

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

Condensed Consolidated Statement of Comprehensive Income
For the Second Quarter Ended 30 September 2012
Except as disclosed otherwise, the figures have not been audited

	Note	Individual Quarter		Cumulative Quarter	
		Current Year Quarter 30-09-2012	Preceding Year Corresponding Quarter 30-09-2011	Current Year To Date 30-09-2012	Preceding Year Corresponding Period 30-09-2011
		RM'000	RM'000	RM'000	RM'000
Revenue	A9	127,807	118,343	244,394	246,113
Cost of sales		(73,452)	(63,887)	(137,531)	(128,077)
Gross profit		54,355	54,456	106,863	118,036
Other income		3,174	2,272	6,755	4,023
Administrative expenses		(17,049)	(14,789)	(29,939)	(27,354)
Selling and marketing expenses		(1,301)	(1,130)	(2,274)	(1,938)
Other expenses		(3,262)	(4,437)	(9,427)	(8,109)
		(21,612)	(20,356)	(41,640)	(37,401)
Finance cost		(125)	(554)	(451)	(1,200)
Share of profit of associates		319	1,163	1,646	2,971
Profit before taxation	A9/A10	36,111	36,981	73,173	86,429
Income tax expense	B5	(9,387)	(11,079)	(17,562)	(22,222)
Profit net of tax for the period		26,724	25,902	55,611	64,207
Other comprehensive income					
Foreign currency translation differences for foreign operations		(10,315)	9,170	(5,652)	14,526
Total comprehensive income for the period		16,409	35,072	49,959	78,733
Profit attributable to :					
Owners of the parent		19,035	16,938	39,763	41,191
Non-controlling interests		7,689	8,964	15,848	23,016
Profit net of tax for the period		26,724	25,902	55,611	64,207
Total comprehensive income attributable to :					
Owners of the parent		8,720	26,108	34,111	55,717
Non-controlling interests		7,689	8,964	15,848	23,016
Total comprehensive income for the period		16,409	35,072	49,959	78,733
Earnings per share attributable to owners of the parent (sen per share):					
Basic	B13	7.16	6.44	14.96	15.65
Diluted	B13	7.13	6.44	14.88	15.65

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position as at 30 September 2012**Except as disclosed otherwise, the figures have not been audited**

	As At End Of Current Quarter 30-09-2012 (Unaudited) <u>RM'000</u>	As At Preceding Financial Year Ended 31-03-2012 (Audited) <u>RM'000</u>
ASSETS		
Non-current assets		
Property, plant and equipment	221,656	222,195
Investment properties	75,365	80,644
Biological assets	91,688	82,984
Investment in associates	37,059	35,413
Deferred tax assets	4,687	4,739
Goodwill on consolidation	13,055	13,055
	<u>443,510</u>	<u>439,030</u>
Current Assets		
Inventories	110,456	97,500
Trade receivables	114,588	77,212
Other receivables	24,808	22,232
Cash and bank balances	265,593	270,573
	<u>515,445</u>	<u>467,517</u>
TOTAL ASSETS	<u>958,955</u>	<u>906,547</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	267,684	265,069
Share premium	16,223	13,860
Other reserves	87,629	94,383
Retained earnings	199,551	175,860
	<u>571,087</u>	<u>549,172</u>
Non-controlling interests	219,484	203,636
Total equity	<u>790,571</u>	<u>752,808</u>
Non-current liabilities		
Long term borrowings	2,299	4,593
Retirement benefit obligations	1,125	1,146
Deferred tax liabilities	16,260	16,480
	<u>19,684</u>	<u>22,219</u>
Current Liabilities		
Short term borrowings	18,678	10,559
Trade payables	52,843	58,692
Other payables	54,687	53,206
Dividend payable	16,072	-
Tax payable	6,420	9,063
	<u>148,700</u>	<u>131,520</u>
Total liabilities	<u>168,384</u>	<u>153,739</u>
TOTAL EQUITY AND LIABILITIES	<u>958,955</u>	<u>906,547</u>
Net assets per share (RM)	<u>2.13</u>	<u>2.07</u>

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

KUMPULAN FIMA BERHAD
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Condensed Consolidated Statements of Changes in Equity
For the Second Quarter Ended 30 September 2012
Except as disclosed otherwise, the figures have not been audited

