

**KUMPULAN FIMA BERHAD**

(Company No.:11817-V)

(Incorporated in Malaysia)

**Condensed Consolidated Income Statements**  
**For the Second Quarter Ended 30 September 2009**  
**Except as disclosed otherwise, the figures have not been audited**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-09-2009	Preceding Year Corresponding Quarter 30-09-2008	Current Year To Date 30-09-2009	Preceding Year Corresponding Period 30-09-2008
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	95,013	99,386	187,675	191,601
Cost of sales		(59,914)	(64,819)	(116,264)	(117,901)
<b>Gross profit</b>		<b>35,099</b>	<b>34,567</b>	<b>71,411</b>	<b>73,700</b>
Other income		854	1,246	7,181	1,830
Administrative expenses		(11,042)	(11,811)	(21,254)	(22,122)
Selling and marketing expenses		(866)	(1,405)	(1,773)	(2,439)
Other expenses		(4,615)	(5,936)	(5,981)	(8,965)
		(16,523)	(19,152)	(29,008)	(33,526)
Finance cost		(798)	(144)	(2,442)	(1,264)
Share of profit of associates		2,266	(55)	5,548	1,923
<b>Profit before taxation</b>	A9	<b>20,898</b>	<b>16,462</b>	<b>52,690</b>	<b>42,663</b>
Income tax expense	B5	(5,086)	(4,534)	(11,054)	(11,674)
<b>Profit for the period</b>		<b>15,812</b>	<b>11,928</b>	<b>41,636</b>	<b>30,989</b>
Attributable to :					
Equity holders of the parent		9,873	7,696	28,327	18,872
Minority interests		5,939	4,232	13,309	12,117
		15,812	11,928	41,636	30,989
<b>Earnings per share attributable to equity holders of the parent:</b>					
Basic earnings per share (sen)		3.75	2.92	10.76	7.17

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2009 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 September 2009****Except as disclosed otherwise, the figures have not been audited**

	As At End Of Current Quarter 30-09-2009	As At Preceding Financial Year Ended 31-03-2009 (Audited)
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	153,960	153,927
Investment properties	84,746	71,543
Prepaid land lease payment	36,982	50,113
Biological assets	83,433	74,635
Interests in associates	44,794	39,718
Deferred tax assets	8,161	7,456
Goodwill on consolidation	13,055	13,055
	<u>425,131</u>	<u>410,447</u>
<b>Current Assets</b>		
Inventories	68,128	74,719
Trade receivables	104,737	104,610
Other receivables	18,152	12,295
Cash and bank balances	75,085	51,083
	<u>266,102</u>	<u>242,707</u>
<b>TOTAL ASSETS</b>	<u>691,233</u>	<u>653,154</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	263,160	263,160
Reserves	110,420	71,464
	<u>373,580</u>	<u>334,624</u>
Minority interests	130,492	117,212
<b>Total equity</b>	<u>504,072</u>	<u>451,836</u>
<b>Non-current liabilities</b>		
Long term borrowings	30,210	21,939
Retirement benefit obligations	1,380	1,419
Deferred tax liabilities	16,542	16,461
	<u>48,132</u>	<u>39,819</u>
<b>Current Liabilities</b>		
Short term borrowings	45,332	63,666
Trade payables	48,507	55,532
Other payables	31,321	36,395
Provision for compensation claim	2,120	2,120
Taxation	11,749	3,786
	<u>139,029</u>	<u>161,499</u>
<b>Total liabilities</b>	<u>187,161</u>	<u>201,318</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>691,233</u>	<u>653,154</u>
Net assets per share (RM)	<u>1.42</u>	<u>1.27</u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2009 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 Second Quarter Ended 30 September 2009  
Except as disclosed otherwise, the figures have not been audited**

Attributable to Equity Holders of the Parent

Non-distributable

**2009/10**

Group	Share capital	Share premium	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Foreign exchange reserve	Accumulated losses/ Retained earnings	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
<b>At 1-4-2009</b>	263,160	12,161	44,527	437	26,758	(7,245)	(5,174)	334,624	117,212	451,836
Translation gain	-	-	-	-	-	15,819	-	15,819	-	15,819
Net profit for the period	-	-	-	-	-	-	28,327	28,327	13,309	41,636
Transfer from revaluation reserve	-	-	(5,189)	-	-	-	-	(5,189)	-	(5,189)
Purchase of treasury shares by a subsidiary	-	-	-	-	-	-	-	-	(30)	(30)
<b>At 30-09-2009</b>	263,160	12,161	39,338	437	26,758	8,574	23,153	373,581	130,491	504,072

