

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

(Incorporated in Malaysia)

Condensed Consolidated Income Statements
For the First Quarter Ended 30 June 2007
Except as disclosed otherwise, the figures have not been audited

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-6-2007	Preceding Year Corresponding Quarter 30-6-2006	Current Year To Date 30-6-2007	Preceding Year Corresponding Period 30-6-2006
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	74,527	67,409	74,527	67,409
Cost of sales		(48,175)	(45,049)	(48,175)	(45,049)
Gross profit		26,352	22,360	26,352	22,360
Other income		674	672	674	672
Administrative expenses		(9,976)	(9,227)	(9,976)	(9,227)
Selling and marketing expenses		(1,318)	(1,156)	(1,318)	(1,156)
Other expenses		(4,148)	(1,647)	(4,148)	(1,647)
		(15,442)	(12,030)	(15,442)	(12,030)
Finance cost		(1,281)	(843)	(1,281)	(843)
Share of profit of associates		986	674	986	674
Profit before tax	A9	11,289	10,833	11,289	10,833
Income tax expense	B5	(3,662)	(3,274)	(3,662)	(3,274)
Profit for the period		7,627	7,559	7,627	7,559
Attributable to :					
Equity holders of the parent		5,544	4,971	5,544	4,971
Minority interests		2,083	2,588	2,083	2,588
		7,627	7,559	7,627	7,559
Earnings per share attributable to equity holders of the parent:					
Basic earnings per share (sen)		2.11	1.89	2.11	1.89

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheets as at 30 June 2007
Except as disclosed otherwise, the figures have not been audited

	Note	As At End Of Current Quarter 30-6-2007	As At Preceding Financial Year Ended 31-03-2007 (Audited)
		RM'000	RM'000
ASSETS			
Non-current assets			
Property, plant and equipment	A2 (c)	230,005	114,221
Investment properties		73,978	72,751
Prepaid lease payment	A2 (c)	51,308	51,471
Plantation development expenditure		4,318	4,085
Interests in associates		30,965	73,498
Other investments		22	22
Deferred tax assets		2,551	3,470
Goodwill on consolidation		10,706	10,069
		<u>403,853</u>	<u>329,587</u>
Current Assets			
Inventories		63,172	53,818
Trade receivables		53,472	52,785
Other receivables		17,022	20,469
Cash and bank balances		45,354	57,874
		<u>179,020</u>	<u>184,946</u>
TOTAL ASSETS		<u>582,873</u>	<u>514,533</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		263,160	263,160
Reserves		24,616	22,658
		<u>287,776</u>	<u>285,818</u>
Minority interests		103,536	78,973
Total equity		<u>391,312</u>	<u>364,791</u>
Non-current liabilities			
Long term borrowings		33,524	34,127
Retirement benefit obligations		2,639	2,626
Deferred tax liabilities		17,296	18,215
		<u>53,459</u>	<u>54,968</u>
Current Liabilities			
Short term borrowings		53,959	24,341
Trade payables		45,615	41,478
Other payables		32,345	25,515
Taxation		6,183	3,440
		<u>138,102</u>	<u>94,774</u>
Total liabilities		<u>191,561</u>	<u>149,742</u>
TOTAL EQUITY AND LIABILITIES		<u>582,873</u>	<u>514,533</u>
Net assets per share (RM)		<u>1.09</u>	<u>1.09</u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim statements.

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Changes in Equity
For the First Quarter Ended 30 June 2007
Except as disclosed otherwise, the figures have not been audited**

Attributable to Equity Holders of the Parent

Non-distributable

	Share capital	Share premium	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Foreign exchange reserve	Accumulated losses	Total	Minority interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2007/8										
Group										
At 1-4-2007	263,160	12,161	44,527	437	26,758	11,542	(72,767)	285,818	78,973	364,791
Translation loss	-	-	-	-	-	(3,586)	-	(3,586)	-	(3,586)
Net profit for the period	-	-	-	-	-	-	5,544	5,544	2,083	7,627
Acquisition of a subsidiary - PT Nunukan Jaya Lestari	-	-	-	-	-	-	-	-	22,480	22,480
At 30-6-2007	263,160	12,161	44,527	437	26,758	7,956	(67,223)	287,776	103,536	391,312

