



FIMA CORPORATION BERHAD (21185-P)

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012
(THE FIGURES HAVE NOT BEEN AUDITED)**

| | <i>Current Quarter</i> | | <i>9 Months Cumulative</i> | |
|--|---|---|---|--|
| | <i>Current Year Quarter 31/12/12 RM'000</i> | <i>Preceding Year Corresponding Quarter 31/12/11 RM'000</i> | <i>Current Year To Date 31/12/12 RM'000</i> | <i>Preceding Year Corresponding Period 31/12/11 RM'000</i> |
| Revenue | 72,605 | 66,636 | 229,244 | 232,877 |
| Cost of sales | (47,238) | (42,057) | (140,872) | (127,249) |
| Gross profit | 25,367 | 24,579 | 88,372 | 105,628 |
| Interest income | 1,656 | 1,082 | 4,468 | 3,978 |
| Other income | 37 | 6 | 67 | 52 |
| Administrative expenses | (5,272) | (7,495) | (13,789) | (15,047) |
| Selling and marketing expenses | (281) | (274) | (970) | (927) |
| Other operating expenses | (3,514) | (2,403) | (11,550) | (12,666) |
| Finance costs | (48) | (293) | (48) | (907) |
| Share of profit of associates | 1,257 | 1,476 | 2,486 | 3,704 |
| Profit before tax | 19,202 | 16,678 | 69,036 | 83,815 |
| Income tax expense | (4,244) | (4,394) | (16,368) | (22,711) |
| Profit net of tax | 14,958 | 12,284 | 52,668 | 61,104 |
| Other comprehensive income, net of tax | | | | |
| Foreign currency translation | (1,441) | (5,181) | (5,950) | 2,773 |
| Other comprehensive income for the period | (1,441) | (5,181) | (5,950) | 2,773 |
| Total comprehensive income for the period | 13,517 | 7,103 | 46,718 | 63,877 |
| Profit attributable to : | | | | |
| Owners of the parent | 14,252 | 11,322 | 49,487 | 55,155 |
| Non-controlling interests | 706 | 962 | 3,181 | 5,949 |
| Profit for the period | 14,958 | 12,284 | 52,668 | 61,104 |
| Total comprehensive income attributable to : | | | | |
| Owners of the parent | 12,811 | 6,141 | 43,537 | 57,928 |
| Non-controlling interests | 706 | 962 | 3,181 | 5,949 |
| Total comprehensive income for the period | 13,517 | 7,103 | 46,718 | 63,877 |
| Earnings per share attributable to owners of the parent | | | | |
| Basic/diluted earnings per share (sen) | 17.71 | 14.07 | 61.50 | 68.54 |

(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)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | As at End Of Current Quarter 31/12/12 (unaudited) | As at Preceding Financial Year End 31/03/12 (audited) |
|--|--|--|
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-Current Assets | | |
| Property, plant & equipment | 38,057 | 38,913 |
| Biological assets | 61,020 | 67,186 |
| Investment properties | 68,586 | 69,720 |
| Goodwill on consolidation | 510 | 510 |
| Interest in associates | 30,001 | 27,515 |
| Deferred tax assets | 4,459 | 4,522 |
| | 202,633 | 208,366 |
| Current Assets | | |
| Inventories | 64,520 | 61,222 |
| Trade receivables | 86,387 | 44,212 |
| Other receivables | 24,088 | 16,452 |
| Due from related companies | - | 1 |
| Cash and bank balances | 201,022 | 216,900 |
| | 376,017 | 338,787 |
| TOTAL ASSETS | 578,650 | 547,153 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the parent | | |
| Share capital | 82,427 | 82,427 |
| Share premium | 534 | 534 |
| Treasury shares | (3,604) | (3,604) |
| Other reserves | (5,405) | 545 |
| Retained earnings | 383,650 | 355,287 |
| | 457,602 | 435,189 |
| Non-controlling interest | 22,106 | 20,444 |
| Total Equity | 479,708 | 455,633 |
| Non-Current Liabilities | | |
| Borrowings | - | 2,037 |
| Retirement benefit obligations | 1,122 | 1,146 |
| | 1,122 | 3,183 |
| Current Liabilities | | |
| Trade payables | 60,896 | 54,100 |
| Other payables | 34,805 | 25,442 |
| Tax payable | 2,022 | 8,726 |
| Due to related companies | 97 | 69 |
| | 97,820 | 88,337 |
| Total Liabilities | 98,942 | 91,520 |
| TOTAL EQUITY AND LIABILITIES | 578,650 | 547,153 |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 5.69 | 5.41 |

