

FIMA CORPORATION BERHAD
(Company No. 21185-P)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011
THE FIGURES HAVE NOT BEEN AUDITED

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<i>Current Quarter</i>		<i>6 Months Cumulative</i>	
	Current Year Quarter <u>30/09/11</u> RM'000	Preceding Year Corresponding Quarter <u>30/09/10</u> RM'000	Current Year To Date <u>30/09/11</u> RM'000	Preceding Year Corresponding Period <u>30/09/10</u> RM'000
Revenue	75,195	72,616	166,241	153,660
Cost of sales	(40,475)	(41,898)	(85,192)	(84,210)
Gross profit	34,720	30,718	81,049	69,450
Interest income	1,532	851	2,896	1,346
Other income	6	166	46	475
Foreign exchange loss	(3,782)	(1,656)	(3,693)	(1,464)
Depreciation and amortization	(702)	(628)	(1,399)	(1,276)
Administrative expenses	(3,504)	(3,233)	(7,552)	(6,064)
Selling and marketing expenses	(307)	(286)	(653)	(657)
Other operating expenses	(1,167)	(405)	(5,171)	(4,228)
Finance costs	(234)	(635)	(614)	(935)
Share of profit/(loss) of associates	870	(693)	2,228	1,046
Profit before tax	27,432	24,199	67,137	57,693
Income tax expense	(8,899)	(6,066)	(18,317)	(14,635)
Profit net of tax	18,533	18,133	48,820	43,058
Other comprehensive income, net of tax				
Foreign currency translation	5,905	(2,511)	7,954	(2,356)
Other comprehensive income for the period	5,905	(2,511)	7,954	(2,356)
Total comprehensive income for the period	24,438	15,622	56,774	40,702
Profit attributable to :				
Owners of the Company	16,956	16,689	43,833	39,618
Minority interest	1,577	1,444	4,987	3,440
Profit for the period	18,533	18,133	48,820	43,058
Total comprehensive income attributable to :				
Owners of the Company	22,861	14,178	51,787	37,262
Minority interest	1,577	1,444	4,987	3,440
Total comprehensive income for the period	24,438	15,622	56,774	40,702
Earnings per share attributable to owners of the Company				
Basic/diluted earnings per share (sen)	21.07	20.74	54.47	49.23

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements)

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

	As at End Of Current Quarter 30/09/11 (unaudited) RM'000	As at Preceding Financial Year End 31/03/11 (audited) RM'000
ASSETS		
Non-Current Assets		
Property, plant & equipment	38,702	41,018
Biological assets	74,326	73,392
Investment properties	70,474	71,230
Goodwill on consolidation	510	510
Interest in associates	24,493	34,077
Deferred tax assets	4,034	3,979
	212,539	224,206
Current Assets		
Inventories	63,100	43,635
Trade receivables	81,852	71,809
Other receivables	16,826	7,379
Due from related companies	-	8
Cash and bank balances	212,843	168,801
	374,621	291,632
TOTAL ASSETS	587,160	515,838
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	82,427	82,427
Share premium	534	534
Treasury shares	(3,604)	(3,604)
Other reserves	4,907	(3,047)
Retained earnings	336,266	304,504
	420,530	380,814
Minority Interest	20,324	20,049
Total Equity	440,854	400,863
Non-Current Liabilities		
Borrowings	4,577	4,577
Retirement benefit obligations	1,061	1,035
Deferred tax liabilities	1	1
	5,639	5,613
Current Liabilities		
Borrowings	15,000	35,000
Trade payables	62,614	38,738
Other payables	29,798	23,756
Dividend payable	12,071	-
Provision for compensation claim	2,120	2,120
Tax payable	18,764	9,588
Due to related companies	300	160
	140,667	109,362
Total Liabilities	146,306	114,975
TOTAL EQUITY AND LIABILITIES	587,160	515,838
Net assets per share attributable to ordinary equity holders of the Company (RM)	5.23	4.73

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements)

FIMA CORPORATION BERHAD (Company No. 21185-P)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