Group	Attributable to Owners of the Parent									Non-controlling interests	Total equity	
	Non-distributable						Distributable					
	Share capital	Share premium	Other Reserves	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Employee share option reserve	Foreign exchange reserve	Retained profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1-4-2012	265,069	13,860	94,383	43,313	437	26,758	7,802	16,073	175,860	549,172	203,636	752,808
Total comprehensive income for the period	-	-	(5,648)	-	-	-	-	(5,648)	39,763	34,115	15,848	49,963
Exercise of employee share options	2,615	2,363	(1,106)	-	-	-	(1,106)	-	-	3,872	-	3,872
Dividend	-	-	-	-	-	-	-	-	(16,072)	(16,072)	-	(16,072)
At 30-9-2012	267,684	16,223	87,629	43,313	437	26,758	6,696	10,425	199,551	571,087	219,484	790,571
Group	Share capital	Share premium	Other Reserves	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Employee Share Option Reserve	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	RM'000	RM'000
At 1-4-2011	263,160	12,161	78,325	43,313	437	26,758	-	7,817	108,812	462,458	182,813	645,271
Total comprehensive income for the period	-	-	14,526	-	-	-	-	14,526	41,191	55,717	23,016	78,733
Dividend	-	-	-	-	-	-	-	-	(13,816)	(13,816)	-	(13,816)
Dividend paid to minority shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	(4,712)	(4,712)
At 30-9-2011	263,160	12,161	92,851	43,313	437	26,758	-	22,343	136,187	504,359	201,117	705,476

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to the interim financial statements.

KUMPULAN FIMA BERHAD
(Company No.:11817-V)
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Condensed Consolidated Statement of Cash Flows for the Second Quarter Ended 30 September 2012
Except as disclosed otherwise, the figures have not been audited

	← To Date →	
	30-09-2012	30-09-2011
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	73,173	86,429
Adjustment for:		
Depreciation for property, plant and equipment	9,562	9,939
Depreciation of investment properties	867	849
Amortisation of biological assets	2,769	3,315
Impairment loss on trade receivables	2,193	325
Write back of impairment loss on trade receivables	(373)	-
Impairment of property, plant and equipment	1,486	-
Provision/(write back) for retirement benefit obligation	34	(53)
Writedown of inventories	140	7
Reversal of inventories written down	(77)	-
Gain on disposal of property, plant and equipment	(72)	(104)
Gain on disposal of investment property	(1,683)	-
Share of result of associates	(1,646)	(2,971)
Interest expense	201	968
Interest income	(3,404)	(3,195)
Operating profit before working capital changes	<u>83,170</u>	<u>95,509</u>
Increase in inventories	(13,807)	(20,881)
Increase in receivables	(34,781)	(17,380)
(Decrease)/increase in payables	<u>(13,712)</u>	<u>20,073</u>
Cash generated from operations	20,870	77,321
Interest paid	(201)	(968)
Taxes paid	(18,085)	(11,795)
Retirement benefits paid	<u>(21)</u>	<u>(207)</u>
Net cash generated from operating activities	<u>2,563</u>	<u>64,351</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Biological assets expenditure	(12,525)	(4,334)
Proceeds from disposal of property, plant and equipment	32	49
Proceeds from disposal of investment property	6,137	-
Purchase of property, plant and equipment	(12,938)	(3,989)
Proceed from disposal of investment	-	11,812
Interest received	<u>3,404</u>	<u>3,196</u>
Net cash (used in)/generated from investing activities	<u>(15,890)</u>	<u>6,734</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayment of revolving credit facility	-	(14,000)
Net drawdown/(repayment) of short term borrowings	1,935	(25,116)
Proceeds from exercise of ESOS	3,897	-
Dividend paid to minority shareholders of a subsidiary	-	(4,712)
Increase in deposits on lien	(4)	(23)
Net cash generated from/(used in) financing activities	<u>5,828</u>	<u>(43,851)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(7,499)	27,234
EFFECT ON FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS	(1,538)	2,731
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	270,573	214,758
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>261,536</u>	<u>244,723</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	19,084	13,002
Fixed deposits with financial institutions *	246,342	235,279
Secured bank overdrafts	<u>(3,890)</u>	<u>(3,558)</u>
	<u>261,536</u>	<u>244,723</u>
* Fixed deposits with financial institutions comprise:		
Fixed deposits	246,509	238,478
less : Deposits on lien	<u>(167)</u>	<u>(3,199)</u>
	<u>246,342</u>	<u>235,279</u>

- 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 2012. 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 2012.