(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)



FIMA CORPORATION BERHAD (21185-P)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012**

| | <----- Attributable to Owners of the Parent -----> | | | | <----- Non-Distributable -----> | | | Distributable | | Non- controlling Interests | Total Equity |
|--|--|------------------|--------------------|-------------------|---------------------------------|-----------------------------------|---------------------------------------|----------------------|----------|----------------------------------|-----------------|
| | Share Capital | Share Premium | Treasury Shares | Other Reserves | Asset Revaluation Reserve | Foreign Translation Reserve | Equity Contribution From Parent | Retained Earnings | Total | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| At 01 April 2011 | 82,427 | 534 | (3,604) | (3,047) | 1,530 | (4,577) | - | 304,504 | 380,814 | 20,049 | 400,863 |
| Total comprehensive income for the period | - | - | - | 2,773 | - | 2,773 | - | 55,155 | 57,928 | 5,949 | 63,877 |
| Grant of equity-settled share options to employees | - | - | - | 3,620 | - | - | 3,620 | - | 3,620 | - | 3,620 |
| Dividend paid to non-controlling interests | - | - | - | - | - | - | - | - | - | (4,712) | (4,712) |
| Dividends Paid | - | - | - | - | - | - | - | (21,124) | (21,124) | - | (21,124) |
| At 31 December 2011 | 82,427 | 534 | (3,604) | 3,346 | 1,530 | (1,804) | 3,620 | 338,535 | 421,238 | 21,286 | 442,524 |
| At 01 April 2012 | 82,427 | 534 | (3,604) | 545 | 1,530 | (4,669) | 3,684 | 355,287 | 435,189 | 20,444 | 455,633 |
| Total comprehensive income for the period | - | - | - | (5,950) | - | (5,950) | - | 49,487 | 43,537 | 3,181 | 46,718 |
| Dividend paid | - | - | - | - | - | - | - | (21,124) | (21,124) | - | (21,124) |
| Redemption of loan stocks | - | - | - | - | - | - | - | - | - | (1,519) | (1,519) |
| At 31 December 2012 | 82,427 | 534 | (3,604) | (5,405) | 1,530 | (10,619) | 3,684 | 383,650 | 457,602 | 22,106 | 479,708 |

(The Condensed Consolidated Statement 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)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE THIRD QUARTER ENDED 31 DECEMBER 2012**