Group	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
<b>At 1-4-2008</b>	263,160	12,161	44,527	437	26,758	(1,270)	(46,375)	299,398	100,727	400,125
Translation loss not recognised in income statement	-	-	-	-	-	(5,975)	-	(5,975)	-	(5,975)
Net profit for the year	-	-	-	-	-	-	46,160	46,160	24,467	70,627
Acquisition of minority interest by a subsidiaries	-	-	-	-	-	-	(24)	(24)	(1,728)	(1,752)
Dividend paid	-	-	-	-	-	-	(4,935)	(4,935)	-	(4,935)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	(3,800)	(3,800)
Purchase of treasury shares by a subsidiary	-	-	-	-	-	-	-	-	(1,413)	(1,413)
Redemption of RCLS by minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	(1,041)	(1,041)
<b>At 31-3-2009</b>	263,160	12,161	44,527	437	26,758	(7,245)	(5,174)	334,624	117,212	451,836

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to the interim financial statements.

**KUMPULAN FIMA BERHAD**  
(Company No.:11817-V)  
(Incorporated in Malaysia)

**Condensed Consolidated Cash Flow Statements for the Second Quarter Ended 30 September 2009**  
**Except as disclosed otherwise, the figures have not been audited**

	← To Date →	
	30-09-2009	30-09-2008
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	52,690	42,663
Adjustment for:		
Non-cash items	2,691	12,031
Operating profit before working capital changes	55,381	54,694
Increase in inventories	8,223	247
Decrease in receivables	(1,552)	(6,773)
Increase in net amount due from related companies	(32)	-
Decrease in payables	(17,004)	(6,959)
Cash generated from operations	45,016	41,209
Interest paid	(1,528)	(628)
Taxes paid	(2,635)	(7,706)
Retirement benefits paid	(130)	(53)
Net cash generated from operating activities	40,723	32,822
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to biological assets	(912)	(587)
Proceeds from disposal of property, plant and equipment	129	140
Purchase of property, plant and equipment	(6,064)	(11,156)
Purchase of prepaid lease payment	(468)	-
Acquisition of minority interest by a subsidiary	-	(1,971)
Net dividend received from an associated company	573	456
Interest received	217	422
Net cash used in investing activities	(6,525)	(12,696)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net drawdown/(repayment) of revolving credit facility	7,800	(5,000)
Net (repayment)/drawdown of short term borrowings	(12,071)	798
Acquisition of treasury shares by a subsidiary	(30)	(803)
Dividend paid	-	(4,934)
Dividend paid to minority shareholders of a subsidiary	-	(2,143)
Decrease/(increase) in deposits on lien	1,684	(88)
Net cash used in financing activities	(2,617)	(12,170)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	31,581	7,956
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	32,831	27,638
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	64,412	35,594
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	12,712	27,322
Fixed deposits with financial institutions *	59,024	18,976
Secured bank overdrafts	(7,324)	(10,704)
	64,412	35,594
<b>* Fixed deposits with financial institutions comprise:</b>		
Fixed deposits	62,373	25,852
less : Deposits on lien	(3,349)	(6,876)
	59,024	18,976

- PART A - FRS 134 requirements
- PART B - Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements

## **PART A - REQUIREMENT OF FRSs**

### **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 Securities.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2009. 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 2009.

### **A2. Changes in accounting policies**

The significant accounting policies adopted are consistent with those of the statutory audited financial statements for the financial year ended 31 March 2009.

At the date of authorisation of these interim financial statements, the following new FRSs, amendments to FRS and Interpretations were issued but not yet effective and have not been applied by the Group.