	Share capital	Share premium	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Foreign exchange reserve	Accumulated losses	Total	Minority interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2006/7										
Group										
At 1-4-2006	263,160	12,161	52,279	437	26,758	12,205	(112,563)	254,437	69,597	324,034
As previously stated										
Prior year adjustment - effect of adopting FRS 3	-	-	-	-	-	-	9,907	9,907	-	9,907
At 1-4-2006 - restated	263,160	12,161	52,279	437	26,758	12,205	(102,656)	264,344	69,597	333,941
Translation gain	-	-	-	-	-	55	-	55	-	55
Net profit for the year	-	-	-	-	-	-	4,971	4,971	2,588	7,559
Increase in share capital in a subsidiary	-	-	-	-	-	-	-	-	-	-
Increase in share capital in a subsidiary via ESOS	-	-	-	-	-	-	-	-	237	237
At 30-6-2006	263,160	12,161	52,279	437	26,758	12,260	(97,685)	269,370	72,422	341,792

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2007 and the accompanying explanatory notes attached to the interim financial statements.

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

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Condensed Consolidated Cash Flow Statements for the First Quarter Ended 30 June 2007

Except as disclosed otherwise, the figures have not been audited

	← 3 months ended →	
	30-6-2007	30-6-2006
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,289	10,833
Adjustment for:		
Non-cash items	3,105	3,798
Operating profit before working capital changes	<u>14,394</u>	<u>14,631</u>
Increase in inventories	(7,548)	(10,639)
Decrease/(increase) in receivables	3,430	(4,922)
Increase in payables	<u>14,281</u>	<u>14,206</u>
Cash generated from operations	24,557	13,276
Interest paid	(1,549)	(1,109)
Taxes paid	(4,190)	(3,554)
Retirement benefits paid	(81)	(619)
Net cash generated from operating activities	<u>18,737</u>	<u>7,994</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Plantation development expenditure	(589)	(525)
Proceeds from disposal of property, plant and equipment	504	30
Purchase of property, plant and equipment	(14,266)	(2,425)
Acquisition of a subsidiary - PT Nunukan Jaya Lestari	(23,771)	-
Investment in associate	-	(10,000)
Interest received	157	435
Net cash used in investing activities	<u>(37,965)</u>	<u>(12,485)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(4,000)	(5,000)
Repayment of term loan of an acquired subsidiary	(57,768)	-
Drawdown of term loan	37,000	-
Advance to a related companies	34,951	-
Net (repayment)/drawdown of short term borrowings	(2,756)	10
Proceeds from issuance of ordinary shares (ESOS) by a subsidiary	-	237
Increase in deposits on lien	-	(8)
Net cash used in financing activities	<u>7,427</u>	<u>(4,761)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(11,801)	(9,252)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	39,886	53,402
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	28,085	44,150
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash in hand and at bank	27,270	9,126
Fixed deposit with financial institutions *	11,492	42,380
Secured bank overdrafts	(10,677)	(7,356)
	<u>28,085</u>	<u>44,150</u>
* Fixed deposit with financial institutions comprise:		
Fixed deposits	18,084	46,894
less : Deposits on lien	(6,592)	(4,514)
	<u>11,492</u>	<u>42,380</u>

- PART A - requirement of FRS 134
- PART B - requirement of Bursa Securities Listing Requirements

PART A-MASB

A1. Accounting policies

The interim financial 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 Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2007.

A2. Changes in accounting policies

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 March 2007, except for the adoption of revised FRS 117 and FRS 124 issued by MASB that effective for the Group's annual reporting date 31 March 2008.

The adoption of FRS 117 and 124 does not have any significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new and/or revised FRSs are summarised below:

(a) FRS 117: Leases

The adoption of the revised FRS 117 has resulted in a retrospective change in the accounting policy relating to the classification of leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

Prior to 1 April 2007, leasehold land was classified as property, plant and equipment. At 1 April 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively.

