

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

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010**  
*THE FIGURES HAVE NOT BEEN AUDITED*

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	<i>Current Quarter</i>		<i>9 Months Cumulative</i>	
	Current Year Quarter <u>31/12/10</u> RM'000	Preceding Year Corresponding Quarter <u>31/12/09</u> RM'000	Current Year To Date <u>31/12/10</u> RM'000	Preceding Year Corresponding Period <u>31/12/09</u> RM'000
Revenue	75,437	75,387	229,082	196,560
Cost of Sales	<u>(38,013)</u>	<u>(44,332)</u>	<u>(122,208)</u>	<u>(122,104)</u>
Gross Profit	37,424	31,055	106,874	74,456
Other income	1,062	304	2,883	970
Administrative Expenses	(3,042)	(3,174)	(9,106)	(8,584)
Selling and Marketing Expenses	(301)	(319)	(958)	(756)
Other Expenses	(1,440)	(4,121)	(8,408)	(7,640)
Finance costs	(382)	(92)	(1,317)	(1,187)
Share of profit of associates	413	5,658	1,459	10,863
<b>Profit before taxation</b>	<b>33,734</b>	<b>29,311</b>	<b>91,427</b>	<b>68,122</b>
Taxation	<u>(8,499)</u>	<u>(6,694)</u>	<u>(23,134)</u>	<u>(15,146)</u>
<b>Profit for the period</b>	<b><u>25,235</u></b>	<b><u>22,617</u></b>	<b><u>68,293</u></b>	<b><u>52,976</u></b>
<b>Other comprehensive income</b>				
Foreign currency translation differences for foreign operations	(901)	3,461	(3,257)	19,280
Other comprehensive income/(loss) for the period	<u>(901)</u>	<u>3,461</u>	<u>(3,257)</u>	<u>19,280</u>
<b>Total comprehensive income for the period</b>	<b><u>24,334</u></b>	<b><u>26,078</u></b>	<b><u>65,036</u></b>	<b><u>72,256</u></b>
<b>Profit attributable to :</b>				
Equity holders of the Company	23,241	20,171	62,859	48,221
Minority interest	1,994	2,446	5,434	4,755
<b>Profit for the period</b>	<b><u>25,235</u></b>	<b><u>22,617</u></b>	<b><u>68,293</u></b>	<b><u>52,976</u></b>
<b>Total comprehensive income attributable to :</b>				
Equity holders of the Company	22,340	23,632	59,602	67,501
Minority interest	1,994	2,446	5,434	4,755
<b>Total comprehensive income for the period</b>	<b><u>24,334</u></b>	<b><u>26,078</u></b>	<b><u>65,036</u></b>	<b><u>72,256</u></b>
<b>Earnings per share</b>				
Basic earnings per share (sen)	28.88	25.06	78.11	59.92

(The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2010)

FIMA CORPORATION BERHAD (Company No. 21185-P)  
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	As at End Of Current Quarter 31/12/10 (unaudited) <u>RM'000</u>	As at Preceding Financial Year End 31/03/10 (Restated) <u>RM'000</u>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	44,307	47,785
Biological assets	72,691	79,111
Investment properties	65,222	66,294
Intangible assets	510	510
Interest in associates	33,223	37,014
Long term receivables	806	1,364
Deferred tax assets	4,204	2,985
	220,963	235,063
<b>Current Assets</b>		
Inventories	45,280	28,559
Trade receivables	76,379	84,524
Other receivables	18,164	12,877
Due from related companies	-	14
Cash and bank balances	163,822	96,144
	303,645	222,118
<b>TOTAL ASSETS</b>	<b>524,608</b>	<b>457,181</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	82,427	82,427
Share premium	534	534
Treasury shares	(3,604)	(3,604)
Other reserves	(5,565)	(2,195)
Retained earnings	287,877	238,296
	361,669	315,458
<b>Minority Interest</b>	<b>19,578</b>	<b>15,922</b>
<b>Total Equity</b>	<b>381,247</b>	<b>331,380</b>
<b>Non-Current Liabilities</b>		
Borrowings	6,101	6,101
Retirement benefit obligations	754	772
Deferred tax liabilities	1,256	1
	8,111	6,874
<b>Current Liabilities</b>		
Borrowings	35,000	35,000
Trade payables	48,013	46,725
Other payables	33,146	24,071
Provision for compensation claim	2,120	2,120
Tax payable	16,761	10,907
Due to Related Companies	210	104
	135,250	118,927
<b>Total Liabilities</b>	<b>143,361</b>	<b>125,801</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>524,608</b>	<b>457,181</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	4.49	3.92