<b>FRSs, Amendments and Interpretations</b>	<b>Effective for financial period beginning on or after</b>
FRS 4 Insurance contracts	1 January 2010
FRS 7 Financial instruments: Disclosures	1 January 2010
FRS 8 Operating segments	1 July 2009
FRS 123 Borrowing costs	1 January 2010
FRS 139 Financial instruments: Recognition and measurement	1 January 2010
Amendments to FRS 1: First-time adoption of financial reporting standards and FRS 127 Consolidated and Separate Financial Statements: Cost of and investment in a subsidiary, jointly controlled entity and associate	1 January 2010
Amendments to FRS 2: Share-based payment: Vesting conditions and cancellations	1 January 2010
IC Interpretation 9 : Reassessment of embedded derivatives	1 January 2010
IC Interpretation 10 : Interim financial reporting and impairment	1 January 2010
IC Interpretation 11 : FRS 2 - Group and treasury share transactions	1 January 2010
IC Interpretation 13 : Customer loyalty programmes	1 January 2010
IC Interpretation 14 : FRS 119 - The limit on a defined benefit asset, minimum funding requirement and their interaction	1 January 2010

The adoption of the above FRSs, amendments to FRS and Interpretations upon their effective dates are expected to have no significant impact on the financial statements of the Group. The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 7 and FRS 139 by virtue of exemptions stipulated in FRS 7 and FRS 139.

**A3. Auditors' Report on Preceding Annual Financial Statements.**

The financial statements of the Group for the financial year ended 31 March 2009 were not subject to any audit qualification.

**A4. Seasonal and cyclical factors**

The manufacturing segment is affected by cyclical changes in volumes of certain jobs whilst the plantation segment is affected by seasonal crop production, weather conditions and fluctuating commodity prices.

**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 was no dividend paid during the current quarter (30 September 2008: RM4.934 million).

**A9. Segmental revenue and results for business segments**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-09-2009	Preceding Year Corresponding Quarter 30-09-2008	Current Year To Date 30-09-2009	Preceding Year Corresponding Period 30-09-2008
<b>Revenue</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Manufacturing*	37,098	38,653	78,001	76,955
Property investment	862	830	1,717	1,887
Bulking	9,703	13,606	20,105	25,598
Food	19,548	21,998	32,690	32,645
Plantation	21,705	20,336	43,426	45,667
Trading	4,955	3,848	8,599	8,530
Others	24,997	26,433	32,285	35,118
	118,868	125,704	216,823	226,400
Elimination of inter-segment sales	(23,855)	(26,318)	(29,148)	(34,799)
	95,013	99,386	187,675	191,601

**A9. Segmental revenue and results for business segments (contd)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-09-2009	Preceding Year Corresponding Quarter 30-09-2008	Current Year To Date 30-09-2009	Preceding Year Corresponding Period 30-09-2008
	RM'000	RM'000	RM'000	RM'000
<b>Profit before taxation</b>				
Manufacturing*	8,628	12,141	19,920	22,552
Property investment	(223)	(2,008)	(185)	(2,177)
Bulking	3,911	5,875	8,438	11,652
Food	807	2,798	1,988	2,875
Plantation	7,736	1,554	13,882	11,088
Trading	358	(1,200)	1,028	(566)
Others	18,035	13,381	22,691	11,340
	39,252	32,541	67,762	56,764
Associated companies	2,266	(55)	5,548	1,923
	41,518	32,486	73,310	58,687
Eliminations	(20,620)	(16,024)	(20,620)	(16,024)
	20,898	16,462	52,690	42,663

\* Production and trading of security documents.

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

The valuations of land and building have been brought forward from the last financial statements for the year ended 31 March 2009.

**A11. Subsequent material events**

There were no material events subsequent to the end of current quarter.

**A12. Inventories**

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

**A13. Changes in the composition of the Group**

There were no changes in the composition of the Group for the financial period to date including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operations.

**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	4,636
Vehicles	1,268
Furniture, fittings and computers	160
	<u>6,064</u>

**A16. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 30 September 2009 were as follows:

	Current Year To Date RM'000
Property, plant and equipment	
Approved and contracted for	3,856
Approved but not contracted for	29,918
	<u>33,774</u>

**A17. Related party transactions**

The Group's material related party transactions at the end of current quarter were 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	(60)
Fima Corporation Berhad	Nationwide Express Courier Services Bhd	Common Shareholders	Purchase made - delivery services	(83)
			Rental income	46
	Nationwide Freight Forwarders Sdn Bhd	Common Shareholders	Purchase made - forwarding services	(58)



**PART B - BURSA SECURITIES LISTING REQUIREMENTS**

**B1. Review of performance**

The revenue for the Group of RM187.68 million recorded for the 6 months period ended 30 September 2009 was lower by RM3.92 million (2.0%) as compared to RM191.60 million recorded in the previous corresponding period.