(b) FRS 124 : Related Party Disclosures

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

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

(c) Comparatives

The following comparative amounts have been restated due to the adoption of new and revised FRSs:

	← Adjustments →		
	Previously Stated RM'000	FRS 117 RM'000	Restated RM'000
At 31 March 2007			
Property, plant and equipment	165,692	(51,471)	114,221
Prepaid leased payment	-	51,471	51,471

A3. Auditors' Report on Preceding Annual Financial Statements.

The financial statements of the Group were not subject to any audit qualification for the financial year ended 31 March 2007.

A4. Seasonal and cyclical factors

The results of the Group have not been affected by seasonal or cyclical factors, except for the manufacturing segment.

A5. Unusual items affecting the financial statements

There were no unusual items affecting the financial statements of the Group for the current quarter.

A6. Changes in estimates

There were no changes in estimates arising from the adoption of the new and/or revised FRSs, that have had a material effect on the current quarter's results.

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

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for the current quarter.

A8. Dividend paid

There were no dividend paid during the current quarter.

A9. Segmental revenue and results for business segments

Revenue	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-6-2007	Preceding Year Corresponding Quarter 30-6-2006	Current Year To Date 30-6-2007	Preceding Year Corresponding Period 30-6-2006
	RM'000	RM'000	RM'000	RM'000
Manufacturing*	36,725	38,047	36,725	38,047
Bulking	9,946	7,541	9,946	7,541
Agrobased	21,994	19,067	21,994	19,067
Plantations	3,962	439	3,962	439
Trading	1,830	2,309	1,830	2,309
Others	353	354	353	354
	74,810	67,757	74,810	67,757
Elimination of inter-segment sales	(283)	(348)	(283)	(348)
	74,527	67,409	74,527	67,409

Profit before tax	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-6-2007	Preceding Year Corresponding Quarter 30-6-2006	Current Year To Date 30-6-2007	Preceding Year Corresponding Period 30-6-2006
	RM'000	RM'000	RM'000	RM'000
Manufacturing*	8,479	8,740	8,479	8,740
Bulking	3,544	2,857	3,544	2,857
Agrobased	1,062	(53)	1,062	(53)
Plantations	(1,268)	97	(1,268)	97
Trading	369	334	369	334
Others	(1,883)	(1,661)	(1,883)	(1,661)
	10,303	10,314	10,303	10,314
Associated companies	986	674	986	674
	11,289	10,988	11,289	10,988
Eliminations	-	(155)	-	(155)
	11,289	10,833	11,289	10,833

* Production and trading of security documents.

A10. Valuation of property, plant and equipment

The valuations of land and buildings have been brought forward without any adjustments from the financial statements for the year ended 31 March 2007.

A11. Subsequent material events

There were no material events subsequent to the end of the current quarter except as disclosed below:

1. Proposed acquisition by Fima Palmbulk Services Sdn Bhd, a wholly-owned subsidiary of Kumpulan Fima Berhad ("KFima") of the following:-
 - (i) 3,570,000 ordinary shares in Boustead Oil Bulking Sdn Bhd from Boustead Plantations Berhad for a cash consideration of RM4.68 million; and
 - (ii) 1,750,000 ordinary shares in Boustead Oil Bulking Sdn Bhd from Felda Bulkera Sdn Bhd for a cash consideration of RM2.29 million.

The total purchase consideration of the above is RM6.97 million as announced to Bursa Malaysia Securities on 17 July 2007.

2. Proposed disposal of four (4) parcels of leasehold land held under
 - (i) H.S.(D) 3552 P.T. 52;
 - (ii) P.N.108168 LOT 469;
 - (iii) H.S.(D) 3551 P.T.51; and
 - (iv) P.N. 108170 LOT 471all in the Mukim of Temenggor, Daerah Hulu Perak, Negeri Perak by KFima to M.K.N. Group Sdn Bhd in exchange with 14 office units measuring 41,062 square feet located at Tower B, PJ Trade Centre, Bandar Damansara Perdana, Petaling Jaya valued at RM15.81 million as announced to Bursa Malaysia Securities on 18 July 2007.