(The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2010)

FIMA CORPORATION BERHAD (Company No. 21185-P)  
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010

	Attributable to Equity Holders of the Company										Minority Interest	Total Equity		
	Distributable					Non-Distributable								
	Share Capital	Share Premium	Treasury Shares	Asset Revaluation Reserve	Foreign Translation Reserve	Retained Earnings	Total	Asset Revaluation Reserve	Foreign Translation Reserve	Retained Earnings	Total			
	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	RM'000
<b>At 01 April 2009</b>	82,427	534	(3,574)	-	(22,659)	188,468	245,196					13,578	258,774	
Total comprehensive income for the period	-	-	-	-	19,280	48,221	67,501					4,755	72,256	
Dividends Paid	-	-	-	-	-	(10,863)	(10,863)					-	(10,863)	
Purchase of Treasury Shares	-	-	(30)	-	-	-	(30)					-	(30)	
Redemption of loan stocks	-	-	-	-	-	-	-					(1,801)	(1,801)	
<b>At 31 December 2009</b>	<b>82,427</b>	<b>534</b>	<b>(3,604)</b>	<b>-</b>	<b>(3,379)</b>	<b>225,826</b>	<b>301,804</b>					<b>16,532</b>	<b>318,336</b>	
<b>At 01 April 2010</b>	<b>82,427</b>	<b>534</b>	<b>(3,604)</b>	<b>1,530</b>	<b>(3,838)</b>	<b>238,296</b>	<b>315,345</b>					<b>15,922</b>	<b>331,267</b>	
Total comprehensive income for the period	-	-	-	-	(3,257)	62,859	59,602					5,434	65,036	
Dividends Paid	-	-	-	-	-	(13,278)	(13,278)					-	(13,278)	
Redemption of loan stocks	-	-	-	-	-	-	-					(1,778)	(1,778)	
<b>At 31 December 2010</b>	<b>82,427</b>	<b>534</b>	<b>(3,604)</b>	<b>1,530</b>	<b>(7,095)</b>	<b>287,877</b>	<b>361,669</b>					<b>19,578</b>	<b>381,247</b>	

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2010)

**FIMA CORPORATION BERHAD (Company No. 21185-P)  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010**

	9 months ended	
	31/12/10	31/12/09
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	91,427	68,122
Adjustments for :		
Depreciation for property, plant and equipment	7,709	6,656
Depreciation of investment properties	1,072	1,073
Amortisation of biological assets	3,115	2,481
Bad & doubtful debts (net)	(54)	(479)
Provision for retirement benefit obligations	30	79
Writedown of/(write-back for) inventories	50	284
Gain on disposal of property, plant and equipment	(46)	(121)
Share of results of associate	(1,459)	(10,862)
Interest expense	1,317	1,187
Interest income	(2,229)	(719)
Operating profit before working capital changes	100,932	67,701
Increase in receivables	(1,315)	(6,820)
(Increase)/decrease in inventories	(16,771)	4,812
Increase in related companies balances	120	82
Increase/(decrease) in payables	10,363	7,173
Cash generated from operations	93,329	72,948
Tax paid	(12,459)	(1,999)
Retirement benefit paid	(29)	(28)
Interest paid	(1,317)	(1,187)
Interest income received	2,229	719
Net cash generated from operating activities	81,753	70,453
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(5,192)	(13,001)
Additions to biological assets	-	(647)
Proceeds from disposal of property, plant and equipment	50	130
Dividends received	5,250	5,876
Redemption of loan stocks	(1,778)	(1,801)
Net cash generated from/(used in) investing activities	(1,670)	(9,443)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(13,278)	(10,863)
Purchase of Treasury Shares	-	(30)
Net cash used in financing activities	(13,278)	(10,893)
<b>CASH AND CASH EQUIVALENTS</b>		
Net increase	66,805	50,117
Effect of foreign exchange rate changes in cash and cash equivalent	873	5,371
At the beginning of financial period	96,144	32,203
At the end of financial period	163,822	87,691
<b>CASH AND CASH EQUIVALENTS COMPRISE OF :</b>		
Cash and bank balances	60,742	17,831
Deposits with licensed banks	103,080	69,860
	163,822	87,691