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 2012 except for the adoption of the following new and revised Financial Reporting Standards ("FRS"), Amendments to FRSs and IC Interpretations.

(a) Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 April 2012, the Group adopted the following FRSs, Amendments to FRSs, IC Interpretations and Amendments to IC Interpretations:

- IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 14: Prepayments of a Minimum Funding Requirement
- Amendments to FRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- Amendments to FRS 7: Transfers of Financial Assets
- Amendments to FRS 112: Deferred Tax: Recovery of Underlying Assets
- FRS 124 Related Party Disclosures

The above FRSs, Amendments to FRS and Interpretations do not have significant impact on the financial statements of the Group for the current financial year.

(b) Standards and interpretations issued but not yet effective

The Group has not early adopted the following new and amended FRS and IC Interpretations that are not yet effective:

	Effective for annual period beginning on or after
Amendments to FRS 101: Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of interests in Other Entities	1 January 2013
FRS 13 Fair Value Measurement	1 January 2013
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investment in Associate and Joint Ventures	1 January 2013
IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013

A2. Changes in accounting policies (contd.)

(b) Standards issued but not yet effective (contd.)

The Group has not early adopted the following new and amended FRS and IC Interpretations that are not yet effective: (contd)

	Effective for annual period beginning on or after
Amendments to FRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to FRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
FRS 9 Financial Instruments	1 January 2015

Adoption of the FRSS, Amendments to FRS and interpretations above are expected to have no significant impact on the financial statements of the Group and the Company in the period of the initial application.

(c) Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities').

Transitioning Entities will be allowed to defer adoption of the new MFRS Framework and continue to use the existing Financial reporting Standards (FRS) for an additional two years. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 January 2014.

The Group falls within the scope of Transitioning Entities and have opted to defer adoption of the new MFRS Framework. Accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2015. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

Currently, the Group is in the process of assessing the gap between current Group accounting policies and the requirements of MFRS Framework and expects to be in a position to fully comply with the requirements of MFRS Framework for the financial year ending 31 March 2015.

A3. Auditors' Report on Preceding Annual Financial Statements.

The financial statements of the Group for the financial year ended 31 March 2012 were not subject to any audit qualification.

A4. Seasonal and cyclical factors

The operations of the Group are not affected by any seasonal or cyclical factors other than 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 except for the issuance of the following new ordinary shares of RM1.00 each pursuant to the Company Employees' Share Scheme.

No.	Option price per share RM	No. of share issued	Cash Proceeds RM
1	1.48	1,651,900	2,444,812
2	1.76	93,500	164,560
Total		1,745,400	2,609,372

A8. Dividend paid

The Company's shareholders had at the Annual General Meeting on 25 September 2012 approved a final dividend of 8% less 25% income tax in respect of the financial year ended 31 March 2012 amounting to RM16,072,116. The dividend was subsequently paid on 22 October 2012.

A9. Segmental revenue and results for business segments

Revenue	Individual Quarter		Cumulative Quarter	
	Current Year 30-09-2012	Preceding Year Corresponding Quarter 30-09-2011	Current Year To Date 30-09-2012	Preceding Year Corresponding Year Period 30-09-2011
	RM'000	RM'000	RM'000	RM'000
Manufacturing*	54,238	51,843	106,348	104,154
Plantation	30,532	23,897	52,212	63,178
Bulking	17,605	15,522	34,173	29,833
Food	24,147	26,139	49,302	47,086
Others	20,598	6,795	32,964	11,758
	147,120	124,196	274,999	256,009
Elimination of inter-segment sales	(19,313)	(5,853)	(30,605)	(9,896)
	127,807	118,343	244,394	246,113

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-09-2012	Preceding Year Corresponding Quarter 30-09-2011	Current Year To Date 30-09-2012	Preceding Year Corresponding Period 30-09-2011
	RM'000	RM'000	RM'000	RM'000
Profit before taxation				
Manufacturing*	16,093	18,185	31,366	33,593
Plantation	8,333	10,640	16,408	33,170
Bulking	9,550	8,150	19,010	15,447
Food	2,924	3,915	6,904	7,655
Others	8,891	(5,073)	7,839	(6,408)
	45,791	35,817	81,527	83,457
Associated companies	320	1,164	1,646	2,972
	46,111	36,981	83,173	86,429
Elimination of inter-segment results	(10,000)	-	(10,000)	-
	36,111	36,981	73,173	86,429

* Production and trading of security documents.

