

FIMA CORPORATION BERHAD
(Company No. 21185-P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2005
THE FIGURES HAVE NOT BEEN AUDITED**

CONDENSED CONSOLIDATED INCOME STATEMENTS

	<i>Current Quarter</i>		<i>9 Months Cumulative</i>	
	Current Year Quarter <u>31/12/05</u> RM'000	Preceding Year Corresponding Quarter <u>31/12/04</u> RM'000	Current Year To Date <u>31/12/05</u> RM'000	Preceding Year Corresponding Period <u>31/12/04</u> RM'000
Revenue	49,875	28,881	121,894	85,868
Other income	294	229	1,248	784
Operating expenses	<u>(35,246)</u>	<u>(21,556)</u>	<u>(92,478)</u>	<u>(65,104)</u>
Profit from operations	14,923	7,554	30,664	21,548
Finance costs	-	(5)	(3)	(16)
Share of profit in associated company	<u>956</u>	<u>1,611</u>	<u>3,076</u>	<u>2,918</u>
Profit before taxation	15,879	9,160	33,737	24,450
Taxation	<u>(4,403)</u>	<u>(2,162)</u>	<u>(9,049)</u>	<u>(6,236)</u>
Profit after taxation	11,476	6,998	24,688	18,214
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Profit for the period	<u>11,476</u>	<u>6,998</u>	<u>24,688</u>	<u>18,214</u>
Basic earnings per share (sen)	14.31	9.01	30.78	23.45
Fully diluted earnings per share (sen)	13.85	8.77	29.79	22.84

(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 31/12/05 (unaudited) RM'000	As at Preceding Financial Year End 31/03/05 (audited) RM'000
Property, plant & equipment	67,040	68,302
Investment in Associated Company	18,341	15,269
Deferred Tax Assets	1,688	1,688
Current Assets		
<i>Trade Receivables</i>	44,245	21,383
<i>Other Receivables</i>	16,129	926
<i>Inventories</i>	17,051	13,432
<i>Due from Related Companies</i>	4,452	5,074
<i>Cash and Bank Balances</i>	46,481	56,755
	128,358	97,570
Current Liabilities		
<i>Trade Payables</i>	24,019	15,517
<i>Other Payables</i>	9,277	8,126
<i>Provision for Taxation</i>	5,349	3,084
	38,645	26,727
Net Current Assets	89,713	70,843
	<u>176,782</u>	<u>156,102</u>
Represented By :		
Share Capital	81,727	80,330
Share Premium	326	213
Treasury Shares	(1,387)	(1,006)
Retained Profits	95,073	75,548
Shareholders' Equity	175,739	155,085
Deferred Tax Liabilities	501	501
Retirement Benefit Obligations	542	516
	<u>176,782</u>	<u>156,102</u>
 Net Tangible Assets per Share (RM)	 <u>2.15</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
FOR THE THIRD QUARTER ENDED 31 DECEMBER 2005**

	9 months ended	
	31/12/05	31/12/04
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	33,737	24,450
Adjustments for :		
Depreciation	2,817	2,634
Bad & doubtful debts (net)	280	2,000
Provision for retirement benefit	26	15
Inventories written down/(Write back of inventories written down)	273	(108)
Gain on disposal of property, plant and equipment	(26)	-
Property, plant and equipment written off	-	48
Share of profit in associated company	(3,076)	(2,918)
Goodwill realised on disposal of subsidiaries	7	-
Interest expense	3	16
Interest income	(999)	(784)
Operating profit before working capital changes	33,042	25,353
Increase in receivables	(38,345)	(18,165)
(Increase)/Decrease in inventories	(3,892)	2,194
Decrease in related companies balances	727	96
Increase in payables	9,653	6,178
Cash generated from operations	1,185	15,656
Tax paid	(6,780)	(4,990)
Interest paid	(3)	(16)
Interest income received	999	784
Net cash (used)/generated from operating activities	(4,599)	11,434
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,660)	(1,636)
Proceeds from disposal of property, plant and equipment	26	2
Net cash used in investing activities	(1,634)	(1,634)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of hire purchase payables	-	(3)
Dividends paid	(5,170)	(6,190)
Purchase of Treasury Shares	(381)	(634)
Issuance of shares	1,510	1,567
Net cash used in financing activities	(4,041)	(5,260)
CASH AND CASH EQUIVALENTS		
Net (decrease)/increase	(10,274)	4,540
At the beginning of financial year	56,755	36,319
At the end of period	46,481	40,859
CASH AND CASH EQUIVALENTS COMPRISE OF :		
Cash and bank balances	9,959	6,414
Deposits with licensed banks	36,522	34,445
	46,481	40,859