	<----- Attributable to owners of the Company ----->							Distributable	Minority Interest	Total Equity
	<----- Non-Distributable ----->									
	Share Capital	Share Premium	Treasury Shares	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	
At 01 April 2010	82,427	534	(3,604)	1,530	(3,838)	238,296	315,345	15,922	331,267	
Total comprehensive income for the period	-	-	-	-	(2,356)	39,618	37,262	3,440	40,702	
Redemption of loan stocks	-	-	-	-	-	-	-	(1,778)	(1,778)	
At 30 September 2010	<u>82,427</u>	<u>534</u>	<u>(3,604)</u>	<u>1,530</u>	<u>(6,194)</u>	<u>277,914</u>	<u>352,607</u>	<u>17,584</u>	<u>370,191</u>	
At 01 April 2011	82,427	534	(3,604)	1,530	(4,577)	304,504	380,814	20,049	400,863	
Total comprehensive income for the period	-	-	-	-	7,954	43,833	51,787	4,987	56,774	
Dividend paid to minority interest	-	-	-	-	-	-	-	(4,712)	(4,712)	
Dividend payable	-	-	-	-	-	(12,071)	(12,071)	-	(12,071)	
At 30 September 2011	<u>82,427</u>	<u>534</u>	<u>(3,604)</u>	<u>1,530</u>	<u>3,377</u>	<u>336,266</u>	<u>420,530</u>	<u>20,324</u>	<u>440,854</u>	

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements)

FIMA CORPORATION BERHAD (Company No. 21185-P)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2011

	6 months ended	
	30/09/11	30/09/10
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	67,137	57,693
Adjustments for :		
Depreciation for property, plant and equipment	6,023	5,075
Depreciation of investment properties	756	714
Amortisation of biological assets	2,238	2,088
Impairment loss on trade receivables	325	-
Bad debts recovered	-	(19)
Provision for retirement benefit obligations	13	28
Writedown of inventories	7	126
Gain on disposal of property, plant and equipment	(34)	(31)
Share of results of associate	(2,228)	(1,046)
Interest expense	614	935
Interest income	(2,896)	(1,346)
Operating profit before working capital changes	71,955	64,217
Increase in receivables	(19,870)	(13,525)
Increase in inventories	(19,472)	(15,333)
Decreased/(increase) in related companies balances	148	(78)
Increase in payables	29,918	17,183
Cash generated from operations	62,679	52,464
Tax paid	(9,141)	(14,094)
Retirement benefit paid	(17)	(18)
Net cash generated from operating activities	53,521	38,352
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,768)	(2,669)
Proceeds from disposal of property, plant and equipment	34	35
Proceeds from disposal of investment	11,812	-
Interest received	2,896	1,346
Redemption of loan stocks	-	(1,778)
Net cash generated from investing activities	11,974	(3,066)
CASH FLOW FROM FINANCING ACTIVITIES		
Interest paid	(614)	(935)
Dividends paid by a subsidiary to minority interest	(4,712)	-
Dividends received	-	5,250
Repayment of short term borrowings	(20,000)	-
Net cash used in financing activities	(25,326)	4,315
CASH AND CASH EQUIVALENTS		
Net increase	40,169	39,601
Effect of foreign exchange rate changes in cash and cash equivalent	3,873	1,204
At the beginning of financial period	168,801	96,144
At the end of financial period	212,843	136,949
CASH AND CASH EQUIVALENTS COMPRISE OF :		
Cash and bank balances	3,859	11,535
Deposits with licensed banks	208,984	125,414
	212,843	136,949

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to the interim financial statements)

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 2011. 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 2011.

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 2011 except for the adoption of the following Financial Reporting Standards ("FRSs"), revised FRSs, Amendments to FRSs and IC Interpretations.

