

FIMA CORPORATION BERHAD
(Company No. 21185-P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2005
THE FIGURES HAVE NOT BEEN AUDITED**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	<i>Current Quarter</i>		<i>6 Months Cumulative</i>	
	Current Year Quarter <u>30/09/05</u> RM'000	Preceding Year Corresponding Quarter <u>30/09/04</u> RM'000	Current Year To Date <u>30/09/05</u> RM'000	Preceding Year Corresponding Period <u>30/09/04</u> RM'000
Revenue	37,482	36,905	72,019	56,987
Other income	569	237	954	555
Operating expenses	<u>(29,657)</u>	<u>(28,561)</u>	<u>(57,232)</u>	<u>(43,548)</u>
Profit from operations	8,394	8,581	15,741	13,994
Finance costs	-	(5)	(3)	(11)
Share of profit in associated company	<u>1,494</u>	<u>931</u>	<u>2,120</u>	<u>1,307</u>
Profit before taxation	9,888	9,507	17,858	15,290
Taxation	<u>(2,480)</u>	<u>(2,777)</u>	<u>(4,646)</u>	<u>(4,074)</u>
Profit after taxation	7,408	6,730	13,212	11,216
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Profit for the period	<u>7,408</u>	<u>6,730</u>	<u>13,212</u>	<u>11,216</u>
Basic earnings per share (sen)	9.24	8.68	16.48	14.47
Fully diluted earnings per share (sen)	8.94	8.54	15.95	14.24

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2005)

FIMA CORPORATION BERHAD (Company No. 21185-P)
CONDENSED CONSOLIDATED BALANCE SHEETS

	As at End Of Current Quarter 30/09/05 (unaudited) RM'000	As at Preceding Financial Year End 31/03/05 (audited) RM'000
Property, plant & equipment	67,975	68,302
Investment in Associated Company	17,386	15,269
Deferred Tax Assets	1,688	1,688
Current Assets		
<i>Trade Receivables</i>	38,429	21,383
<i>Other Receivables</i>	2,885	926
<i>Inventories</i>	26,653	13,432
<i>Due from Related Companies</i>	4,086	5,074
<i>Cash and Bank Balances</i>	49,314	56,755
	121,367	97,570
Current Liabilities		
<i>Trade Payables</i>	31,175	15,517
<i>Other Payables</i>	8,138	8,126
<i>Provision for Taxation</i>	4,292	3,084
	43,605	26,727
Net Current Assets	77,762	70,843
	<u>164,811</u>	<u>156,102</u>
Represented By :		
Share Capital	81,264	80,330
Share Premium	288	213
Treasury Shares	(1,368)	(1,006)
Retained Profits	83,597	75,548
Shareholders' Equity	163,781	155,085
Deferred Tax Liabilities	501	501
Retirement Benefits Obligations	529	516
	<u>164,811</u>	<u>156,102</u>
Net Tangible Assets per Share (RM)	<u>2.02</u>	<u>1.93</u>

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2005)

FIMA CORPORATION BERHAD (Company No. 21185-P)
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS

	6 months ended	
	30/09/05	30/09/04
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	17,858	15,290
Adjustments for :		
Depreciation	1,884	1,739
Bad & doubtful debts (net)	(22)	1,638
Provision for retirement benefit	13	20
Write back of inventories written down	(266)	(383)
Gain on disposal of property, plant and equipment	(18)	-
Property, plant and equipment written off	-	46
Share of profit in associated company	(2,120)	(1,307)
Goodwill realised on disposal of subsidiaries	7	-
Interest expense	3	11
Interest income	(713)	(555)
Operating profit before working capital changes	16,626	16,499
Increase in receivables	(18,983)	(18,669)
(Increase)/Decrease in inventories	(12,955)	180
Decrease/(Increase) in related companies balances	1,057	(37)
Increase in payables	15,670	5,010
Cash used in operations	1,415	2,983
Tax paid	(3,435)	(2,897)
Interest paid	(3)	(11)
Interest income received	713	555
Net cash (used in)/generated from operating activities	(1,310)	630
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,626)	(491)
Proceeds from disposal of property, plant and equipment	18	2
Net cash used in investing activities	(1,608)	(489)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	-	(3)
Dividends paid	(5,170)	(6,190)
Purchase of Treasury Shares	(362)	(614)
Issuance of shares	1,009	1,037
Net cash used in financing activities	(4,523)	(5,770)
CASH AND CASH EQUIVALENTS		
Net decrease	(7,441)	(5,629)
At the beginning of financial year	56,755	36,319
At the end of period	49,314	30,690
CASH AND CASH EQUIVALENTS COMPRISE OF :		
Cash and bank balances	6,148	4,766
Deposits with licensed banks	43,166	25,924
	49,314	30,690

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2005)