(The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31st March 2010)

**FIMA CORPORATION BERHAD (Company No. 21185-P)  
NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 31 DECEMBER 2010**

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 2010. 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 2010.

**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 2010 except for the adoption of the following new or revised FRSs and Interpretations and Amendments to certain Standards and Interpretations.

**Effective for financial periods beginning on or after 1 July 2009:**

FRS 8: Operating Segments

**Effective for financial periods beginning on or after 1 January 2010:**

FRS 4: Insurance Contracts

FRS 7: Financial Instruments: Disclosures

FRS 101: Presentation of Financial Statements (revised)

FRS 123: Borrowing Costs

FRS 139: Financial Instruments: Recognition and Measurement

Amendments to FRS 1: First-time Adoption of Financial Reporting Standards

and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

Amendments to FRS 2: Share Based Payment - Vesting Conditions and Cancellations

Amendments to FRS 132: Financial Instruments: Presentation and Disclosure

Amendments to FRS 139: Financial Instruments: Recognition and Measurement,

FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives

Amendments to FRSs 'Improvements to FRSs (2009)'

IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 10: Interim Financial Reporting and Impairment

IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions

IC Interpretation 13: Customer Loyalty Programmes

IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

Unless otherwise described below, the above new or revised FRSs and Interpretations and Amendments have no significant impact to the financial statements of the Group and the Company upon their initial application.

## **A2. Changes in Accounting Policies (Contd.)**

### **FRS 7: Financial Instruments: Disclosures**

FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of quantitative and qualitative information about exposures to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and foreign exchange risks, including sensitivity analysis to foreign exchange risks. As this is a standard on disclosures, there will be no impact on the financial position or results of the Group for the period.

### **FRS 3: Business Combinations (revised) and FRS 127: Consolidated and Separate Financial Statements (amended)**

FRS 3 (revised) introduces a number of changes to the accounting for business combinations occurring on or after 1 July 2010. These include changes that affect the valuation of non-controlling interest, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combinations achieved in stages. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results.

FRS 127 (amended) requires that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as a transaction with owners in their capacity as owners and to be recorded in equity. Therefore, such transactions will no longer give rise to goodwill, nor will it give rise to a gain or loss. Furthermore, the amended Standard changes the accounting for losses incurred by the subsidiary as well as loss of control of a subsidiary.

The changes by FRS 3 (revised) and FRS 127 (amended) will be applied prospectively and only affect future acquisition or loss of control of subsidiaries and transactions with non-controlling interests.

### **FRS 8: Operating Segment**

FRS 8 replaces FRS 114 Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Group's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decision on the allocation of resources and assesses the performance of the reporting segments. As this is a standard on disclosures, there will be no impact on the financial position or results of the Group for the period.

### **FRS 101: Presentation of Financial Statements (revised)**

The revised FRS 101 separates owner and non-owner changes in equity. The consolidated statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line labelled as total comprehensive income. In addition, the Standard introduces the statement of comprehensive income which presents income and expense recognised in the period. This statement may be presented in one single statement, or two linked statements. The Group and the Company have elected to present this statement as one single statement. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements. This revised FRS does not have any impact on the financial position and results of the Group and the Company for the period.

### **FRS 123: Borrowing Costs**

This Standard supersedes FRS 123<sub>2004</sub>: Borrowing Costs that removes the option of expensing borrowing costs and requires the capitalisation of borrowings costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of the asset. Other borrowing costs are recognised as an expense. The changes in FRS 123 will be applied prospectively for which the commencement date for capitalisation of borrowing costs on qualifying assets is on or after the financial period 1 January 2010.