The Group's profit before taxation ("PBT") for the period stood at RM52.69 million, which was RM10.03 million or 23.5% higher than last year's of RM42.66 million. The increase was generally due to one off recognition of capital gain of RM5.25 million from the disposal of Banding Island Resort and higher share of profit from associate company.

**B2. Comparison with preceding quarter's results**

The Group's PBT for the current quarter of RM20.90 million is RM10.89 million (or 34.3%) lower as compared to PBT of RM31.79 million recorded in the preceding quarter. This decrease was generally due to one off recognition of capital gain of RM5.25 million from the disposal of Banding Island Resort in the preceding quarter and lower profit recorded by Manufacturing and lower share of profit from associates.

**B3. Prospects**

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

**B4. Explanatory notes on variances with profit forecasts or profit guarantees**

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	Preceding Year	Current Year	Preceding Year
	30-09-2009	30-09-2008	30-09-2009	30-09-2008
	RM'000	RM'000	RM'000	RM'000
Current taxation	5,086	4,534	11,054	11,674

Note :

The effective tax rate on Group's profit to date is lower than the statutory tax rate mainly due to the effect of the recognition of capital gain of RM5.25 million from the disposal of Banding Island Resort, which is tax exempted.

**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.

**B9. Borrowings and debt securities**

	As at 30-09-2009 <b>RM'000</b>	As at 31-03-2009 <b>RM'000</b>
<b>Secured:</b>		
Current	45,332	63,666
Non-current	30,210	21,939
	<u>75,542</u>	<u>85,605</u>

**B10. Off balance sheet financial instruments**

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

**B11. Changes in material litigations**

Pending material litigations since preceeding quarter 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.

**B11. Changes in material litigations (contd)**

- (a) On 11 November 2008, the Court had disposed off this matter summarily in favour of the Plaintiff and on 4 March 2009, FimaCorp had filed its Record of Appeal to the Court of Appeal to appeal against the decision. The Court of Appeal has yet to fix the Hearing date for the appeal. The subsidiary had made full provision for the compensation claim.

- (b) A wholly-owned subsidiary of FimaCorp ("Plaintiffs") had served a Writ of Summons against a third party for arrears of rental income and other expenses amounting to 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 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 had filed their Notice of Appeal to the Court of Appeal against the High Court decision. On 7 January 2009, the Defendant's appeal was allowed with costs by the Court of Appeal and the Plaintiff's Judgment for RM1.18 million was set aside. The Defendant was given unconditional leave to defend the claim and the matter was fixed for trial on 23 November 2009 at the Kuala Lumpur High Court.

The parties have agreed to amicably settle this matter and the consent judgment had been recorded on 23 November 2009.

- (c) 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.

The Defendant had appointed Messrs. Gideon Tan Razali Zaini who had entered appearance on the Company's behalf on 7 October 2005 to defend the case.

On 10 April 2006, the solicitors had filed the Defendant's application to strike out the Plaintiffs' suit. However, the Court had dismissed the application on 6 August 2007.

On 21 April 2006, the Plaintiffs had filed an application for summary judgment pursuant to Order 14 of Rules of High Court 1980 but later withdrew the application on 17 September 2007.

The Defendant had, on 14 August 2007 filed Notice of Appeal to the Judge in Chambers against the Senior Assistant Registrar's decision to dismiss the Defendant's application to strike out suit on the grounds that the Plaintiff's claim is time barred.

On 2 July 2008, the Court had dismissed the Defendant's appeal. The defendant had subsequently filed its appeal to the Court of Appeal and hearing has been fixed for 30 November 2009. Case Management of this matter has been fixed for 11 January 2010.

No provision has been made in the financial statements to-date as the directors, based on legal advice, are of the opinion that the probability of the liabilities materialising is remote.

**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 30-09-2009	Preceding Year Corresponding Quarter 30-09-2008	Current Year To Date 30-09-2009	Preceding Year Corresponding Period 30-09-2008
Profit attributable to ordinary equity holders of the parent (RM'000)	9,873	7,696	28,327	18,872
Number of ordinary shares in issue ('000)	263,160	263,160	263,160	263,160
Basic earnings per share (sen)	<u>3.75</u>	<u>2.92</u>	<u>10.76</u>	<u>7.17</u>

**By order of the Board**

**MOHD YUSOF BIN PANDAK YATIM (MIA 4110)**

**JASMIN BINTI HOOD (LS0009071)**

Company Secretaries

**Kuala Lumpur**

**Dated : 26 November 2009**