

**FIMA CORPORATION BERHAD**  
(Company No. 21185-P)

**QUARTERLY REPORT ON CONSOLIDATED RESULTS  
FOR THE FINAL QUARTER ENDED 31 MARCH 2006  
THE FIGURES HAVE BEEN AUDITED**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<i>Current Quarter</i>		<i>12 Months Cumulative</i>	
	Current Year Quarter <u>31/03/06</u> RM'000	Preceding Year Corresponding Quarter <u>31/03/05</u> RM'000	Current Year To Date <u>31/03/06</u> RM'000	Preceding Year Corresponding Period <u>31/03/05</u> RM'000
<b>Revenue</b>	35,296	24,156	157,190	110,024
Other income	294	382	1,542	1,166
Operating expenses	<u>(26,537)</u>	<u>(18,629)</u>	<u>(119,015)</u>	<u>(83,733)</u>
<b>Profit from operations</b>	9,053	5,909	39,717	27,457
Finance costs	-	(5)	(3)	(21)
Share of profit in associated company	<u>973</u>	<u>577</u>	<u>4,049</u>	<u>3,495</u>
<b>Profit before taxation</b>	10,026	6,481	43,763	30,931
Taxation	<u>(2,803)</u>	<u>(2,550)</u>	<u>(11,852)</u>	<u>(8,786)</u>
<b>Profit after taxation</b>	7,223	3,931	31,911	22,145
Minority interest	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Profit for the period</b>	<u>7,223</u>	<u>3,931</u>	<u>31,911</u>	<u>22,145</u>
Basic earnings per share (sen)	8.99	5.05	39.72	28.46
Fully diluted earnings per share (sen)	8.96	5.01	39.59	28.24

**(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**

	<b>As at End Of Current Quarter 31/03/06 (audited) RM'000</b>	<b>As at Preceding Financial Year End 31/03/05 (audited) RM'000</b>
Property, plant & equipment	81,543	68,302
Investment in Associated Company	19,312	15,269
Deferred Tax Assets	1,818	1,688
<b>Current Assets</b>		
<i>Trade Receivables</i>	39,253	21,788
<i>Other Receivables</i>	4,562	926
<i>Inventories</i>	17,609	13,432
<i>Due from Related Companies</i>	4,063	5,074
<i>Cash and Bank Balances</i>	46,983	56,755
	112,470	97,975
<b>Current Liabilities</b>		
<i>Trade Payables</i>	22,276	15,517
<i>Other Payables</i>	9,214	8,531
<i>Provision for Taxation</i>	3,233	3,084
<i>Due to related companies</i>	3	-
	34,726	27,132
<b>Net Current Assets</b>	<b>77,744</b>	<b>70,843</b>
	<b>180,417</b>	<b>156,102</b>
<b>Represented By :</b>		
Share Capital	81,864	80,330
Share Premium	342	213
Treasury Shares	(1,389)	(1,006)
Retained Profits	98,223	75,548
Shareholders' Equity	179,040	155,085
Deferred Tax Liabilities	838	501
Retirement Benefit Obligations	539	516
	180,417	156,102
<b>Net Tangible Assets per Share (RM)</b>	<b>2.19</b>	<b>1.93</b>

**(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 STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINAL QUARTER ENDED 31 MARCH 2006**

	<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
<b>At 01 April 2004</b>	77,456	2	(321)	63,526	140,663
Issue of share capital	2,874	211	-	-	3,085
Purchase of Treasury Shares	-	-	(685)	-	(685)
Net Profit	-	-	-	22,145	22,145
Dividends Paid				(10,123)	(10,123)
<b>At 31 March 2005</b>	<u>80,330</u>	<u>213</u>	<u>(1,006)</u>	<u>75,548</u>	<u>155,085</u>
<b>At 01 April 2005</b>	80,330	213	(1,006)	75,548	155,085
Issue of share capital	1,534	129	-	-	1,663
Purchase of Treasury Shares	-	-	(383)	-	(383)
Net Profit	-	-	-	31,911	31,911
Dividends Paid	-	-	-	(9,243)	(9,243)
Goodwill realised on deregistration of dormant subsidiaries	-	-	-	7	7
<b>At 31 March 2006</b>	<u>81,864</u>	<u>342</u>	<u>(1,389)</u>	<u>98,223</u>	<u>179,040</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)  
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE FINAL QUARTER ENDED 31 MARCH 2006**

