

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

**QUARTERLY REPORT ON CONSOLIDATED RESULTS**  
**FOR THE FIRST QUARTER ENDED 30 JUNE 2006**  
**THE FIGURES HAVE NOT BEEN AUDITED**

**CONDENSED CONSOLIDATED INCOME STATEMENTS**

	<i>Current Quarter</i>		<i>3 Months Cumulative</i>	
	<b>Current Year Quarter</b> <b>30/06/06</b> <b>RM'000</b>	<b>Preceding Year Corresponding Quarter</b> <b>30/06/05</b> <b>RM'000</b>	<b>Current Year To Date</b> <b>30/06/06</b> <b>RM'000</b>	<b>Preceding Year Corresponding Period</b> <b>30/06/05</b> <b>RM'000</b>
Revenue	38,047	34,537	38,047	34,537
Cost of Sales	<u>(26,345)</u>	<u>(24,366)</u>	<u>(26,345)</u>	<u>(24,366)</u>
Gross Profit	11,702	10,171	11,702	10,171
Other income	424	385	424	385
Administrative Expenses	(1,212)	(1,039)	(1,212)	(1,039)
Selling and Marketing Expenses	(174)	(135)	(174)	(135)
Depreciation	(984)	(931)	(984)	(931)
Other Expenses	(1,016)	(1,104)	(1,016)	(1,104)
Finance costs	-	(3)	-	(3)
Share of profit in associates	<u>382</u>	<u>626</u>	<u>382</u>	<u>626</u>
<b>Profit before taxation</b>	9,122	7,970	9,122	7,970
Taxation	<u>(2,580)</u>	<u>(2,166)</u>	<u>(2,580)</u>	<u>(2,166)</u>
<b>Profit for the period</b>	<u><u>6,542</u></u>	<u><u>5,804</u></u>	<u><u>6,542</u></u>	<u><u>5,804</u></u>
Attributable to :				
Equity holders of the parent	6,542	5,804	6,542	5,804
Minority interest	-	-	-	-
<b>Profit for the period</b>	<u><u>6,542</u></u>	<u><u>5,804</u></u>	<u><u>6,542</u></u>	<u><u>5,804</u></u>
<b>Earnings per share</b>				
Basic earnings per share (sen)	8.01	7.24	8.01	7.24
Fully diluted earnings per share (sen)	7.99	7.20	7.99	7.20

**(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2006)**

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

	<b>As at End Of Current Quarter 30/06/06 (unaudited) RM'000</b>	<b>As at Preceding Financial Year End 31/03/06 (audited) RM'000 (restated)</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant & Equipment	23,320	22,149
Investment Properties	59,041	59,394
Investment in Associates	29,692	19,312
Deferred Tax Assets	1,818	1,818
	113,871	102,673
<b>Current Assets</b>		
Inventories	28,439	17,609
Trade Receivables	42,518	39,253
Other Receivables	4,967	4,562
Due from Related Companies	4,795	4,063
Cash and Bank Balances	38,225	46,983
	118,944	112,470
<b>TOTAL ASSETS</b>	<b>232,815</b>	<b>215,143</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share Capital	82,045	81,864
Share Premium	399	342
Treasury Shares	(1,389)	(1,389)
Retained Earnings	104,765	98,223
	185,820	179,040
<b>Minority Interest</b>	-	-
<b>Total Equity</b>	<b>185,820</b>	<b>179,040</b>
<b>Non-Current Liabilities</b>		
Deferred Tax Liabilities	838	838
Retirement Benefit Obligations	382	539
	1,220	1,377
<b>Current Liabilities</b>		
Trade Payables	33,283	22,276
Other Payables	9,738	9,214
Provision for Taxation	2,754	3,233
Due to Related Companies	-	3
	45,775	34,726
<b>Total Liabilities</b>	<b>46,995</b>	<b>36,103</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>232,815</b>	<b>215,143</b>
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.26	2.19

**(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2006)**

FIMA CORPORATION BERHAD (Company No. 21185-P)  
 CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 FOR THE FIRST QUARTER ENDED 30 JUNE 2006