A10. Profit before taxation

The following amounts have been included in arriving at profit before taxation:

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30-09-2012	Preceding Year Corresponding Quarter 30-09-2011	Current Year To Date 30-09-2012	Preceding Year Corresponding Period 30-09-2011
	RM'000	RM'000	RM'000	RM'000
Other income				
Interest Income	1,752	1,670	3,404	3,195
Gain on disposal of property, plant and equipment	23	54	72	104
Gain on disposal of investment properties	848	-	1,683	-
Foreign exchange gain/(loss)*	(670)	(2,354)	946	(1,159)
Operating expenses				
Depreciation and amortisation	6,307	5,054	13,398	12,189
Interest expense	126	417	201	968
Impairment loss on trade receivables	305	-	2,193	-
Write back of impairment loss on trade receivables	(373)	-	(373)	(53)
Impairment of property, plant and equipment	-	-	1,486	-
Written down of inventories	140	43	140	80
Reversal of inventories written down	-	(73)	(77)	(73)

The group does not deal with derivatives.

* Last year mainly attributable to realised foreign exchange loss on redemption of loan stock by subsidiary.

A11. 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 2012.

A12. Subsequent material events

There were no material events subsequent to the end of the current quarter except as disclosed in Note A8 above.

A13. Inventories

During the quarter, the amount of inventories written down was RM140,000.

A14. 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.

A15. Changes in contingent liabilities

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

A16. Significant acquisition of property, plant and equipment

For the current quarter under review the Group's acquisitions of property, plant and equipment are as follows :

	Current Year To Date RM'000
Plant and equipment	3,175
Vehicles	3,926
Land and Buildings	5,322
Furniture, fittings and computers	515
	<u>12,938</u>

A17. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 September 2012 were as follows:

	Current Year To Date RM'000
Property, plant and equipment	
Approved and contracted for	3,796
Approved but not contracted for	<u>27,072</u>
Share of capital commitments of associated companies:	
Property, plant and equipment	
Approved and contracted for	13,175
Approved but not contracted for	<u>-</u>

A18. 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	Rental income	43
Fima Corporation Berhad	TD Technologies Sdn. Bhd.	Common Shareholders/ Directors	Purchase made- Software rental	(57)
Fima Corporation Berhad	First Zanzibar Sdn. Bhd.	Common Shareholders/ Directors	Purchase made- IT support	(10)
Percetakan Keselamatan Nasional Sdn. Bhd.	Nationwide Express Courier Services Bhd	Common Shareholders	Purchase made - delivery services	(43)

PART B - BURSA SECURITIES LISTING REQUIREMENTS

B1. Review of performance

Group Performance

	Current	Previous		
(RM Million)	YTD	YTD	Variance	%
Revenue	244.39	246.11	(1.72)	(0.7)
Profit Before Tax	73.17	86.43	(13.26)	(15.3)

The Group revenue for the 6 months period ended 30 September 2012 decreased to RM244.39 million as compared to RM246.11 million recorded in the previous corresponding period. The shortfall of RM1.72 million (0.7%) was mainly due to lower revenue generated by the oil palm production and processing of the plantation division.

On the back of lower revenue, the profit before tax recorded for the period under review was RM73.17 million, representing a decrease of RM13.26 million (15.3%) over the same period last year.

The performance of each business division is as follows:

Manufacturing Division

	Current	Previous		
(RM Million)	YTD	YTD	Variance	%
Revenue	106.35	104.15	2.20	2.1
Profit Before Tax	31.37	33.59	(2.22)	(6.6)

The revenue from **Manufacturing Division** increased by 2.1% to RM106.35 million from RM104.15 million last year. The increase was mainly due to improved volume for travelling documents. Less favourable sales mix had resulted in 6.6% decrease in pretax profit as compared to the corresponding period last year.

