

**KUMPULAN FIMA BERHAD**

(Company No.:11817-V)

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Comprehensive Income**  
**For the Second Quarter Ended 30 September 2010**  
**Except as disclosed otherwise, the figures have not been audited**

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-09-2010	Preceding Year Corresponding Quarter 30-09-2009	Current Year To Date 30-09-2010	Preceding Year Corresponding Period 30-09-2009
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	106,645	95,013	217,396	187,675
Cost of sales		(61,097)	(59,914)	(120,458)	(116,264)
<b>Gross profit</b>		<b>45,548</b>	<b>35,099</b>	<b>96,938</b>	<b>71,411</b>
Other income		1,976	854	4,345	7,181
Administrative expenses		(12,069)	(11,042)	(22,141)	(21,254)
Selling and marketing expenses		(883)	(866)	(1,860)	(1,773)
Other expenses		(2,744)	(4,615)	(7,879)	(5,981)
		(15,696)	(16,523)	(31,880)	(29,008)
Finance cost		(1,037)	(798)	(1,679)	(2,442)
Share of (loss)/profit of associates		(455)	2,266	1,648	5,548
<b>Profit before taxation</b>	A9	<b>30,336</b>	<b>20,898</b>	<b>69,372</b>	<b>52,690</b>
Income tax expense	B5	(8,198)	(5,087)	(18,171)	(11,055)
<b>Profit for the period</b>		<b>22,138</b>	<b>15,811</b>	<b>51,201</b>	<b>41,635</b>
<b>Other comprehensive income</b>					
Foreign currency translation differences for foreign operations		(2,653)	3,825	(3,364)	15,819
Changes in revaluation reserve relating to property, plant and equipment		-	-	-	(5,189)
<b>Total comprehensive income for the period</b>		<b>19,485</b>	<b>19,636</b>	<b>47,837</b>	<b>52,265</b>
<b>Profit attributable to :</b>					
Equity holder of the Company		14,810	9,872	32,174	28,326
Minority interests		7,328	5,939	19,027	13,309
<b>Profit for the period</b>		<b>22,138</b>	<b>15,811</b>	<b>51,201</b>	<b>41,635</b>
<b>Total comprehensive income attributable to :</b>					
Equity holder of the Company		12,157	13,697	28,810	38,956
Minority interests		7,328	5,939	19,027	13,309
<b>Total comprehensive income for the period</b>		<b>19,485</b>	<b>19,636</b>	<b>47,837</b>	<b>52,265</b>
<b>Earnings per share attributable to equity holder of the Company:</b>					
Basic earnings per share (sen)		5.63	3.75	12.23	10.76

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2010.

**KUMPULAN FIMA BERHAD**

(Company No.:11817-V)

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Financial Position as at 30 September 2010****Except as disclosed otherwise, the figures have not been audited**

	As At End Of Current Quarter 30-09-2010 (Unaudited) RM'000	As At Preceding Financial Year Ended 31-03-2010 (Restated) RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	154,128	161,167
Investment properties	83,082	83,901
Prepaid land lease payment	28,156	28,323
Biological assets	78,979	82,797
Interests in associates	39,876	44,050
Deferred tax assets	3,218	3,272
Goodwill on consolidation	13,055	13,055
	<u>400,494</u>	<u>416,565</u>
<b>Current Assets</b>		
Inventories	52,604	53,122
Trade receivables	126,200	115,636
Other receivables	28,462	17,527
Cash and bank balances	168,325	128,656
	<u>375,591</u>	<u>314,941</u>
<b>TOTAL ASSETS</b>	<u>776,085</u>	<u>731,506</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	263,160	263,160
Reserves	156,729	137,787
	<u>419,889</u>	<u>400,947</u>
Minority interests	156,343	139,094
<b>Total equity</b>	<u>576,232</u>	<u>540,041</u>
<b>Non-current liabilities</b>		
Long term borrowings	9,402	22,736
Retirement benefit obligations	1,022	1,028
Deferred tax liabilities	17,033	16,762
	<u>27,457</u>	<u>40,526</u>
<b>Current Liabilities</b>		
Short term borrowings	38,212	43,640
Trade payables	64,913	48,913
Other payables	40,627	45,266
Dividend payable	9,868	-
Provision for compensation claim	2,120	2,120
Taxation	16,656	11,000
	<u>172,396</u>	<u>150,939</u>
<b>Total liabilities</b>	<u>199,853</u>	<u>191,465</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>776,085</u>	<u>731,506</u>
Net assets per share (RM)	<u>1.60</u>	<u>1.52</u>

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2010.