	<-----Attributable to Equity Holders of the Parent----->					Minority Interest	Total Equity
	<----Non-Distributable---->		Distributable				
	<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 2005</b>	80,330	213	(1,006)	75,548	155,085	-	155,085
Net Profit	-	-	-	5,804	5,804	-	5,804
Purchase of Treasury Shares	-	-	(258)	-	(258)	-	(258)
Issue of share capital	619	50	-	-	669	-	669
<b>At 30 June 2005</b>	<u>80,949</u>	<u>263</u>	<u>(1,264)</u>	<u>81,352</u>	<u>161,300</u>	<u>-</u>	<u>161,300</u>
<b>At 01 April 2006</b>	81,864	342	(1,389)	98,223	179,040	-	179,040
Net Profit	-	-	-	6,542	6,542	-	6,542
Purchase of Treasury Shares	-	-	-	-	-	-	-
Issue of share capital	181	57	-	-	238	-	238
<b>At 30 June 2006</b>	<u>82,045</u>	<u>399</u>	<u>(1,389)</u>	<u>104,765</u>	<u>185,820</u>	<u>-</u>	<u>185,820</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 2006)

**FIMA CORPORATION BERHAD (Company No. 21185-P)  
CONDENSED CONSOLIDATED CASH FLOW STATEMENTS  
FOR THE FIRST QUARTER ENDED 30 JUNE 2006**

	3 months ended	
	30/06/06	30/06/05
	RM'000	RM'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	9,122	7,970
Adjustments for :		
Depreciation	984	931
Bad & doubtful debts (net)	644	(10)
(Reversal of provision)/Provision for retirement benefit	(157)	5
Write back of inventories written down	(802)	(204)
Loss on disposal of property, plant and equipment	76	-
Share of profit in associated company	(382)	(626)
Interest expense	-	3
Interest income	(424)	(385)
Operating profit before working capital changes	9,061	7,684
Increase in receivables	(4,314)	(12,087)
Increase in inventories	(10,028)	(6,100)
Increase/(Decrease) in related companies balances	(698)	44
Increase in payables	11,531	5,576
Cash generated from operations	5,552	(4,883)
Tax paid	(3,057)	(1,858)
Interest paid	-	(3)
Interest income received	424	385
Net cash generated/(used) from operating activities	2,919	(6,359)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,945)	(1,175)
Proceeds from disposal of property, plant and equipment	30	-
Purchase of shares in associated company	(10,000)	-
Net cash used in investing activities	(11,915)	(1,175)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Purchase of Treasury Shares	-	(258)
Issuance of shares	238	669
Net cash generated from financing activities	238	411
<b>CASH AND CASH EQUIVALENTS</b>		
Net decrease	(8,758)	(7,123)
At the beginning of financial period	46,983	56,755
At the end of financial period	38,225	49,632
<b>CASH AND CASH EQUIVALENTS COMPRISE OF :</b>		
Cash and bank balances	846	5,543
Deposits with licensed banks	37,379	44,089
	38,225	49,632

**(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31st March 2006)**

**FIMA CORPORATION BERHAD (Company No. 21185-P)**  
**NOTES TO THE QUARTERLY ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 30 JUNE 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 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 2006. 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 2006.

**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 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006.

FRS 2	Share-based payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interest in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of the FRSs listed above, other than those stated below, does not have any significant financial impact on the Group. The principal effects of changes in accounting policies resulting from the adoption of the new/revised FRSs are as follows:

**(a) FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with comparatives restated to conform with the current period's presentation.

## (b) FRS 140: Investment Property

The adoption of the new FRS 140 requires properties which are held to earn rentals to be accounted for as investment properties.

The Group has adopted the cost model to measure its investment property of which the investment property is measured at depreciated cost less any accumulated impairment losses. The investment property previously classified under property, plant and equipment is now disclosed separately in the balance sheet.

### 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 the cyclical changes in volume of certain jobs.

### 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 in the current quarter 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 todate except for the following :-

- i) During the current quarter, the issued and paid-up share capital of the Company increased from 81,863,810 ordinary shares of RM1.00 each to 82,044,810 shares by the issuance of 181,000 ordinary shares of RM1.00 each for cash pursuant to the exercise of options granted under the Fima Corporation Berhad Employees' Share Option Scheme.

### A8. Dividends paid

There were no dividends paid in the current quarter.

### A9. Segmental Information

<u>Segments</u>	Current Year Todate	
	30/06/06	
	Revenue	Profit
	RM'000	RM'000
Production of security & confidential documents	36,977	8,472
Trading of security & confidential documents	102	159
Property Management	1,410	109
	<u>38,489</u>	<u>8,740</u>
Group's share of associated company's results	-	382
	<u>38,489</u>	<u>9,122</u>
Eliminations	(442)	-
Group Results	<u>38,047</u>	<u>9,122</u>

**A10. Valuation of property, plant and equipment**

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

**A11. Subsequent events**

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

**A12. 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 including business combinations, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinued operations other than:

- (i) On 30 June 2006, a purchase consideration of RM10.0 million was made by a wholly-owned subsidiary, FCB Management Sdn Bhd to PT Nunukan Jaya Lestari ("NJL") for the subscription of 5,000 ordinary shares in NJL representing 25% of NJL's issued and paid-up share capital.