| | 9 months ended | |
|--|-----------------------|-----------------|
| | <u>31/12/12</u> | <u>31/12/11</u> |
| | RM'000 | RM'000 |
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before tax | 69,036 | 83,815 |
| Adjustments for: | | |
| Depreciation for property, plant and equipment | 8,865 | 8,901 |
| Depreciation of investment properties | 1,134 | 1,132 |
| Amortisation of biological assets | 2,940 | 3,218 |
| Impairment loss on trade receivables | 981 | 591 |
| Write back of impairment loss on trade receivables | (865) | (65) |
| Writedown of inventories | 141 | 24 |
| Reversal of inventories written down | (82) | (20) |
| Provision for retirement benefit obligations | 54 | 19 |
| Gain on disposal of property, plant and equipment | (48) | (34) |
| Grant of equity-settled share options to employees | - | 3,620 |
| Share of results of associate | (2,486) | (3,704) |
| Interest expense | 48 | 907 |
| Interest income | (4,468) | (3,978) |
| Operating profit before working capital changes | 75,250 | 94,426 |
| Increase in receivables | (49,864) | (36,780) |
| Increase in inventories | (3,357) | (16,158) |
| Increase/(decrease) in related companies balances | 29 | (170) |
| Increase in payables | 16,159 | 34,806 |
| Cash generated from operations | 38,217 | 76,124 |
| Tax paid | (22,896) | (11,752) |
| Retirement benefit paid | (37) | (28) |
| Net cash generated from operating activities | <u>15,284</u> | <u>64,344</u> |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of property, plant and equipment | (9,159) | (4,285) |
| Additions to biological assets | (194) | - |
| Proceeds from disposal of property, plant and equipment | 107 | 34 |
| Proceeds from disposal of investment | - | 11,812 |
| Interest received | 4,468 | 3,978 |
| Redemption of loan stocks | (3,556) | - |
| Net cash (used in)/generated from investing activities | <u>(8,334)</u> | <u>11,539</u> |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest paid | (48) | (907) |
| Dividends paid | (21,124) | (21,124) |
| Dividends paid by a subsidiary to non-controlling interests | - | (4,712) |
| Repayment of short term borrowings | - | (35,000) |
| Net cash used in financing activities | <u>(21,172)</u> | <u>(61,743)</u> |
| CASH AND CASH EQUIVALENTS | | |
| Net (decrease)/increase in cash and cash equivalents | (14,222) | 14,140 |
| Effect of foreign exchange rate changes in cash and cash equivalents | (1,656) | 2,773 |
| Cash and cash equivalents balances at beginning of period | 216,900 | 168,801 |
| Cash and cash equivalents at end of period | <u>201,022</u> | <u>185,714</u> |
| CASH AND CASH EQUIVALENTS COMPRISE OF : | | |
| Cash and bank balances | 15,290 | 3,990 |
| Deposits with licensed banks | 185,732 | 181,724 |
| | <u>201,022</u> | <u>185,714</u> |

(The Condensed Consolidated Statement of Cash Flows 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)

PART A - Explanatory notes pursuant to FRS 134

A1. Basis of Preparation and Accounting Policies

The interim statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of the Bursa Securities.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2012. 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 2012.

A2. Significant Accounting Policies

The significant accounting policies adopted are consistent with those of the statutory financial statements for the financial year ended 31 March 2012 except for the adoption of the following new and revised Financial Reporting Standards ("FRSs"), 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 adoption of the above FRSs, Amendments to FRS and IC Interpretations did not have any effect on the financial performance or presentation of the financial statements of the Group.

A2. Significant Accounting Policies (Contd.)

(b) Standards and Interpretations issued but not yet effective

The Group has not earlier 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 |
| 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 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) Framework for an additional one year. The adoption of the MFRS Framework by Transitioning Entities will be mandatory for annual periods beginning on or after 1 April 2014.

The Group falls within the scope definition 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 the MFRS Framework for the financial year ending 31 March 2015.

A3. Audit Qualification

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

A4. Seasonality or cyclicity of the interim operations.

The production of security and confidential documents is influenced by cyclical changes in volume of certain products whilst the oil palm production and processing division is affected by seasonal crop production, weather conditions and fluctuating commodity prices.

A5. Unusual items

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

A6. Changes in estimates

There were no changes or estimates that have a material effect to the current quarter's results.

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

There were no issuances, cancellation, repurchases, resale and repayment of debt and equity securities for the current financial year to date.