**KUMPULAN FIMA BERHAD**

(Company No.:11817-V)

(Incorporated in Malaysia)

**Condensed Consolidated Statements of Changes in Equity**  
**For the Second Quarter Ended 30 September 2010**  
**Except as disclosed otherwise, the figures have not been audited**

**2010/11**

Group	Attributable to Equity Holders of the Company									
	Share capital	Share premium	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Foreign exchange reserve	Retained profit	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 April 2010</b>	263,160	12,161	41,225	437	26,758	9,552	47,654	400,947	139,094	540,041
Total comprehensive income for the period	-	-	-	-	-	(3,364)	32,174	28,810	19,027	47,837
Dividend	-	-	-	-	-	-	(9,868)	(9,868)	-	(9,868)
Redemption of RCLS by minority shareholders	-	-	-	-	-	-	-	-	(1,778)	(1,778)
<b>At 30-09-2010</b>	263,160	12,161	41,225	437	26,758	6,188	69,960	419,889	156,343	576,232
							(Accumulated losses)/			
Group	Share capital	Share premium	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Foreign exchange reserve	Retained profit	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
Total comprehensive income for the period	-	-	(5,189)	-	-	15,819	28,327	38,957	13,309	52,266
Purchase of treasury shares by a subsidiary	-	-	-	-	-	-	-	-	(30)	(30)
<b>At 30-9-2009</b>	263,160	12,161	39,338	437	26,758	8,574	23,153	373,581	130,491	504,072

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2010 and the accompanying explanatory notes attached to the interim financial statements.

**KUMPULAN FIMA BERHAD**

(Company No.:11817-V)  
(Incorporated in Malaysia)

**Condensed Consolidated Statements of Cash Flow for the Second Quarter Ended 30 September 2010**  
**Except as disclosed otherwise, the figures have not been audited**

	← To Date →	
	30-09-2010	30-09-2009
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	69,372	52,690
Adjustment for:		
Non-cash items	11,223	2,691
Operating profit before working capital changes	80,595	55,381
(Increase)/decrease in inventories	(367)	8,223
Increase in receivables	(18,957)	(1,552)
Decrease/(increase) in net amount due from related companies	1	(32)
Increase/(decrease) in payables	15,824	(17,004)
Cash generated from operations	77,096	45,016
Interest paid	(991)	(1,528)
Taxes paid	(17,401)	(2,635)
Retirement benefits paid	(18)	(130)
Net cash generated from operating activities	58,686	40,723
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Addition to biological assets	(1,696)	(912)
Proceeds from disposal of property, plant and equipment	55	129
Purchase of property, plant and equipment	(3,643)	(6,064)
Redemption of Redeemable Cumulative Loan Stock (RCLS)	(1,778)	-
Net dividend received from an associated company	5,820	573
Interest received	886	217
Net cash used in investing activities	(356)	(6,525)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net (repayment)/drawdown of revolving credit facility	(12,700)	7,800
Net repayment of short term borrowings	(3,435)	(12,071)
Acquisition of treasury shares by a subsidiary	-	(30)
(Increase)/decrease in deposits on lien	(16)	1,684
Net cash used in financing activities	(16,151)	(2,617)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	42,179	31,581
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	121,269	32,831
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	163,448	64,412
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>		
Cash and bank balances	29,596	12,712
Fixed deposits with financial institutions *	135,607	59,024
Secured bank overdrafts	(1,755)	(7,324)
	163,448	64,412
<b>* Fixed deposits with financial institutions comprise:</b>		
Fixed deposits	138,729	62,373
less : Deposits on lien	(3,122)	(3,349)
	135,607	59,024

- 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 2010. These 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 audited financial statements for the year ended 31 March 2010 except for the adoption of the following new/revised Financial Reporting Standards ("FRS"):

###### **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

and FRS 127 : Consolidated and Separate Financial Statements: Cost of and investment in a subsidiary, jointly controlled entity and associate