**A13. 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).

**A14. Capital Commitments**

	<b>As at 30/06/06 RM'000</b>
Property, plant and equipment	
Approved and contracted for	5,133
Approved but not contracted for	1,327
	<u>6,460</u>

**A15. 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 30/06/06 RM'000</b>
Plant and Machinery	1,933
Furniture, Fittings and Computers	12
	<u>1,945</u>

**A16. Related Party Transactions**

	<b>Current Year Totdate 30/06/06</b>
	<b>RM'000</b>
Kumpulan Fima Berhad, ultimate holding company	
Interest income receivable	(41)
Rental income receivable	(111)
<b>Fellow Subsidiaries :</b>	
Malaysian Transnational Trading Corporation Berhad	
Rental income receivable	(20)
<b>Related by virtue of having common director/(s) :</b>	
Nationwide Express Courier Services Berhad	
Purchases made - Delivery services	25
Nationwide Freight Forwarders Sdn Bhd	
Purchases made - Forwarding services	13

**A17. Inventories**

During the quarter, the amount of inventories written back was RM802,000.



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

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

For the first quarter, the Group's revenue increased from RM34.5 million to RM38.0 million, an improvement of 10.2%. Profit before tax recorded for the quarter under review was RM9.1 million, representing an increase of RM1.1 million or 14.5% from the corresponding period of last year. The improvement in performance was mainly due to the increase in demand of certain 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 current quarter at RM38.0 million was RM2.8 million higher than the preceding quarter. The Group registered a RM0.9 million decrease in pre-tax profit by posting a profit before taxation of RM9.1 million as compared with the preceding quarter's pre-tax profit of RM10.0 million. The shortfall in profit was mainly attributable to lower 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 remaining quarters 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**

	<b>Current Quarter 30/06/06 RM'000</b>	<b>Current Year To date 30/06/06 RM'000</b>
Current year's charge	2,580	2,580

The effective tax rate on Group's profit to date is marginally higher than the statutory tax rate mainly due to certain expenses disallowed for taxation purposes.

### **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 other than:

- (i) FCB Management Sdn Bhd ("FCB Management"), a wholly-owned subsidiary of FimaCorp entered into a Sale and Purchase Agreement with Datuk Andi Yakin bin Mapasere on 27 January 2006 to acquire 32.5% equity interest of the proposed enlarged issued and paid up 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. On 30 June 2006, a purchase consideration of RM10.0 million was made by FCB Management to NJL for the subscription of 5,000 new ordinary shares in NJL, representing 25% of the new issued and paid-up share capital of NJL.

**(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. The Court had further ordered that the execution be stayed until the disposal of the trial. On 1 December 2003, the Defendant filed into the Court the Record of Appeal and the Affidavit in Support.

On 10 July 2006, the Court has adjourned the case for further mention on 5 December 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**

No interim dividend has been declared for the financial period ended 30 June 2006 (30 June 2005: Nil).

**B13. Earnings per share**

	<i>Individual Quarter</i>		<i>Cumulative Quarter</i>	
	<i>Current Year Quarter</i> <u>30/06/06</u>	<i>Preceding Year Corresponding Quarter</i> <u>30/06/05</u>	<i>Current Year To Date</i> <u>30/06/06</u>	<i>Preceding Year Corresponding Period</i> <u>30/06/05</u>
<b><i>Earnings</i></b>				
Net Profit for the period (RM'000)	6,542	5,804	6,542	5,804
<b>Basic Earning per Share</b>				
Weighted average number of ordinary shares	81,651,493	80,189,219	81,651,493	80,189,219
Basic Earnings per Share (sen)	8.01	7.24	8.01	7.24
<b>Diluted Earnings per Share</b>				
ESOS				
Weighted average number of unissued shares	416,000	1,316,000	416,000	1,316,000
Weighted average number of shares that would have been issued at fair value	(207,033)	(843,186)	(207,033)	(843,186)
Adjusted weighted average number of ordinary shares	81,860,460	80,662,033	81,860,460	80,662,033
Diluted Earnings per Share (sen)	7.99	7.20	7.99	7.20

**BY ORDER OF THE BOARD**

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

Kuala Lumpur  
Date : 17 August 2006