FIMA CORPORATION BERHAD (Company No. 21185-P)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE QUARTER ENDED 30 SEPTEMBER 2005

	<u>Share Capital</u> RM'000	<u>Share Premium</u> RM'000	<u>Treasury Shares</u> RM'000	<u>Retained Profits</u> RM'000	<u>Total</u> RM'000
At 01 April 2004	77,456	2	(321)	63,526	140,663
Net Profit	-	-	-	11,216	11,216
Dividends Paid				(6,190)	(6,190)
Purchase of Treasury Shares	-	-	(614)	-	(614)
Issue of share capital	969	68	-	-	1,037
At 30 September 2004	<u>78,425</u>	<u>70</u>	<u>(935)</u>	<u>68,552</u>	<u>146,112</u>
At 01 April 2005	80,330	213	(1,006)	75,548	155,085
Net Profit	-	-	-	13,212	13,212
Dividends Paid	-	-	-	(5,170)	(5,170)
Purchase of Treasury Shares	-	-	(362)	-	(362)
Issue of share capital	934	75	-	-	1,009
Goodwill realised on disposal of subsidiaries	-	-	-	7	7
At 30 September 2005	<u>81,264</u>	<u>288</u>	<u>(1,368)</u>	<u>83,597</u>	<u>163,781</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2005)

FIMA CORPORATION BERHAD (Company No. 21185-P)
NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 SEPTEMBER 2005

Part A - FRS 134 Requirements

Part B - Bursa Malaysia Securities Berhad ("Bursa Securities") Listing Requirements

PART A - FRS 134 Requirements

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 2005. 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 2005.

A2. Audit Qualification

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

A3. Seasonality or cyclicity of the interim operations.

The production of security and confidential documents is influenced by the cyclical changes in volume of certain jobs.

A4. 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.

A5. Changes in estimates

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

A6. 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 todate except for the following :-

- i) During the current quarter, the Company repurchased 54,000 of its issued ordinary shares from the open market at an average price of RM1.90 per share. The total consideration paid for the repurchase including transaction costs was RM103,565 and this was financed by internally generated funds. Of the total 81,263,810 issued and fully paid ordinary shares as at 30 September 2005, 904,600 shares are held as treasury shares by the Company.
- ii) During the current quarter, the issued and paid-up share capital of the Company increased from 80,948,810 ordinary shares of RM1.00 each to 81,263,810 shares by the issuance of 315,000 ordinary shares of RM1.00 each for cash pursuant to the exercise of options granted under the Fima Corporation Berhad Employees' Share Option Scheme.

A7. Dividends paid

There were no dividends paid in the current financial year todate.

A8. Segmental Information

<u>Segments</u>	Current Year Totade 30/09/05	
	Revenue	Profit Before Tax
	RM'000	RM'000
Production of security & confidential documents	69,969	15,083
Trading of security & confidential documents	107	250
Property Management	2,374	405
	<u>72,450</u>	<u>15,738</u>
Group's share of associated company's results	-	2,120
	<u>72,450</u>	<u>17,858</u>
Eliminations	(431)	-
Group Results	<u>72,019</u>	<u>17,858</u>

A9. Valuation of property, plant and equipment

Property, plant and equipment are not stated at any revalued amounts.

A10. Subsequent events

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

A11. 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.

A12. 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 B11).

A13. Capital Commitments

	As at 30/09/05 RM'000
Property, plant and equipment	
Approved and contracted for	15,715
Approved but not contracted for	12,068
	<u>27,783</u>

A14. Acquisition of Property, Plant and Equipment

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

	Current Year Totade 30/09/05 RM'000
Plant and Machinery	664
Furniture, Fittings and Computers	962
	<u>1,626</u>

A15. Related Party Transactions

	Current Year To date 30/09/05
	RM'000
Kumpulan Fima Berhad, ultimate holding company	
Interest income receivable	(99)
Rental income receivable	(195)
Sales made - Printing of documents	(17)
Fellow Subsidiaries :	
Malaysian Transnational Trading Corporation Berhad	
Rental income receivable	(39)
Related by virtue of having common director/(s) :	
Nationwide Express Courier Services Berhad	
Sales made - Printing of documents	(5)
Purchases made - Delivery services	70
Nationwide Freight Forwarders Sdn Bhd	
Purchases made - Forwarding services	24

A16. Inventories

During the quarter, the amount of inventories written back was RM62,000.

PART B - Bursa Securities Listing Requirements

B1. Review of Performance

For the first half year under review, the Group registered a revenue of RM72.0 million, an increase of RM15.0 million over the same period last year. A profit before taxation of RM17.9 million was recorded as compared to RM15.3 million pre-tax profit in the previous year. The increase in profit of RM2.6 million was mainly attributable to the increase in demand of certain security and confidential documents coupled with an increase in share of profit in associated company.