A8. Dividends paid

| | | Cumulative Quarter Ended | |
|-------------------------|--|---------------------------------|-----------------|
| | | 31/12/12 | 31/12/11 |
| | | RM'000 | RM'000 |
| Final Dividend | | | |
| 2011 | 15% + 5% Special Dividend less taxation 25% (Paid on 7 October 2011) | - | 12,071 |
| 2012 | 15% + 5% Special Dividend less taxation 25% (Paid on 10 October 2012) | 12,071 | - |
| Interim Dividend | | | |
| 2012 | 15% less taxation of 25% (Paid on 23 December 2011) | - | 9,053 |
| 2013 | 15% less taxation of 25% (Paid on 28 December 2012) | 9,053 | - |
| | | 21,124 | 21,124 |

A9. Segmental Information

| | 9 Months Cumulative | | | |
|---|----------------------------|-------------------|-----------------------------|-------------------|
| | Current Year Todate | | Preceding Year | |
| | 31/12/12 | | Corresponding Period | |
| | Revenue | Profit | Revenue | Profit |
| | RM'000 | Before Tax | RM'000 | Before Tax |
| | | RM'000 | RM'000 | RM'000 |
| Segments | | | | |
| Production and trading of security and confidential documents | 155,666 | 43,486 | 147,686 | 41,042 |
| Oil palm production and processing | 70,610 | 22,090 | 82,197 | 38,439 |
| Property management | 3,946 | 687 | 3,910 | 522 |
| Others | - | 287 | - | 108 |
| | 230,222 | 66,550 | 233,793 | 80,111 |
| Share of results of associate | - | 2,486 | - | 3,704 |
| | 230,222 | 69,036 | 233,793 | 83,815 |
| Eliminations | (978) | - | (916) | - |
| Group Results | 229,244 | 69,036 | 232,877 | 83,815 |

A10. Profit Before Tax

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

| | Quarter ended | | 9 Months Cumulative | |
|--|----------------------|-----------------|----------------------------|-----------------|
| | 31/12/12 | 31/12/11 | 31/12/12 | 31/12/11 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Other income | | | | |
| Management fees | 6 | - | 18 | 12 |
| Gain on disposal of property, plant and equipment | 31 | - | 48 | 34 |
| Operating expenses | | | | |
| Depreciation and amortisation | 4,204 | 4,234 | 12,939 | 13,251 |
| [^] Foreign exchange loss/(gain) | 15 | (353) | 124 | 3,340 |
| Impairment loss on trade receivables | 104 | 213 | 981 | 591 |
| Write back of impairment loss on trade receivables | (800) | (12) | (865) | (65) |
| Inventories written down | 1 | - | 141 | 24 |
| Reversal of inventories written down | (5) | (3) | (82) | (20) |
| [#] Share options granted under ESOS | - | 3,620 | - | 3,620 |

Note:

[^] Last year: Mainly attributable to realised foreign exchange loss on redemption of loan stock by subsidiary.

[#] On 10 October 2011, Kumpulan Fima Berhad ("KFima") launched an Employees Share Option Scheme and 8,829,000 equity-settled share options were granted to the employees of Fima Corporation Group of companies ("the Group"). FRS 2: Share-based Payment requires an entity to measure the fair value of the equity instruments granted and reflect it in its profit or loss and financial position. In compliance with the requirements of FRS 2, the Group had recognised RM3.62 million in the financial statements being the fair value of the equity-settled share options granted by KFima to the employees of the Group. The recognition of this share-based payment is a non-cash transaction and has no financial impact on the Group's shareholders' funds.

A11. Valuation of property, plant and equipment

The carrying amounts of property, plant and equipment have been brought forward without amendment from the previous audited financial statements.

A12. Subsequent events

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

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.

A14. Changes in contingent liabilities and contingent assets

There were no contingent liabilities or contingent assets since the last annual balance sheet (other than changes in material litigation disclosed in Note B9).