## A2. Changes in Accounting Policies (Contd.)

### **FRS 139: Financial Instruments: Recognition and Measurement**

FRS 139 provides guidance for the measurement of financial instruments. Depending on the categorisation applied for each individual financial asset and liability, some financial assets and liabilities will need to be fair valued and others are stated at amortised cost. FRS 139 prescribes prospective application for the first time adoption. Significant accounting policies adopted have been summarised below:-

#### Financial Assets

Financial assets are recognised in the statement of financial position when and only when, the Group or Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group or the Company's contractual rights to the cashflow from the financial assets expires or if the Group or the Company transfer the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

#### *Initial Recognition*

Financial assets within the scope of FRS 139 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group and the Company determine the classification of its financial assets at initial recognition.

Financial assets are recognised initially at fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way of purchase) are recognised on the trade date i.e. date that the Group or Company commits to purchase or sell the assets.

The Group's financial assets include cash and bank balances and trade and other receivables. All financial assets of the Group and Company are categorised as loans and receivables.

#### *Subsequent Measurement*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such financial assets are carried at amortised cost using the effective interest rate method less impairment losses. Gains and losses are recognised in the income statement when loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### Financial Liabilities

Financial liabilities are recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provision of the instrument. Financial liabilities are derecognised if the Group's obligation specified in the contract expires or are discharged or cancelled.

#### *Initial Recognition*

Financial liabilities within the scope of FRS 139 are classified as financial liabilities at fair value through profit or loss, loans and borrowings or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, directly attributable transaction costs. The Group's financial liabilities includes trade and other payables. All financial liabilities of the Group are classified as loans and borrowings.

#### *Subsequent Measurement*

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised as well as through amortisation process.

## Amendments to FRSs 'Improvements to FRSs (2009)' - FRS 117: Leases

Prior to 1 April 2010, leasehold land were treated as operating leases. The minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interest in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

Upon adoption of the Amendment to FRS 117, the classification of a leasehold land as a finance lease or an operating lease is based on the extent of risks and rewards of the lease. The Group has determined that all leasehold land of the Group are in substance finance leases and has reclassified its leasehold land from prepaid land lease payments to property, plant and equipment.

The reclassification has been made retrospectively and the effects on the consolidated statement of financial position as at 31 March 2010 are as follows:

	<u>As previously stated</u>	<u>Adjustment</u>	<u>As restated</u>
	RM'000	RM'000	RM'000
<b>As at 31 March 2010</b>			
Property, plant and equipment	41,197	6,588	47,785
Prepaid land lease payments	6,588	(6,588)	-

### 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 did not repurchase any of its issued ordinary shares. Of the total 82,426,810 issued and fully paid ordinary shares as at 30 September 2010, 1,956,100 shares are held as treasury shares by the Company.



**A8. Dividends paid**

	Cummulative Quarter Ended	
	31/12/10	31/12/09
	RM'000	RM'000
Final Dividend Paid		
2009 - 10% less taxation 25% (Paid on 9 October 2009)	-	6,035
2010 - 12% less taxation 25% (Paid on 8 October 2010)	7,242	-
Interim Dividend Paid		
2010 - 8% less taxation of 25% (Paid on 24 December 2009)	-	4,828
2011 - 10% less taxation of 25% (Paid on 24 December 2010)	6,035	-
	<u>13,277</u>	<u>10,863</u>

**A9. Segmental Information**

<u>Segments</u>	Current Year Totodate 31/12/10	
	Revenue	Profit/(Loss) Before Tax
	RM'000	RM'000
Production and trading of security & confidential documents	150,734	54,561
Oil palm production and processing	75,388	35,164
Property management	3,934	796
Others	-	(553)
	<u>230,056</u>	<u>89,968</u>
Group's share of associated company's results	-	1,459
	<u>230,056</u>	<u>91,427</u>
Eliminations	(974)	-
Group Results	<u>229,082</u>	<u>91,427</u>

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

The carrying amounts of property, plant and equipment have been brought forward without amendment from the previous audited financial statements.