A12. Inventories

During the quarter, there were no material write-back or write down of inventories.

A13. Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to date including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operations other than the proposed acquisition of shares of Boustead Oil Bulking Sdn Bhd by Fima Palmbulk Services Sdn Bhd as disclosed in Note A11 and :-

On 9 April 2007, a wholly-owned subsidiary, FCB Management Sdn Bhd ("FCB Management") increased its equity interest in an associate company, PT Nunukan Jaya Lestari ("NJL") from 32.5% to 80.0% by subscribing to the following:

1. 472,500 new shares issued by NJL for a cash consideration of RM21.0 million.
2. Rp.135.0 billion nominal value of redeemable convertible loan stock issued by NJL for a cash consideration of RM60.0 million.

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

	Current Year To date 30-6-2007 RM'000
Revenue	3,444
Loss for the period	<u>(1,355)</u>

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

	Fair Value RM'000	Acquiree's Carrying Amount RM'000
Property, plant & equipment	108,655	108,655
Inventories	1,821	1,821
Other receivables	387	387
Cash and bank balances	14,461	14,461
Trade and other payables	(16,290)	(16,384)
Borrowings	(1,079)	(1,079)
Foreign exchange translation	4,444	4,538
Total net assets	<u>112,399</u>	<u>112,399</u>
Less : Minority Interest	22,480	
	89,919	
Transfer from investment in associate	5,443	
	95,362	
Goodwill arising on acquisition	638	
Total cost of acquisition	<u>96,000</u>	

The cash outflow on acquisition is as follows:

	Current Year To date 30-6-2007
	RM'000
Purchase consideration satisfied in cash	96,000
Cash and cash equivalent of a subsidiary acquired	(14,461)
Loan settlement	(57,768)
Net cash outflow of the Group	<u>23,771</u>

A14. Changes in contingent liabilities

There were no additional contingent liabilities during the current quarter, except as disclosed in Note B11 herein.

A15. Significant acquisition of property, plant and equipment

As at end of the current quarter the Group's significant acquisitions of property, plant and equipment are as follows :

	Current Year To date
	RM'000
Plant and equipment	7,373
Vehicles	338
Property	1,796
Work-in-progress :	
Biodiesel plants	1,480
Cattle shed	255
	<u>11,242</u>

A16. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 June 2007 is as follows:

	Current Year To date
	RM'000
Property, plant and equipment	
Approved and contracted for	7,469
Approved but not contracted for	15,607
	<u>23,076</u>

A17. Related party transactions

The Group's material related party transactions at the end of current quarter are as follows:

KFB and its subsidiaries	Transacting parties	Relationship	Nature of transactions	RM'000
Kumpulan Fima Berhad	BHR Enterprise Sdn Bhd	Common Shareholders/ Directors	Advisory services	(30)
Fima-TLP Feedlot Sdn Bhd	Lee Pineapple Co. Pte. Ltd	Shareholder of Fima - TLP Feedlot Sdn Bhd	Purchase of cattle feed	(63)

PART B-BURSA SECURITIES

B1. Review of performance

The Group's revenue for the period ended 30 June 2007 recorded an increase of RM7.12 million or 10.6% from RM67.41 million to RM74.53 million. The increase is mainly due to the better performance of the Bulking, Agrobased and Plantation segments.

The Group's profit before taxation RM11.29 million, RM0.46 million higher than last year's RM10.83 million was mainly due to higher profit recorded by Agrobased and Bulking segments.

B2. Comparison with preceding quarter's results

The Group's profit before taxation for the current quarter of RM11.29 million is RM0.23 million lower compared to profit before taxation of RM11.52 million recorded in the preceding quarter is mainly due to lower profit recorded by Bulking and Trading segments.

B3. Prospects

The Directors expect the performance of the Group to be satisfactory for the remainder of the year.