Effective for financial periods beginning on or after 1 July 2010:

FRS 1: First-time Adoption of Financial Reporting Standards

FRS 3: Business Combinations (revised)

Amendments to FRS 2: Share Based Payment

Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations

Amendments to FRS 127: Consolidated and Separate Financial Statements

Amendments to FRS 138: Intangible Assets

Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives

IC Interpretation 12: Service Concession Arrangements

IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation

IC Interpretation 17: Distributions of Non-cash Assets to Owners

Effective for financial periods beginning on or after 1 January 2011:

Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosure for First-Time Adopters

Amendments to FRS 7: Improving Disclosures about Financial Instruments

Amendments to FRSs contained in the document entitled "Improvements to FRSs (2010)"

IC Interpretation 4: Determining whether an Arrangement contains a lease

IC Interpretation 18: Transfers of Assets from Customers

Effective for financial periods beginning on or after 1 July 2011:

Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement

IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments

Effective for financial periods beginning on or after 1 January 2012:

FRS 124: Related Party Disclosures

IC Interpretation 15: Agreements for the Construction of Real Estate

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

A3. Audit Qualification

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

A4. Seasonality or cyclical nature 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.

A8. Dividends paid

At the Annual General Meeting held on 21 September 2011, the Company's shareholders had approved a final dividend of 15% less 25% tax and a special dividend of 5% less 25% tax for financial year ended 31 March 2011. The dividend amounting to RM12.1 million was subsequently paid on 7 October 2011.

A9. Segmental Information

<u>Segments</u>	6 Months Cumulative			
	Current Year To date		Preceding Year	
	30/09/11		Corresponding Period	
	Revenue	Profit	Revenue	Profit
	RM'000	Before Tax	RM'000	Before Tax
		RM'000	RM'000	RM'000
Production and trading of security & confidential documents	104,162	33,593	99,623	33,796
Oil palm production and processing	60,099	30,670	52,037	22,508
Property management	2,590	533	2,671	542
Others	-	113	-	(199)
	<u>166,851</u>	<u>64,909</u>	<u>154,331</u>	<u>56,647</u>
Share of results of associate	-	2,228	-	1,046
	<u>166,851</u>	<u>67,137</u>	<u>154,331</u>	<u>57,693</u>
Eliminations	(610)	-	(671)	-
Group Results	<u>166,241</u>	<u>67,137</u>	<u>153,660</u>	<u>57,693</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

On 15 July 2011, the Company divested 10% equity interest comprising five million ordinary shares of RM1.00 each in associate company, Giesecke & Devrient Malaysia Sdn Bhd ("G&D") for a cash consideration of RM11.8 million, equivalent to 10% of G&D's net equity as at 30 June 2011. Consequently, the Company's equity interest in the associate company decreased from 30% to 20%.

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 B12).

A14. Capital Commitments

	As at 30/09/11 RM'000
Property, plant and equipment	
Approved and contracted for	3,208
Approved but not contracted for	6,306

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 30/09/11 RM'000
Plant and machinery	785
Motor vehicles	1,121
Buildings	750
Office equipment and fittings	112
	<u>2,768</u>

A16. Related Party Transactions

	Current Year To date 30/09/11 RM'000
Kumpulan Fima Berhad, penultimate holding company	
Rental income receivable	(230)
Related by virtue of having common director/(s)/shareholder/(s) :	
Nationwide Express Courier Services Berhad	
Rental income receivable	(47)
Purchases made - Delivery services	74
Nationwide Freight Forwarders Sdn Bhd	
Purchases made - Forwarding services	6

A16. Related Party Transactions (Contd.)

	Current Year To date 30/09/11 RM'000
Related by virtue of having common director/(s)/shareholder/(s) :	
TD Technologies Sdn Bhd Purchases made - Software rental	33
First Zanzibar Sdn Bhd Purchases made - IT support	12
Associated Company :	
Giesecke & Devrient Malaysia Sdn Bhd Management services receivable	(12)

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 total revenue of RM166.2 million, an increase of RM12.5 million over the same period last year. The increase was mainly attributable to higher revenue generated from oil palm production and processing as well as production of security and confidential documents.

On the back of increased revenue, a profit before tax of RM67.1 million was recorded as compared to RM57.7 million pretax profit in the previous year.