Plantation Division

	Current	Previous		
(RM Million)	YTD	YTD	Variance	%
Revenue	52.21	63.18	(10.97)	(17.4)
Profit Before Tax	16.41	33.17	(16.76)	(50.5)

The revenue in **Plantation Division** decreased by 17.4% or RM10.97 million to RM52.21 million as compared to the corresponding period last year. For the Indonesian subsidiary, PT Nunukan Jaya Lestari, 19,813 mt crude palm oil (CPO) and 2,489 mt crude palm kernel oil were sold last year whilst only 19,939 mt CPO were sold this financial year to date. Average net CIF selling price of CPO (net of duty) realised in the 1st half year decreased from RM2,869/mt achieved in the previous year to RM2,421/mt. Due to lower revenue recorded and higher upkeep cost, the segment registered a pretax profit of RM16.41 million, a shortfall of RM16.76 million over the corresponding period last year.

Bulking Division

	Current	Previous		
(RM Million)	YTD	YTD	Variance	%
Revenue	34.17	29.83	4.34	14.5
Profit Before Tax	19.01	15.45	3.56	23.0

Bulking Division recorded higher revenue by RM4.34 million to RM34.17 million as compared to the same period last year of RM29.83 million. The increase was due to higher throughput recorded during the period mainly for edible oil and base oil product.

Review of performance (Contd)

Food Division

(RM Million)	Current YTD	Previous YTD	Variance	%
Revenue	49.30	47.09	2.21	4.7
Profit Before Tax	6.90	7.66	(0.76)	(9.9)

Food Division recorded higher revenue by RM2.21 million to RM49.3 million as compared to the same period last year at RM47.09 million arising mainly from the strengthening of Kina currency albeit lower sales volume. However, the profit was slightly lower mainly due to unrealised foreign exchange loss incurred.

B2. Comparison with preceding quarter's results

Group Performance

(RM Million)	QTR 2 FY 2013	QTR 1 FY 2012	Variance	%
Revenue	127.81	116.59	11.22	9.6
Profit Before Tax	36.11	37.06	(0.95)	(2.6)

During the current quarter, the Group recorded a revenue of RM127.81 million higher by RM11.22 million or 9.6% as opposed to the revenue recorded in the preceding quarter.

However, profit before tax (PBT) recorded lower than the preceding quarter by RM0.95 million from RM37.06 million to current quarter of RM36.11 million. The drop in PBT was due to different products mix between the quarters, reduction of other income and lower profit recorded by the associate companies.

The performance of each business division is as follows:

Manufacturing Division

(RM Million)	QTR 2 FY 2013	QTR 1 FY 2012	Variance	%
Revenue	54.24	52.11	2.13	4.1
Profit Before Tax	16.09	15.27	0.82	5.4

Manufacturing Division recorded an increase in revenue by RM2.13 million or 4.1% from the preceding quarter, mainly due to cyclical changes in volume of certain products mitigated by lower volume for travel documents. Pretax profit of RM16.09 million was posted, an improvement of RM0.82 million compared to previous quarter.

Plantation Division

(RM Million)	QTR 2 FY 2013	QTR 1 FY 2012	Variance	%
Revenue	30.53	21.68	8.85	40.8
Profit Before Tax	8.33	8.08	0.25	3.1

Plantation Division recorded an increase in revenue by RM8.85 million to RM30.53 million in the 2nd quarter compared to the 1st quarter. For the Indonesian subsidiary, PT Nunukan Jaya Lestari, the increase was mainly attributable to higher volume of CPO sold (2nd quarter: 12,733 mt, 1st quarter: 7,205 mt) mitigated by lower average net CIF selling price net of duty (2nd quarter: RM2,307/mt, 1st quarter: RM2,725/mt). On the back of higher revenue, a pretax profit of RM8.33 million was posted, an increase of RM0.25 million compared to preceding quarter.

Comparison with preceding quarter's results (contd)

Bulking Division

(RM Million)	QTR 2 FY 2013	QTR 1 FY 2012	Variance	%
Revenue	17.61	16.57	1.04	6.3
Profit Before Tax	9.55	9.46	0.09	1.0

Bulking Division recorded slightly higher revenue by RM1.04 million to RM17.61 million in the current quarter compared to preceding quarter of RM16.57 million. The profit before tax rose by RM0.09 million to RM9.55 million as compared to RM9.46 million recorded in the preceding quarter. The increase was mainly due to higher throughput recorded for edible oil.