B4. Explanatory notes on variances with profit forecasts or profit guarantee

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

B5. Taxation

Taxation comprises the following:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-6-2007	Preceding Year Corresponding Quarter 30-6-2006	Current Year To Date 30-6-2007	Preceding Year Corresponding Period 30-6-2006
	RM'000	RM'000	RM'000	RM'000
Current taxation	3,662	3,274	3,662	3,274
	<u>3,662</u>	<u>3,274</u>	<u>3,662</u>	<u>3,274</u>

Note :

The effective tax rate of the Group was higher than the statutory tax rate due to certain expenses are disallowed for taxation purposes.

B6. Profits/(losses) on sale of unquoted investments and/or properties

There were no sale of unquoted investments and/or properties during the current quarter.

B7. Purchase or disposal of quoted securities

There were no purchase or disposal of quoted securities during the current quarter.

B8. Corporate proposals

There were no changes in the composition of the Group for the current quarter and financial period to date including business combination, acquisition or disposal of subsidiaries and long term investment, restructuring and discontinued operations, except as disclosed in Note A11 and A13.

B9. Borrowings and debt securities

	As at 30-6-2007 RM'000	As at 31-03-2007 RM'000
Secured:		
Current	53,959	24,341
Non-current	33,524	34,127
	<u>87,483</u>	<u>58,468</u>

B10. Off balance sheet financial instruments

As at the reporting date, the Group does not have any off balance sheet financial instruments.

B11. Change in material litigations

Pending material litigations since 31 March 2007 are as follows:

- (a) Following the termination of the Tenancy Agreement by Malaysia Airports Holding Berhad ("MAHB") on 11 May 2000, a subsidiary of Kumpulan Fima Berhad ("KFima"), Fima Corporation Berhad ("FimaCorp"), as the Principal Tenant issued a termination notice dated 15 May 2000 to all its respective sub-tenants at Airtel Complex.

Pursuant to the above, on 28 September 2001, FimaCorp 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 the renovation costs and general damages arising from the early termination of the Tenancy Agreement at Airtel Complex, in Subang. The Board of FimaCorp had sought the advice of the solicitors and was of the opinion that there should be no compensation payable to the Plaintiff as the demised premises was acquired by a relevant authority, MAHB, which was provided in the Tenancy Agreement between FimaCorp and the Plaintiff.

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

The Plaintiff served its Application for Summons in Chambers on FimaCorp on 15 December 2003. Subsequently, FimaCorp 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 withdrew their Application for Summons in Chambers and the Court directed the Plaintiff to file the necessary application in order to continue with the proceedings. On 13 December 2005, the Court fixed the trial dates on 15, 16 and 17 October 2007.

As at 30 June 2007, no provision has been recognised in the financial statements.

- (b) The Company and a subsidiary, FCB Business Centre Sdn Bhd ("Plaintiffs") had jointly claimed against a third party, The KAB Group Berhad (formerly known as KAB Sdn Bhd) ("Defendant") demanding arrears of rental and other expenses amounting to RM1,700,000. The Defendant filed their Statement of Defence denying the demand and counter claimed for over payment of RM2,060,000.

The High Court allowed the Plaintiffs' claim for the sum of RM1,180,000 on 7 February 2003. The High Court also ordered that the remaining claim of RM520,000 be proceeded with full trial. On 1 December 2003, the Defendant filed into Court the Record of Appeal and the Affidavit in support.

On 10 July 2006, the Court adjourned the case for further mention on 5 December 2006 pending the Defendant's appeal to be heard at the Court of Appeal.

On 5 December 2006, the case was postponed to another mention date on 6 March 2007 to fix the hearing date of the Defendant's appeal.

However, the matter was further postponed to 12 June 2007 as the hearing date of the Defendant's appeal in the Court of Appeal was not fixed.

On 12 June 2007, the case was again postponed to 11 December 2007 for further Case Management pending the disposal of the Defendant's appeal at the Court of Appeal.

In view of the uncertainty of recovering the amount awarded to the subsidiary, the amount approximately RM1,180,000 has not been recognised in the income statement.