A15. Capital Commitments

| | As at 31/12/12 |
|---|---------------------------|
| | RM'000 |
| Property, plant and equipment | |
| Approved and contracted for | 1,002 |
| Approved but not contracted for | 10,744 |
| | <hr/> |
| Share of capital commitments of associated companies: | |
| Property, plant and equipment | |
| Approved and contracted for | 13,526 |
| Approved but not contracted for | 535 |
| | <hr/> |

A16. Acquisition of Property, Plant and Equipment

As at the end of the financial period to date, the Group has acquired the following assets.

| | Current Year To date 31/12/12 |
|-------------------------------|--|
| | RM'000 |
| Plant and machinery | 2,563 |
| Motor vehicles | 2,368 |
| Buildings | 3,593 |
| Office equipment and fittings | 635 |
| | <hr/> |
| | 9,159 |
| | <hr/> |

A17. Related Party Transactions

| | Current Year Totdate 31/12/12 |
|--|--|
| | RM'000 |
| Penultimate Holding Company | |
| Kumpulan Fima Berhad | |
| Rental income receivable | (371) |
| Fellow Subsidiaries : | |
| Malaysian Transnational Trading Corporation Berhad | |
| Rental income receivable | (4) |
| Fima Instanco Sdn Bhd | |
| Rental income receivable | (30) |
| Related by virtue of having common director/(s)/shareholder/(s) : | |
| Nationwide Express Courier Services Berhad | |
| Rental income receivable | (62) |
| Purchases made - Delivery services | 86 |
| Nationwide Freight Forwarders Sdn Bhd | |
| Purchases made - Forwarding services | 89 |
| Related by virtue of having common director/(s)/shareholder/(s) : | |
| TD Technologies Sdn Bhd | |
| Purchases made - Software rental | 74 |
| First Zanzibar Sdn Bhd | |
| Purchases made - IT support | 10 |
| Associated Company : | |
| Giesecke & Devrient Malaysia Sdn Bhd | |
| Management services receivable | (18) |

A18. Inventories

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

**PART B - Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A**

B1. Review of Performance

| Group | Year Todate | | Variance | |
|-------------------|-------------|----------|----------|--------|
| | 31/12/12 | 31/12/11 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 229,244 | 232,877 | (3,633) | (1.6) |
| Profit before tax | 69,036 | 83,815 | (14,779) | (17.6) |

Revenue todate for the Group closed at RM229.2 million, a shortfall of RM3.6 million or 1.6% over the corresponding period of last year. The decrease was mainly from oil palm production and processing which registered a decrease of RM11.6 million, mitigated by RM8.0 million increase in revenue from production and trading of security and confidential documents.

The Group recorded a profit before tax of RM69.0 million for the period under review as compared to RM83.8 million pre-tax profit in the corresponding period last year, a decrease of RM14.8 million or 17.6%.

| Production and trading of security and confidential documents | Year Todate | | Variance | |
|---|-------------|----------|----------|-----|
| | 31/12/12 | 31/12/11 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 155,666 | 147,686 | 7,980 | 5.4 |
| Profit before tax | 43,486 | 41,042 | 2,444 | 6.0 |

Revenue from production and trading of security and confidential documents improved by 5.4% to RM155.7 million from RM147.7 million last year, mainly due to higher sales volume of travelling documents. In tandem with higher revenue, profit before tax increased by 6.0% to RM43.5 million over previous year's corresponding period.

| Oil palm production and processing | Year Todate | | Variance | |
|--|-------------|----------|----------|---------|
| | 31/12/12 | 31/12/11 | RM'000 | % |
| | RM'000 | RM'000 | RM'000 | % |
| Revenue | 70,610 | 82,197 | (11,587) | (14.1) |
| Profit before tax | 22,090 | 38,439 | (16,349) | (42.5) |
| Sales Quantity (mt) | | | | |
| Crude palm oil (CPO) | 31,979 | 30,600 | 1,379 | 4.5 |
| Crude palm kernel oil (CPKO) | - | 2,489 | (2,489) | (100.0) |
| Average CIF selling price, net of duty (RM/mt) | | | | |
| CPO | 2,208 | 2,496 * | (288) | (11.5) |
| CPKO | - | 3,327 | N/A | N/A |

Revenue from this segment was RM11.6 million or 14.1% lower than corresponding period last year. A pretax profit of RM22.1 million was registered, a shortfall of RM16.3 million or 42.5% compared to previous year. The significant drop in profit was mainly due to zero sales of CPKO and lower selling price of CPO, coupled with higher fertilizer and upkeep costs.