Amendments to FRS 2: Share-based payment: Vesting conditions and cancellations

Amendment to FRS 132: Financial Instruments: Presentation and disclosure

Amendment to FRS 139, Financial Instruments: Recognition and Measurement, Disclosure and FRS 7 and Reassessment of Embedded Derivatives

IC Interpretation 9

Amendment to FRSs : 'Improvement 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

IC Interpretation 13: Customer Loyalty Programmes

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

The above new FRSs, Amendments to FRSs and Interpretations have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes arising from the adoption of FRS 7, FRS 8, FRS 101, FRS 123 and FRS 139 as discussed below:

###### **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.

**A2. Changes in accounting policies (Contd.)**  
**Effective for financial periods beginning on or after 1 January 2010: (Contd.)**

**FRS 8: Operating Segments**

FRS 8 replaces FRS 114<sup>2004</sup> : 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 decisions on the allocation of resources and assesses the performance of the reportable 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**

The revised FRS 101 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transaction with owners, with all non-owner changes in equity presented in the statement of other 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. 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 reclassification 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<sup>2004</sup>: Borrowing Costs that removes the option of expensing borrowing costs and requires capitalisation of such costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense. The Group's current accounting policy is to expense the borrowing costs in the period which they are incurred. In accordance with the transitional provisions of the Standard, the Group will apply the change in accounting policy prospectively for which the commencement date for capitalisation of borrowing cost on qualifying assets is on or after the financial period 1 January 2010.

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

FRS 139 provides guidance for the measurement of financial instruments. Depending on the categorization 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 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.

**A2. Changes in accounting policies (Contd.)**  
**Effective for financial periods beginning on or after 1 January 2010: (Contd.)**

**FRS 139: Financial Instruments: Recognition and Measurement (Contd.)**

**Financial Assets (Contd.)**

*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 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 the 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 and 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 and financial guarantees. 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 'Improvement 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 payment 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:

	<b>As previously stated</b>	<b>Adjustment</b>	<b>As restated</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>As at 31 March 2010</b>			
Property, plant and equipment	153,016	8,151	161,167
Prepaid land lease payment	36,474	(8,151)	28,323

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

The financial statements of the Group for the financial year ended 31 March 2010 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 would have 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**

During the current quarter, the Company's shareholders had approved a final dividend of 5% less 25% income tax in respect of the financial year ended 31 March 2010 amounting to RM9,868,500 at the Annual General Meeting held on 22 September 2010. The dividend was subsequently paid on 18 October 2010.

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

Revenue	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-09-2010	Preceding Year Corresponding Quarter 30-09-2009	Current Year To Date 30-09-2010	Preceding Year Corresponding Period 30-09-2009
	RM'000	RM'000	RM'000	RM'000
Manufacturing*	49,783	37,098	99,600	78,001
Plantation	23,125	21,705	54,438	43,426
Bulking	13,241	9,703	24,923	20,105
Food	17,771	19,548	32,169	32,690
Others	10,328	30,814	15,897	42,601
	114,248	118,868	227,027	216,823
Elimination of inter-segment sales	(7,603)	(23,855)	(9,631)	(29,148)
	106,645	95,013	217,396	187,675

Profit before taxation	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-09-2010	Preceding Year Corresponding Quarter 30-09-2009	Current Year To Date 30-09-2010	Preceding Year Corresponding Period 30-09-2009
	RM'000	RM'000	RM'000	RM'000
Manufacturing*	13,992	8,628	33,796	19,920
Plantation	9,900	7,736	23,429	13,882
Bulking	6,510	3,911	11,960	8,438
Food	1,480	807	2,778	1,988
Others	5,669	18,170	2,521	23,534
	37,551	39,252	74,484	67,762
Associated companies	(455)	2,266	1,648	5,548
	37,096	41,518	76,132	73,310
Elimination of inter-segment sales	(6,760)	(20,620)	(6,760)	(20,620)
	30,336	20,898	69,372	52,690

\* 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 2010.

**A11. Subsequent material events**

The Company had, on 25 October 2010 entered into a conditional Sale and Purchase Agreement with Network Jaya Berhad for the acquisition of one hundred twenty six thousand eight hundred (126,800) ordinary shares of RM1.00 each, representing eighty per cent (80%) of the equity interest of Victoria Square Plantation Sdn Bhd ("VSP") for a total purchase consideration of RM21.00 million. VSP is principally an investment holding company.