- (c) Federal Flour Mills Bhd, ("Respondent") obtained an arbitration award against a subsidiary, Fima Palmbulk Services Sdn. Bhd. ("Appellant"), on 8 October 1999 for the sum of RM1,620,000 being the price of Crude Palm Oil ("CPO") stored with the Appellant which was alleged to have been contaminated. During the arbitration proceedings, the Appellant in its defence claimed that the CPO was within the parameters of Commodity and Monetary Exchange of Malaysia ("COMMEX") and counterclaimed for the storage fees of RM84,000 from the Respondent.

The Appellant applied to the High Court to set aside the award. The High Court had allowed the Appellant's application and ordered the CPO to be sold and a sum of RM84,000 from the sale was paid to the Appellant as storage charges.

The Respondent appealed to the Court of Appeal which allowed its appeal to enforce the arbitration award. The Appellant appealed to the Federal Court on 28 February 2005 and the solicitors advised that the Appellant has a fair chance to succeed in its appeal.

The Appellant's application for Leave to Appeal to the Federal Court which was fixed for hearing on 2 May 2006 had been postponed and the Federal Court has fixed 20 August 2007 for the Hearing of the said applications. On 20 August 2007, the Federal Court had dismissed the Appellant's application for Leave to Appeal with cost. The effect had been fully accounted for in the accounts.

- (d) The Company ("Defendant") was served with a Writ of Summons together with a Statement of Claim on 29 September 2005 by the ex-employees of the Company ("Plaintiffs"). The Plaintiffs claimed for an alleged sum of RM1.73 million together with 8.0% interest per annum under the Defendant's Employment Benefit Scheme pursuant to the Trust Deed dated 16 June 1992.

On 10 April 2006, the Defendant's solicitors filed an application to strike out the Plaintiffs' suit and the hearing of the said application was fixed on 14 September 2006.

On 21 April 2006, the Plaintiffs filed an application for Summary Judgment pursuant to Order 14 of Rules of High Court 1980.

On 14 September 2006, the Court ordered that the Defendant's application to strike out the Plaintiffs' suit and the Plaintiffs' application for Summary Judgment be heard concurrently. The Court further fixed 5 December 2006 as the next mention date.

However, on 5 December 2006, the Court fixed 10 April 2007 for hearing of the Plaintiffs' application for Summary Judgment and mention for the Defendant's application to strike out the Plaintiffs' suit as the Court decided not to hear the two applications concurrently.

On 10 April 2007, the matter was not listed for hearing in the High Court and the Plaintiffs' solicitors would write to the Court to obtain new dates for both the Plaintiffs' application for Summary Judgment and the Defendant's application to strike out the Plaintiffs' suit.

The Court has fixed 23 July 2007 for hearing of the Defendant's application to strike out the Plaintiffs' suit.

During the Hearing on 23 July 2007, the Court has fixed 6 August 2007 for the decision and on 6 August 2007, the Court has dismissed the Defendant's application to strike out the Plaintiffs' suit with cost. The Court further fixed 29 August 2007 for mention for the Plaintiffs to decide whether they wish to proceed with their application for Summary Judgment as the Court has indicated there are triable issues and most likely the Court would not allow the Plaintiff's application. The Defendant's solicitors are of the view that the Defendant should appeal to the Judge in Chambers as the Plaintiffs' claim is time-barred. The Defendant's solicitors will file the Notice of Appeal accordingly.

B12. Dividends

The Directors of the Company do not recommend any interim dividend during the current quarter.

B13. Earnings per share

The basic earnings per share are calculated as follows:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-6-2007	Preceding Year Corresponding Quarter 30-6-2006	Current Year To Date 30-6-2007	Preceding Year Corresponding Period 30-6-2006
Profit attributable to ordinary equity holders of the parent (RM'000)	5,544	4,971	5,544	4,971
Number of ordinary shares in issue ('000)	263,160	263,160	263,160	263,160
Basic earnings per share (sen)	<u>2.11</u>	<u>1.89</u>	<u>2.11</u>	<u>1.89</u>

By order of the Board

MOHD YUSOF BIN PANDAK YATIM (MIA 4110)
NASLIZA MOHD NASIR (LS 08653)
Company Secretaries

Kuala Lumpur
Dated : 29 August 2007