**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 31/12/10 RM'000
Property, plant and equipment	
Approved and contracted for	4,961
Approved but not contracted for	5,630
	<u>10,591</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 31/12/10 RM'000
Plant and Machinery	1,761
Motor Vehicles	2,855
Buildings	191
Furniture, Fittings and Computers	385
	<u>5,192</u>

**A16. Related Party Transactions**

	Current Year To date 31/12/10 RM'000
Kumpulan Fima Berhad, penultimate holding company	
Rental income receivable	(273)
<b>Fellow Subsidiaries :</b>	
Malaysian Transnational Trading Corporation Berhad	
Rental income receivable	(65)
<b>Related by virtue of having common director/(s)/shareholder/(s) :</b>	
Nationwide Express Courier Services Berhad	
Purchases made - Delivery services	123
Rental income receivable	(79)
Sales made - Printing of documents	(13)
Nationwide Freight Forwarders Sdn Bhd	
Purchases made - Forwarding services	222
<b>Associated Company :</b>	
Giesecke & Devrient Malaysia Sdn Bhd	
Management services receivable	(18)

**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**

Revenue todate for the Group closed at RM229.1 million, an increase of RM32.5 million or 16.5% over the corresponding period of last year. The increase was mainly attributed to higher revenue generated from production of security and confidential documents as well as oil palm production and processing.

On the back of higher revenue and favourable sales mix, the Group recorded a profit before taxation of RM91.4 million, representing an improvement of RM23.3 million or 34.2% over the same period last year.

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

The Group's revenue for the quarter under review totalling RM75.4 million was 3.9% higher than the preceding quarter. A pre-tax profit of RM33.7 million was achieved, an increase of RM9.5 million or 39.4% from RM24.2 million pre-tax profit posted in the preceding quarter. The improvement was mainly attributable to favourable sales mix in production of security and confidential documents as well as higher selling price of crude palm oil.

### **B3. Prospects**

Barring unforeseen circumstances, the Directors are of the view that the Group's overall performance will be satisfactory in the final quarter 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 31/12/10 RM'000</b>	<b>Current Year To date 31/12/10 RM'000</b>
Tax charge	<u>8,499</u>	<u>23,134</u>

The effective tax rate on Group's profit todate is marginally higher than the statutory tax rate mainly due 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 To date 31/12/10 <u>RM'000</u>
<b>Short term borrowings</b>	
Secured	<u>35,000</u>

## B10. Realised/unrealised profits/losses

	Current Quarter 31/12/10 <u>RM'000</u>	Preceding Quarter 30/09/10 <u>RM'000</u>
Total retained profits/(accumulated losses) of Fima Corporation Berhad and its subsidiaries:		
- Realised	260,225	248,677
- Unrealised	<u>(10,234)</u>	<u>(10,230)</u>
	249,991	238,447
Total share of retained profits/(accumulated losses) from associated company:		
- Realised	26,012	25,024
- Unrealised	<u>(7,789)</u>	<u>(7,214)</u>
	18,223	17,810
Add : Consolidation adjustments	19,663	21,657
Total group retained profits as per consolidated accounts	<u>287,877</u>	<u>277,914</u>

## B11. 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.

## B12. Changes in material litigation

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 11 November 2008, the Court had disposed off this matter summarily in favour of the plaintiff and on 4 March 2009, the Company had filed its Record of Appeal to the Court of Appeal to appeal against the decision. The Court has yet to fix the hearing date for the appeal. The Company had made full provision for the compensation claim in prior financial year.

**B13. Dividend**

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

**B14. 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>31/12/10</u>	<u>31/12/09</u>	<u>31/12/10</u>	<u>31/12/09</u>
<i>Earnings</i>				
Profit attributable to ordinary equity holders of the Company (RM'000)	23,241	20,171	62,859	48,221
<b>Basic Earning per Share</b>				
Weighted average number of ordinary shares	80,470,710	80,481,710	80,470,710	80,481,710
Basic Earnings per Share (sen)	28.88	25.06	78.11	59.92

**BY ORDER OF THE BOARD**

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

Kuala Lumpur  
Date : 21 February 2011