Food Division

(RM Million)	QTR 2 FY 2013	QTR 1 FY 2012	Variance	%
Revenue	24.15	25.16	(1.01)	(4.0)
Profit Before Tax	2.92	3.98	(1.06)	(26.6)

Food Division recorded lower revenue by RM1.01 million to RM24.15 million in the current quarter compared to preceding quarter of RM25.16 million arising mainly due to the weakening of Kina currency on the back of higher sales volume. The profit before tax reduced by RM1.06 million to RM2.92 million mainly due to lower gain on realised foreign exchange translation in current quarter.

B3. Prospects

The Directors expect the performance of the Group to be satisfactory for the remaining period of the year. The prospect of each business division for the remaining period of the financial year is as follows:

Manufacturing Division revenue in the second half is expected to be lower due to cyclical demand in certain products.

The major drivers of the performance of **Plantation Division** will generally be dependent on the direction of CPO prices and changes in weather conditions.

Bulking Division. The prospect for the year would be very challenging with the anticipated variation in the Edible Oil transshipment business arising from the differential export duty structure between Malaysia and Indonesia. The anticipated increase in transshipment activities in Base Oil and import of Industrial Chemical products would be offset against the anticipated reduction in Edible Oil throughput. The storage utilisation rate is expected to be maintained at the current level.

Food Division. With the challenging economic and business environment ahead, the food division continues to focus on maintaining sustainable profit growth by optimizing resources, prudent cost management and enhancing operational efficiencies.

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 Quarter 30-09-2012	Preceding Year Corresponding Quarter 30-09-2011	Current Year To Date 30-09-2012	Preceding Year Corresponding Period 30-09-2011
	RM'000	RM'000	RM'000	RM'000
Current taxation	9,387	11,079	17,562	22,222

The effective tax rate on Group's profit to date of 24.55% is marginally lower than the statutory tax rate.

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

During the current quarter, there were no sale of unquoted investments except for the disposal of 2 units of investment properties at PJ Trade Centre with a total consideration of RM2.98 million which resulted in a gain of RM0.85 million.

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 30-09-2012	As at 30-09-2011
	RM'000	RM'000
Secured:		
Current	18,678	23,817
Non-current	2,299	7,385
	<u>20,977</u>	<u>31,202</u>

B10. Realised/unrealised profits/losses

	As at 30-09-2012 RM'000	As at 31-03-2012 RM'000
Total retained profits/(accumulated losses) of Kumpulan Fima Berhad and its subsidiaries:		
- Realised	227,585	193,529
- Unrealised	(20,671)	(19,052)
	<u>206,914</u>	<u>174,477</u>
Total share of retained profits/(accumulated losses) from associated companies:		
- Realised	30,900	29,650
- Unrealised	(3,741)	(3,693)
	<u>27,159</u>	<u>25,957</u>
Add: Consolidation adjustments	(34,522)	(24,574)
Total group retained profits as per consolidated accounts	<u>199,551</u>	<u>175,860</u>

B11. Changes in material litigations

Pending material litigation since preceeding quarter is as follows:

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 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 subsidiary had made full provision for the compensation claim in the financial year ended 31 March 2009.

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

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 30-09-12	Preceding Year Corresponding Quarter 30-09-11	Current Year To Date 30-09-12	Preceding Year Corresponding Period 30-09-11
Profit net of tax attributable to owners of the Company used in the computation of earnings per share (RM'000)	19,035	16,938	39,763	41,191
Weighted average number of ordinary shares in issues ('000)	265,737	263,160	265,737	263,160
Effect of dilution - Share options ('000)	1,080	-	1,475	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	266,817	263,160	267,212	263,160
Basic earnings per share (sen per share)	7.16	6.44	14.96	15.65
Diluted earnings per share (sen per share)	7.13	6.44	14.88	15.65

By order of the Board

MOHD YUSOF BIN PANDAK YATIM (MIA 4110)

JASMIN BINTI HOOD (LS0009071)

Company Secretaries

Kuala Lumpur

Dated : 29 November 2012