Production and trading of security and confidential revenue increased by 4.6% to RM104.2 million from RM99.6 million last year. The increase was mainly due to improved volume for travel documents. The impact of the higher revenue was offset by less favorable sales mix, resulting in 0.6% decrease in pretax profit compared to the corresponding period last year.

Oil palm production and processing revenue increased by 15.5% or RM8.1 million to RM60.1 million compared to the corresponding period last year. Average net selling price of crude palm oil (net of duty and transportation cost) realized for the 1st half year increased from RM2,166/mt achieved in the previous year to RM2,490/mt. Following the commissioning of the palm kernel crusher plant during last financial year, 2,489 mt crude palm kernel oil was sold at an average net selling price of RM3,388/mt. Due to the higher revenue recorded, the division registered a pretax profit of RM30.7 million, an improvement of RM8.2 million over the corresponding period last year.

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

During the quarter reported, the Group posted a revenue of RM75.2 million with a pretax profit of RM27.4 million as compared to RM39.7 million pretax profit on the back of RM91.0 million revenue in the preceding quarter. The shortfall in pretax profit was mainly due to lower revenue from oil palm production and processing segment.

There was no significant change in the revenue from the **production of security and confidential documents** for the quarter compared to the preceding quarter. Due to better sales mix, profit before tax increased by RM2.8 million to RM18.2 million in the 2nd quarter compared to the 1st quarter.

Oil palm production and processing revenue decreased by RM15.4 million to RM22.3 million in the 2nd quarter compared to the 1st quarter. The shortfall was mainly due to additional revenue recorded in the 1st quarter from sale of crude palm kernel oil and crude palm oil carried forward from the previous financial year.

B3. Prospects

Though revenue from the production of security and confidential documents in the second half year is expected to be lower than the first half year due to cyclical demand in certain jobs, the Directors look forward to a continued good performance for the rest of the 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 30/09/11 RM'000	Current Year Todate 30/09/11 RM'000
Tax charge	<u>8,899</u>	<u>18,317</u>

The effective tax rate on Group's profit todate is 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

	As at 30/09/11 RM'000
Short term borrowings	
Secured	<u>15,000</u>

B10. Realised/unrealised profits/(losses)

	<u>As at 30/09/11 RM'000</u>	<u>As at 31/03/11 RM'000</u>
Total retained profits/(accumulated losses) of Fima Corporation Berhad and its subsidiaries:		
- Realised	329,851	274,806
- Unrealised	<u>(22,916)</u>	<u>(9,204)</u>
	306,935	265,602
Total share of retained profits/(accumulated losses) from associated company:		
- Realised	19,152	26,083
- Unrealised	<u>(4,659)</u>	<u>(7,006)</u>
	14,493	19,077
Add : Consolidation adjustments	14,838	19,825
Total group retained profits as per consolidated accounts	<u>336,266</u>	<u>304,504</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. In financial year 2008/2009, the Company made full provision for the compensation claim of RM2.12 million.

On 27 September 2011, the Court of Appeal had allowed the Company's appeal against the decision handed down by the High Court and directed that the matter be remitted back to the High Court for a full trial.

B13. Dividend

The Board of Directors declared a 15.0% interim dividend less taxation of 25% payable for the year ending 31 March 2012 (last year: 10.0% less taxation of 25%). The dividend payment will amount to approximately RM9.1 million (last year: RM6.0 million).

B14. Earnings per share

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30/09/11	30/09/10	30/09/11	30/09/10
Earnings				
Profit attributable to owners of the Company (RM'000)	16,956	16,689	43,833	39,618
Basic Earning per Share				
Weighted average number of ordinary shares in issue	80,470,710	80,470,710	80,470,710	80,470,710
Basic earnings per share (sen)	21.07	20.74	54.47	49.23

BY ORDER OF THE BOARD

LEE MO LENG
MOHD YUSOF BIN PANDAK YATIM
 Company Secretaries

Kuala Lumpur
 Date : 22 November 2011