(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 THIRD QUARTER ENDED 31 DECEMBER 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	-	-	-	18,214	18,214
Dividends Paid				(6,190)	(6,190)
Purchase of Treasury Shares	-	-	(634)	-	(634)
Issue of share capital	1,464	103	-	-	1,567
At 31 December 2004	<u>78,920</u>	<u>105</u>	<u>(955)</u>	<u>75,550</u>	<u>153,620</u>
At 01 April 2005	80,330	213	(1,006)	75,548	155,085
Net Profit	-	-	-	24,688	24,688
Dividends Paid	-	-	-	(5,170)	(5,170)
Purchase of Treasury Shares	-	-	(381)	-	(381)
Issue of share capital	1,397	113	-	-	1,510
Goodwill realised on disposal of subsidiaries	-	-	-	7	7
At 31 December 2005	<u>81,727</u>	<u>326</u>	<u>(1,387)</u>	<u>95,073</u>	<u>175,739</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 THIRD QUARTER ENDED 31 DECEMBER 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 to date except for the following :-

- i) During the current quarter, the Company repurchased 10,000 of its issued ordinary shares from the open market at an average price of RM1.93 per share. The total consideration paid for the repurchase including transaction costs was RM19,444 and this was financed by internally generated funds. Of the total 81,726,810 issued and fully paid ordinary shares as at 31 December 2005, 914,600 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 81,263,810 ordinary shares of RM1.00 each to 81,726,810 shares by the issuance of 463,000 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

Dividends paid during the current financial period is as follows:

	Cumulative Quarter Ended	
	31/12/05	31/12/04
	RM'000	RM'000
Final dividend paid		
2004 - 8% Tax Exempt (Paid on 03 September 2004)		6,190
2005 - 5% Tax Exempt and 2% less taxation of 28% (Paid on 05 September 2005)	5,170	

A8. Segmental Information

<u>Segments</u>	Current Year Totdate 31/12/05	
	Revenue	Profit Before Tax
	RM'000	RM'000
Production of security & confidential documents	118,812	29,750
Trading of security & confidential documents	166	434
Property Management	3,613	477
	122,591	30,661
Group's share of associated company's results	-	3,076
	122,591	33,737
Eliminations	(697)	-
Group Results	121,894	33,737

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 31/12/05
	RM'000
Property, plant and equipment	
Approved and contracted for	16,889
Approved but not contracted for	12,593
	29,482

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 Todate 31/12/05
	RM'000
Plant and Machinery	664
Furniture, Fittings and Computers	996
	<u>1,660</u>

A15. Related Party Transactions

	Current Year Todate 31/12/05
	RM'000
Kumpulan Fima Berhad, ultimate holding company	
Interest income receivable	(139)
Rental income receivable	(297)
Sales made - Printing of documents	(17)
Fellow Subsidiaries :	
Malaysian Transnational Trading Corporation Berhad	
Rental income receivable	(59)
Related by virtue of having common director/(s) :	
Nationwide Express Courier Services Berhad	
Sales made - Printing of documents	(5)
Purchases made - Delivery services	102
Nationwide Freight Forwarders Sdn Bhd	
Purchases made - Forwarding services	61

A16. Inventories

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

PART B - Bursa Securities Listing Requirements

B1. Review of Performance

Revenue todate for the Group closed at RM121.9 million, an increase of RM36.0 million or 42.0% over the corresponding period of previous year. The increase in revenue was mainly attributable to the increase in demand of certain security and confidential documents.

The Group recorded a profit before taxation of RM33.7 million, representing an increase of RM9.3 million or 38.0% over prior year. The increase in the Group's pre-tax profit was in line with the higher revenue recorded by the production of security and confidential documents.

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

The Group's revenue for the quarter under review at RM49.9 million was RM12.4 million or 33.1% higher than the preceding quarter. The increase in revenue was mainly attributable to the cyclical changes in volume of certain jobs in the production of security and confidential documents.

Due to the higher revenue recorded, the Group achieved a pre-tax profit of RM15.9 million, an increase of RM6.0 million or 60.6% from the RM9.9 million posted in the preceding quarter.

B3. Prospects

Barring unforeseen circumstances, the Directors are of the view that the Group's overall performance will be satisfactory in the remaining quarter 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 31/12/05 RM'000	Current Year Todate 31/12/05 RM'000
Current year's charge	4,403	9,049

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 or 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 came up for Mention on 9 December 2005 and had been fixed for another Mention on 17 March 2006 pending 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.

On 13 December 2005, the Court fixed the trial dates on 15, 16 and 17 October 2007.

B12. Dividend

For the current quarter under review, no dividend has been proposed and declared.

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 Quarter</i>	<i>To Date</i>	<i>Corresponding Period</i>
	<u>31/12/05</u>	<u>31/12/04</u>	<u>31/12/05</u>	<u>31/12/04</u>
<i>Earnings</i>				
Net Profit for the period (RM'000)	11,476	6,998	24,688	18,214
Basic Earning per Share				
Weighted average number of ordinary shares	80,200,754	77,671,252	80,200,754	77,671,252
Basic Earnings per Share (sen)	14.31	9.01	30.78	23.45
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)	(3,720,012)	(3,137,586)	(3,720,012)
Adjusted weighted average number of ordinary shares	82,869,168	79,757,240	82,869,168	79,757,240
Diluted Earnings per Share (sen)	13.85	8.77	29.79	22.84

BY ORDER OF THE BOARD

LEE MO LENG
NASLIZA MOHD NASIR
Company Secretaries

Kuala Lumpur
Date : 06 February 2006