Note

* For comparison purposes, last year's FOB selling price (net of RM130 freight) is regross to CIF price.

B1. Review of Performance (Contd.)

| | Year Todate | | Variance | |
|----------------------------|-------------|----------|----------|------|
| | 31/12/12 | 31/12/11 | RM'000 | % |
| | RM'000 | RM'000 | | |
| Property Management | | | | |
| Revenue | 3,946 | 3,910 | 36 | 0.9 |
| Profit before tax | 687 | 522 | 165 | 31.6 |

Revenue from the property management division remained constant with no significant changes. Pretax profit from the property management division increased marginally by RM165,000 compared to previous year mainly due to higher interest income earned.

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

| | Current | Preceding | Variance | |
|-------------------|---------|-----------|----------|--------|
| | Quarter | Quarter | RM'000 | % |
| | RM'000 | RM'000 | | |
| Group | | | | |
| Revenue | 72,605 | 83,732 | (11,127) | (13.3) |
| Profit before tax | 19,202 | 25,250 | (6,048) | (24.0) |

During the quarter under review, the Group posted a revenue of RM72.6 million with a pretax profit of RM19.2 million as compared to RM25.3 million profit on the back of RM83.7 million revenue in the preceding quarter.

| | Current | Preceding | Variance | |
|--|---------|-----------|----------|--------|
| | Quarter | Quarter | RM'000 | % |
| | RM'000 | RM'000 | | |
| Production and trading of security and confidential documents | | | | |
| Revenue | 49,318 | 54,238 | (4,920) | (9.1) |
| Profit before tax | 12,120 | 16,093 | (3,973) | (24.7) |

Production of security and confidential documents revenue decreased by RM4.9 million or 9.1% from the preceding quarter, mainly due to cyclical changes in volume of certain products. On the back of lower revenue and less favourable sales mix, pretax profit decreased by RM4.0 million for the current quarter.

| | Current | Preceding | Variance | |
|---|---------|-----------|----------|--------|
| | Quarter | Quarter | RM'000 | % |
| | RM'000 | RM'000 | | |
| Oil palm production and processing | | | | |
| Revenue | 22,336 | 28,461 | (6,125) | (21.5) |
| Profit before tax | 5,615 | 8,708 | (3,093) | (35.5) |
| Sale of CPO | | | | |
| Quantity (mt) | 12,040 | 12,733 | (693) | (5.4) |
| Average CIF selling price, net of duty (RM) | 1,855 | 2,235 | (380) | (17.0) |

Revenue from this segment for the current quarter decreased by RM6.1 million or 21.5% to RM22.4 million as compared to the preceding quarter. The decline was mainly attributable to lower selling price of CPO and lower sales volume. Following a lower revenue, pretax profit decreased by RM3.1 million or 35.5% during the quarter compared with the preceding quarter.

B3. Prospects

Revenue from the production of security and confidential documents is expected to be lower due to cyclical demand of certain products whilst performance of the oil palm production and processing is strongly dependent on price movement of CPO.

Barring any unforeseen circumstances, the Group expects to record satisfactory performance for the remaining quarter of the current financial year.

B4. Variance of actual profit from forecast profit

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

B5. Taxation

| | Current Quarter 31/12/12 RM'000 | Current Year Totdate 31/12/12 RM'000 |
|------------|--|---|
| Tax charge | <u>4,244</u> | <u>16,368</u> |

The effective tax rate on Group's profit todate of 24.6% is marginally lower than the statutory tax rate. There was no purchase or disposal of quoted securities.

B6. (a) Corporate proposals

Saved as disclosed below, there are no corporate proposals announced but not completed at the date of this report.