**A11. Subsequent material events (contd)**

VSP holds 650,000 ordinary shares of RM1.00 each representing 65% of the total and issued paid-up capital in Amgreen Gain Sdn. Bhd. ("Amgreen"), a private company limited by shares. Amgreen is a joint venture company between VSP, Board of Trustees of the Sarawak Foundation and Amanah Khairat Yayasan Budaya Melayu Sarawak to undertake the development of the entire parcel of land measuring approximately five thousand (5,000) hectares held under Lot 1204, Puyut Land District, Sungai Karap and Sungai Kalak, Baram, Miri Sarawak (hereinafter referred to as "the Land") in accordance with the terms and conditions of the Joint Venture Agreement dated 21 August 2006. A provisional lease of the Land had been granted to Amgreen. The Land is presently free from encumbrances.

**A12. Inventories**

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

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

Other than as disclosed in A11, 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 acquisitions 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	1,684
Vehicles	1,256
Buildings	175
Furniture, fittings and computers	528
	<u>3,643</u>

**A16. Capital commitments**

The amount of commitments not provided for in the interim financial statements as at 30 September 2010 were as follows:

	Current Year To Date RM'000
Property, plant and equipment	
Approved and contracted for	5,795
Approved but not contracted for	18,273
	<u>24,068</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)
Percetakan Keselamatan Nasional Sdn. Bhd.	Nationwide Express Courier Services Bhd	Common Shareholders	Purchase made - delivery services	(61)
			Rental income	53
	Nationwide Freight Forwarders Sdn Bhd	Common Shareholders	Purchase made - forwarding services	(146)

**PART B - BURSA SECURITIES LISTING REQUIREMENTS**

**B1. Review of performance**

The Group revenue for the 6 months period ended 30 September 2010 stood at RM217.40 million as compared to RM187.68 million in the previous corresponding period, an improvement of RM29.72 million (15.8%) which came mainly from the manufacturing and plantation division.

The Group's profit before taxation ("PBT") for the period stood at RM69.37 million, which was RM16.68 million or 31.7% higher than last year's of RM52.69 million. The increase is in line with the above increase in revenue of manufacturing and plantation divisions.

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

The Group's PBT for the current quarter of RM30.34 million is RM8.70 million (or 22.3%) lower as compared to PBT of RM39.04 million recorded in the preceding quarter. This decrease was generally due to lower profit recorded by Manufacturing, Plantation and share of profit from associates.

**B3. Prospects**

The Directors expect the performance of the Group to be maintained 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 Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-09-2010	30-09-2009	30-09-2010	30-09-2009
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Current taxation	8,198	5,087	18,171	11,055

The effective tax rate on Group's profit to date is higher than the statutory tax rate mainly due to certain expenses 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.

**B9. Borrowings and debt securities**

	As at 30-09-2010 <b>RM'000</b>	As at 31-03-2009 <b>RM'000</b>
<b>Secured:</b>		
Current	38,212	43,640
Non-current	9,402	22,736
	<u>47,614</u>	<u>66,376</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, 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.

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

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 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 in the prior financial year.

- b) 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 and directed the parties to attend the Case Management of this matter. The defendant had subsequently filed its appeal to the Court of Appeal but on 3 December 2009 the defendant's appeal was also dismissed.

The matter had been settled amicably between the parties and on 20 September 2010 consent judgement had been recorded.

**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 30-09-2010	Preceding Year Corresponding Quarter 30-09-2009	Current Year To Date 30-09-2010	Preceding Year Corresponding Period 30-09-2009
Profit attributable to ordinary equity holders of the Company(RM'000)	14,810	9,872	32,174	28,326
Number of ordinary shares in issue ('000)	263,160	263,160	263,160	263,160
Basic earnings per share (sen)	<u>5.63</u>	<u>3.75</u>	<u>12.23</u>	<u>10.76</u>

**By order of the Board**

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

**JASMIN BINTI HOOD (LS0009071)**

Company Secretaries

**Kuala Lumpur**

**Dated : 3 November 2010**