	12 months ended	
	31/03/06	31/03/05
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	43,763	30,931
Adjustments for :		
Depreciation	3,964	3,717
(Writeback of)/allowance for bad and doubtful debts	(254)	1,706
Bad debts recovered	(50)	(12)
Provision for retirement benefit obligations	49	32
Inventories written back	(93)	(1,487)
Allowance for written down inventories	-	353
Write-off of inventories	-	26
Gain on disposal of property, plant and equipment	(26)	(76)
Share of profit in associated company	(4,049)	(3,495)
Goodwill realised on deregistration of dormant subsidiaries	7	-
Interest expense	3	21
Interest income	(1,277)	(1,089)
Operating profit before working capital changes	42,037	30,627
Increase in receivables	(20,857)	(688)
(Increase)/Decrease in inventories	(4,084)	1,411
Decrease in related companies balances	1,014	1
Increase in payables	7,416	7,620
Cash generated from operations	25,526	38,971
Tax paid	(11,430)	(9,306)
Interest paid	(3)	(21)
Interest income received	1,277	1,089
Net cash (used)/generated from operating activities	15,370	30,733
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(17,205)	(2,650)
Proceeds from disposal of property, plant and equipment	26	76
Net cash used in investing activities	(17,179)	(2,574)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(9,243)	(10,123)
Purchase of Treasury Shares	(383)	(685)
Issuance of shares	1,663	3,085
Net cash used in financing activities	(7,963)	(7,723)
<b>CASH AND CASH EQUIVALENTS</b>		
Net (decrease)/increase	(9,772)	20,436
At the beginning of financial year	56,755	36,319
At the end of period	46,983	56,755
<b>CASH AND CASH EQUIVALENTS COMPRISE OF :</b>		
Cash and bank balances	2,493	5,235
Deposits with licensed banks	44,490	51,520
	46,983	56,755

**(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)**  
**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FINAL QUARTER ENDED 31 MARCH 2006**

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 audited 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 1,000 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 RM1,945 and this was financed by internally generated funds. Of the total 81,863,810 issued and fully paid ordinary shares as at 31March 2006, 915,600 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 81,726,810 ordinary shares of RM1.00 each to 81,863,810 shares by the issuance of 137,000 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:

	<b>Cummulative Quarter Ended</b>	
	<b>31/03/06</b>	<b>31/03/05</b>
	<b>RM'000</b>	<b>RM'000</b>
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	
Interim dividend paid		
2005 - 5% Tax Exempt (Paid on 02 March 2005)		3,933
2006 - 7% less taxation of 28% (Paid on 23 January 2006)	4,073	
	<u>9,243</u>	<u>10,123</u>

**A8. Segmental Information**

	<b>Current Year Totdate</b>	
	<b>31/03/06</b>	
<b><u>Segments</u></b>	<b>Revenue</b>	<b>Profit</b>
	<b>RM'000</b>	<b>Before Tax</b>
	<b>RM'000</b>	<b>RM'000</b>
Production of security & confidential documents	153,077	38,894
Trading of security & confidential documents	225	566
Property Management	15,180	254
	<u>168,482</u>	<u>39,714</u>
Group's share of associated company's results	-	4,049
	<u>168,482</u>	<u>43,763</u>
Eliminations	(11,292)	-
Group Results	<u>157,190</u>	<u>43,763</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**

	<b>As at</b>
	<b>31/03/06</b>
	<b>RM'000</b>
Property, plant and equipment	
Approved and contracted for	7,163

Approved but not contracted for

12,149

19,312

**A14. Acquisition of Property, Plant and Equipment**

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

	<b>Current Year To date 31/03/06 RM'000</b>
Leasehold land and building	15,444
Plant and Machinery	343
Furniture, Fittings and Computers	1,418
	<u>17,205</u>

**A15. Related Party Transactions**

	<b>Current Year To date 31/03/06 RM'000</b>
Kumpulan Fima Berhad, ultimate holding company	
Interest income receivable	(179)
Rental income receivable	(408)
Sales made - Printing of documents	(17)
Management fees/services payable	44
<b>Fellow Subsidiaries :</b>	
Malaysian Transnational Trading Corporation Berhad	
Rental income receivable	(79)
<b>Related by virtue of having common director/(s) :</b>	
Nationwide Express Courier Services Berhad	
Sales made - Printing of documents	(5)
Purchases made - Delivery services	110
Nationwide Freight Forwarders Sdn Bhd	
Purchases made - Forwarding services	61

**A16. Inventories**

During the quarter, the amount of inventories written down was RM180,000.

