08 RM'000</b>
Plant and Machinery	4,425
Furniture, Fittings and Computers	333
Motor Vehicles	942
	<u>5,700</u>

**A16. Related Party Transactions**

	<b>Current Year To date 30/09/08 RM'000</b>
Kumpulan Fima Berhad, penultimate holding company	
Rental income receivable	(222)
Sales made - Printing of documents	(22)

**Fellow Subsidiaries :**

Malaysian Transnational Trading Corporation Berhad	
Rental income receivable	(47)

**Related by virtue of having common director/(s)/shareholder/(s) :**

Nationwide Express Courier Services Berhad	
Purchases made - Delivery services	83
Rental income receivable	(52)
Nationwide Freight Forwarders Sdn Bhd	
Purchases made - Forwarding services	265

**A17. Inventories**

During the quarter, there was no significant write-down or write-back of inventories

## **PART B - Bursa Securities Listing Requirements**

### **B1. Review of Performance**

For the 1st half year under review, the Group registered a revenue of RM122.9 million, an increase of RM33.0 million over the same period last year. The increase was mainly attributable to oil palm production and processing which contributed RM43.8 million revenue as compared to RM10.8 million in the preceding year.

A profit before tax of RM33.9 million was recorded as compared to RM21.9 million pre-tax profit in the previous year. The improvement was due to higher contribution from oil palm production and processing as well as favourable product mix in the production of security and confidential documents.

### **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 RM59.0 million with a pretax profit of RM12.4 million as compared to RM21.6 million pretax profit on the back of RM63.9 million revenue in the preceding quarter. The shortfall in pretax profit was mainly due to 24.3% decrease in the average selling price of crude palm oil coupled with higher manuring cost which resulted in a RM7.2 million decrease in pretax profit of the oil palm production and processing segment. In addition, a provision for litigation claim of RM2.1 million as disclosed in Note B11 was made in the quarter.

### **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**

	<b>Current Quarter 30/09/08 RM'000</b>	<b>Current Year Todate 30/09/08 RM'000</b>
Current year's charge	3,931	9,580

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

	<b>Current Year Todate 30/09/08</b>
	<b>RM'000</b>
<b>Short term borrowings</b>	
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 3 July 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.

- 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.

**B11. Changes in material litigation (Contd.)**

ii) Cont'd.

On 11 November 2008, the Court had disposed off this matter summarily in favour of the plaintiff and on 21 November 2008, the Company had filed its Notice of Appeal to the Court of Appeal to appeal against the decision. The Company had made full provision for the claim.

**B12. Dividend**

The Board of Directors declared a 7.0% interim dividend less taxation of 25% payable for the year ending 31 March 2009 (last year: 7.0% less taxation of 26%). 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>	
	<b>Current Year Quarter</b> <b><u>30/09/08</u></b>	<b>Preceding Year Corresponding Quarter</b> <b><u>30/09/07</u></b>	<b>Current Year To Date</b> <b><u>30/09/08</u></b>	<b>Preceding Year Corresponding Period</b> <b><u>30/09/07</u></b>
<b><i>Earnings</i></b>				
Profit attributable to ordinary equity holders of the parent (RM'000)	<u>7,952</u>	<u>9,569</u>	<u>21,958</u>	<u>15,679</u>
<b>Basic Earning per Share</b>				
Weighted average number of ordinary shares	81,082,643	81,506,043	81,082,643	81,506,043
Basic Earnings per Share (sen)	9.81	11.74	27.08	19.24

**BY ORDER OF THE BOARD**

**LEE MO LENG**  
**MOHD YUSOF BIN PANDAK YATIM**  
 Company Secretaries

Kuala Lumpur  
 Date : 21 November 2008