On 24 December 2012, the Company announced that Cendana Laksana Sdn Bhd, a wholly-owned subsidiary of FCB Plantation Holdings Sdn Bhd which in turn is a wholly-owned subsidiary of Fima Corporation Berhad had on 24 December 2012 entered into a conditional Sale and Purchase Agreement with Lemo Sdn Bhd (Receiver and Manager Appointed), Khusamy Musa bin Muhammad and Khuzairy Musa bin Muhammad for the acquisition of 2 parcels of agricultural leasehold land in Kemaman, Negeri Terengganu measuring approximately 1,940.73 acres (hereinafter referred to as the "Lands") for a total purchase consideration of RM29,110,000.

Save and except for the conditions precedent stated below, the conditions precedent stipulated in the abovementioned conditional Sale and Purchase Agreement have yet to be fulfilled.

- i. Under the Guidelines for Acquisition of Properties, approval of the Economic Planning Unit of the Prime Minister's Department is not required and therefore, the condition precedent is deemed fulfilled.
- ii. The consent to transfer the Lands in favour of the Purchaser from Lembaga Kemajuan Terengganu Tengah pursuant to the express conditions endorsed on the Lands was obtained on 27 January 2013.

(b) Utilisation of proceeds raised from any corporate proposal.

Not applicable.

B7. Borrowings

As at the end of the reporting period, the Group has no borrowings.

B8. Realised/unrealised profits/(losses)

| | <u>As at 31/12/12</u> RM'000 | <u>As at 31/03/11</u> RM'000 |
|---|-------------------------------------|-------------------------------------|
| Total retained profits/(accumulated losses) of Fima Corporation Berhad and its subsidiaries: | | |
| - Realised | 358,435 | 329,313 |
| - Unrealised | (9,315) | (9,251) |
| | <u>349,120</u> | <u>320,062</u> |
| Total share of retained profits/(accumulated losses) from associated company: | | |
| - Realised | 23,789 | 21,208 |
| - Unrealised | (3,788) | (3,693) |
| | <u>20,001</u> | <u>17,515</u> |
| Add: Consolidation adjustments | 14,529 | 17,710 |
| Total group retained profits as per consolidated accounts | <u>383,650</u> | <u>355,287</u> |

B9. Changes in material litigation

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

Pursuant to the above, on 28 September 2001, the Company was served a Writ of Summons dated 9 August 2001 from a tenant ("Plaintiff") claiming for a compensation sum of approximately RM2.12 million being their renovation costs and general damages. The Board had sought the opinion from the solicitors who were of the opinion that there should be no compensation payable to the Plaintiff as the demised premise was acquired by a relevant authority which was provided in the Tenancy Agreement between the Company and the Plaintiff.

On 11 November 2008, the Court had disposed off this matter summarily in favour of the plaintiff and on 4 March 2009, the Company had filed its Record of Appeal to the Court of Appeal to appeal against the decision. The Company had made full provision for the compensation claim of RM2.12 million during the financial year ended 31 March 2009.

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

B10. Dividend

For the current quarter under review, no dividend has been proposed and declared (last year: nil).

B11. Earnings per share

| | <i>Individual Quarter</i> | | <i>Cumulative Quarter</i> | |
|---|--|--|--|---|
| | Current Year Quarter 31/12/12 | Preceding Year Corresponding Quarter 31/12/11 | Current Year To Date 31/12/12 | Preceding Year Corresponding Period 31/12/11 |
| <i>Earnings</i> | | | | |
| Profit attributable to owners of the Company (RM'000) | 14,252 | 11,322 | 49,487 | 55,155 |
| Basic Earning per Share | | | | |
| Weighted average number of ordinary shares in issue | 80,470,710 | 80,470,710 | 80,470,710 | 80,470,710 |
| Basic earnings per share (sen) | 17.71 | 14.07 | 61.50 | 68.54 |

BY ORDER OF THE BOARD

LEE MO LENG
MOHD YUSOF BIN PANDAK YATIM
Company Secretaries

Kuala Lumpur
Date: 26 February 2013