## **PART B - Bursa Securities Listing Requirements**

### **B1. Review of Performance**

For the year ended 31 March 2006, the Group recorded a turnover of RM157.2 million compared with RM110.0 million last year. This represented an increase of RM47.2 million or 42.9%.

Pre-tax profit increased by RM12.8 million or 41.5% from RM30.9 million last year to RM43.7 million this year. The improvement was mainly attributable to higher sales volume in the production of security and confidential documents.

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

For the final quarter under review, the Group registered a pre-tax profit of RM10.0 million with a turnover of RM35.3 million compared with RM15.9 million pre-tax profit on the back of RM49.9 million turnover in the third quarter.

The shortfall in profit was mainly attributed to lower sales volume in the production of security and confidential documents due to cyclical changes in volume of certain jobs.

### **B3. Prospects**

Barring unforeseen circumstances, the Directors are of the view that the Group's overall performance will be satisfactory for the financial year ending 31 March 2007.

### **B4. Variance of actual profit from forecast profit**

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

### **B5. Taxation**

	<b>Current Quarter 31/03/06 RM'000</b>	<b>Current Year To date 31/03/06 RM'000</b>
Current year's charge	2,803	11,852

The effective tax rate on Group's profit to date 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 except the following:-

On 27 January 2006, the Company announced that its wholly-owned subsidiary, FCB Management Sdn Bhd is proposing to acquire 32.5% equity interest of the proposed enlarged issued and paid up share capital of PT Nunukan Jaya Lestari ("NJL"), a company incorporated in Indonesia, which shall comprise of 1,500 existing ordinary shares from Datuk Andi Yakin bin Mapasere and 5,000 new ordinary shares to be issued by NJL, for a total cash consideration of RM13.0 million.

NJL is currently in the business of oil palm plantation and processing. The plantation is situated in Nunukan Seimenggaris Estate, East Kalimantan and comprises of 18,000 hectares of Hak Guna Usaha (land rights for business utilisation) of which 6,200 hectares are fully planted with oil palm.

The proposed acquisition is conditional upon the Company being satisfied with the results of a due diligence review which is currently being carried out.

**(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 Write 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

The Board of Directors recommend the payment of a final dividend of 8% less taxation of 28% for the year ended 31 March 2006 (last year : 5% tax exempt and 2% less taxation of 28%), subject to shareholders' approval. The proposed dividend will amount to RM4,662,617 (last year : RM6,190,249) and will be paid on a date to be announced.

#### B13. Earnings per share

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	<i>Current Year Quarter</i> <u>31/03/06</u>	<i>Preceding Year Corresponding Quarter</i> <u>31/03/05</u>	<i>Current Year To Date</i> <u>31/03/06</u>	<i>Preceding Year Corresponding Period</i> <u>31/03/05</u>
<b>Earnings</b>				
Net Profit for the period (RM'000)	7,223	3,931	31,911	22,145
<b>Basic Earning per Share</b>				
Weighted average number of ordinary shares	80,335,437	77,814,000	80,335,437	77,814,000
Basic Earnings per Share (sen)	8.99	5.05	39.72	28.46
<b>Diluted Earnings per Share</b>				
ESOS				
Weighted average number of unissued shares	593,000	1,902,000	593,000	1,902,000
Weighted average number of shares that would have been issued at fair value	(319,164)	(1,302,573)	(319,164)	(1,302,573)
Adjusted weighted average number of ordinary	80,609,273	78,413,427	80,609,273	78,413,427

shares

Diluted Earnings per Share (sen)

8.96

5.01

39.59

28.24

***BY ORDER OF THE BOARD***

***LEE MO LENG***  
***NASLIZA MOHD NASIR***  
Company Secretaries

Kuala Lumpur  
Date : 23 May 2006