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

During the quarter reported, the Group registered a revenue of RM37.5 million with a pre-tax profit of RM9.9 million as compared to RM8.0 million pre-tax profit on the back of RM34.5 million revenue in the preceding quarter.

The improvement in performance for the quarter was mainly due to higher sales volume in the production of security and confidential documents and an increase in share of profit in associated company.

B3. Prospects

Barring unforeseen circumstances, the Directors are of the view that the Group's overall performance will be satisfactory in the second half of the 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 30/09/05 RM'000	Current Year Todate 30/09/05 RM'000
Current year's charge	2,480	4,646

The effective tax rate on Group's profit todate is lower than the statutory tax rate mainly due to tax savings on the income from associated company, not being subject to tax due to its pioneer status.

B6. Profit/Loss on sale of unquoted investments and/or properties

There was no sale of unquoted investments or properties.

B7. Purchase or disposal of quoted securities

There was no purchase or disposal of quoted securities.

B8. (a) Corporate proposals

There are no corporate proposals announced but not completed at the date of this report.

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

Not applicable.

B9. Borrowings

There were no borrowings and debt securities at the end of the reporting quarter.

B10. Off Balance Sheet financial instruments

The Group is not a party to any financial instruments which may have off-balance sheet risk at the date of this report.

B11. Changes in material litigation

- i) A wholly-owned subsidiary of the Company ("Plaintiff") had served a Writ of Summons against a third party for arrears of rental income and other expenses amounting RM1.70 million. The defendant filed their Statement of Defence denying the tenancy contract and counter claim for over payment of RM2.06 million.

On 7 February 2003, the High Court ruled in the Plaintiff's favour in respect of the Plaintiff's application for Summary Judgement for the sum of RM1.18 million. The High Court also ordered that the remaining claim of RM0.52 million be proceeded with full trial. On 1 December 2003, the Defendant filed into the Court the Record of Appeal and the Affidavit in Support.

The case was fixed for mention on 9 December 2005 to enable the Defendant's appeal to be heard in the Court of Appeal and the hearing date has yet to be fixed.

In view of the uncertainty of recovering the amount awarded to the Plaintiff, the amount of RM1.18 million has not been recognised in the income statement of the Plaintiff in the current financial period.

- ii) 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 24 June 2002, the Plaintiff filed its amended Writ of Summons and Statement of Claims, naming MAHB as the 2nd Defendant and on 14 January 2003, served the same to the Company. On 20 January 2003, the Company's solicitors filed an amended Statement of Defence and on 22 April 2003, the 2nd Defendant obtained an order in terms from the Court to strike out the Plaintiff's claim.

The Plaintiff served its Application for Summons in Chambers on the Company on 15 December 2003. Subsequently, the Company replied to the Plaintiff on 16 December 2003 expressly stipulating that the Rules of the High Court requires the Plaintiff to file a Notice of Pre-Trial Case Management seeking the directions of the Judge as to the further conduct of the matter.

On 4 February 2004, the Plaintiff had withdrawn their Application for Summons in Chambers and the Court had directed the Plaintiff to file the necessary application in order to continue the proceeding.

The matter has been fixed for Case Management on 02 December 2005.

B12. Dividend

The Board of Directors declared a payment of 7.0% interim dividend less taxation of 28% for the year ending 31 March 2006 (last year : 5% tax exempt). The dividend payment will amount to approximately RM4.1 million (last year : RM3.9 million).

B13. Earnings per share

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	<i>Current Year</i>	<i>Preceding Year</i>	<i>Current Year</i>	<i>Preceding Year</i>
	<i>Quarter</i>	<i>Corresponding</i>	<i>Year</i>	<i>Corresponding</i>
	<i>30/09/05</i>	<i>Quarter</i>	<i>To Date</i>	<i>Year</i>
		<i>30/09/04</i>	<i>30/09/05</i>	<i>30/09/04</i>
<i>Earnings</i>				
Net Profit for the period (RM'000)	7,408	6,730	13,212	11,216
Basic Earning per Share				
Weighted average number of ordinary shares	80,163,987	77,509,027	80,163,987	77,509,027
Basic Earnings per Share (sen)	9.24	8.68	16.48	14.47
Diluted Earnings per Share				
ESOS				
Weighted average number of unissued shares	5,806,000	5,806,000	5,806,000	5,806,000
Weighted average number of shares that would have been issued at fair value	(3,137,586)	(4,534,613)	(3,137,586)	(4,534,613)
Adjusted weighted average number of ordinary shares	82,832,401	78,780,414	82,832,401	78,780,414
Diluted Earnings per Share (sen)	8.94	8.54	15.95	14.24

BY ORDER OF THE BOARD

LEE MO LENG
NASLIZA MOHD NASIR
Company Secretaries

Kuala Lumpur
Date : 28 November 2005