

KUMPULAN FIMA BERHAD
(Company No.:11817-V)
(Incorporated in Malaysia)

Condensed Consolidated Income Statements
for the Second Quarter Ended 30 September 2005
Except as disclosed otherwise, the figures have not been audited

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year Corresponding Period
	30-09-2005 RM'000	30-09-2004 RM'000	30-09-2005 RM'000	30-09-2004 RM'000
Revenue	77,334	69,743	146,927	123,011
Other operating income	1,241	415	2,587	935
Operating expenses	(66,188)	(59,097)	(127,574)	(103,771)
Profit from operations	12,387	11,061	21,940	20,175
Finance costs	(1,415)	(2,768)	(2,720)	(5,083)
Foreign exchange gain	386	157	665	441
Share of profit of associated companies	1,704	3,003	2,813	5,246
Profit before tax	13,062	11,453	22,698	20,779
Taxation	(3,066)	(3,670)	(5,752)	(6,209)
Profit after tax	9,996	7,783	16,946	14,570
Minority interest	(2,911)	(2,711)	(5,069)	(4,391)
Net profit for the period	7,085	5,072	11,877	10,179
<u>Earnings Per Share:</u>				
Basic (sen)	2.69	1.93	4.51	3.87

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 March 2005 and the accompanying explanatory notes attached to the interim financial statements.

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

(Incorporated in Malaysia)

Condensed Consolidated Balance Sheets as at 30 September 2005**Except as disclosed otherwise, the figures have not been audited**

	As At End Of Current Quarter 30-09-2005	As At Preceding Financial Year Ended 30-03-2005
	RM'000	RM'000
Property, plant and equipment	255,148	257,713
Plantation development expenditure	7,861	7,492
Investment in associated companies	23,495	21,740
Other investments	54	54
Deferred tax assets	3,621	3,621
Net goodwill on consolidation	374	414
	<u>290,553</u>	<u>291,034</u>
Current Assets		
Inventories	54,145	41,996
Trade & other receivables	70,217	49,347
Due from related companies	5	4
Cash and bank balances	64,526	80,796
	<u>188,893</u>	<u>172,143</u>
Current Liabilities		
Short term borrowings	17,772	20,554
Trade & other payables	63,578	56,855
Taxation	8,073	3,229
	<u>89,423</u>	<u>80,638</u>
Net Current Assets	<u>99,470</u>	<u>91,505</u>
	<u>390,023</u>	<u>382,539</u>
Represented by:		
Share capital	263,160	263,160
Reserves	(24,075)	(34,367)
Shareholders' equity	<u>239,085</u>	<u>228,793</u>
Minority interests	65,399	61,691
Long term liabilities		
Long term borrowings	60,078	66,189
Retirement benefit obligations	3,480	3,885
Deferred tax liabilities	21,981	21,981
	<u>390,023</u>	<u>382,539</u>
Net Tangible Assets Per Share (RM)	<u>0.91</u>	<u>0.87</u>

The condensed consolidated balance sheets should be read in conjunction with the audited financial statements for the year ended 31 March 2005 and the accompanying explanatory notes attached to the interim statements. 2

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

(Incorporated in Malaysia)

Condensed Consolidated Statements of Changes in Equity
for the Second Quarter Ended 30 September 2005
Except as disclosed otherwise, the figures have not been audited

2005/6

		Non-distributable							
		Share capital	Share premium	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Foreign exchange reserve	Accumulated losses	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
	At 1-4-2005	263,160	12,161	60,224	437	26,758	15,309	(149,256)	228,793
	Translation gain	-	-	-	-	-	310	-	310
	Net gain not recognised in income statement	-	-	-	-	-	310	-	310
	Net profit for the period	-	-	-	-	-	-	11,877	11,877
	Dividend	-	-	-	-	-	-	(1,895)	(1,895)
	At 30-09-2005	263,160	12,161	60,224	437	26,758	15,619	(139,274)	239,085

2004/5

		Non-distributable							
		Share capital	Share premium	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Foreign exchange reserve	Accumulated losses	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
	At 1-4-2004	263,160	12,161	48,931	437	26,758	15,056	(221,435)	145,068
	Translation gain	-	-	-	-	-	169	-	169
	Net gain not recognised in income statement	-	-	-	-	-	169	-	169
	Net profit for the period	-	-	-	-	-	-	10,179	10,179
	At 30-09-2004	263,160	12,161	48,931	437	26,758	15,225	(211,256)	155,416

The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2005 and the accompanying explanatory notes attached to the interim financial statements.

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

(Incorporated in Malaysia)

Condensed Consolidated Cash Flow Statements for the Second Quarter Ended 30 September 2005**Except as disclosed otherwise, the figures have not been audited**

	← 6 Months Ended →	
	30-09-2005	30-09-2004
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,698	20,779
Adjustment for:		
Non-cash items	5,577	2,350
Operating profit before working capital changes	28,275	23,129
Increase in inventories	(11,886)	(6,286)
Increase in receivables	(17,184)	(17,552)
Increase in payables	6,361	7,613
Cash generated from operations	5,566	6,904
Interest paid	(2,625)	(2,315)
Taxes paid	(4,361)	(4,383)
Net cash (used in)/generated from operating activities	(1,420)	206
CASH FLOWS FROM INVESTING ACTIVITIES		
Plantation development expenditure	(1,020)	(783)
Proceeds from disposal of property, plant and equipment	347	30
Purchase of property, plant and equipment	(3,514)	(2,212)
Net dividend received from associated companies	766	2,861
Interest received	721	335
Net cash (used in)/generated from investing activities	(2,700)	231
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(10,000)	(1,800)
Net repayment of short term borrowings	(1,869)	(862)
Proceeds from issuance of ordinary shares (ESOS) by a subsidiary	1,009	1,037
Acquisition of treasury shares by a subsidiary	(361)	(614)
Dividend paid to shareholders and minority shareholders of a subsidiary	(3,905)	(2,264)
Decrease in deposits on lien	2,182	-
Net cash (used in)/generated financing activities	(12,944)	(4,503)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,064)	(4,066)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	66,987	48,854
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	49,923	44,788
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash in hand and at bank	12,298	10,398
Fixed deposit with financial institutions *	47,776	35,617
Secured and unsecured bank overdrafts	(10,151)	(1,227)
	49,923	44,788
* Fixed deposit with financial institutions comprise:		
Fixed deposit with financial institutions	52,228	38,241
less : Deposit on lien	(4,452)	(2,624)
	47,776	35,617

The condensed consolidated cash flow statements should be read in conjunction with the audited financial statements for the year ended 31 March 2005 and the accompanying explanatory notes attached to the interim financial statements.

- PART A - requirement of FRS 134
- PART B - requirement of Bursa Securities Listing Requirements

PART A-MASB

A1. Accounting policies

The interim financial 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 Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 March 2005. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 March 2005.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 March 2005.

A2. Qualification of financial statements

The financial statements of the Group were not subject to any audit qualification for the financial year ended 31 March 2005.

A3. Seasonal and cyclical factors

The results of the Group have not been affected by seasonal or cyclical factors, except for the manufacturing segment.

A4. Unusual items affecting the financial statements

There were no unusual items affecting the financial statements of the Group for the current quarter.

A5. Changes in estimates

There were no changes in estimates that have had a material effect on the current period's results.

A6. Issuances, cancellation, repurchases, resale and repayment of debts and equity securities

There were no issuances, cancellation, repurchases, resale and repayment of debts and equity securities for the current quarter.

A7. Dividend paid

During the current quarter ended 30 September 2005, a final dividend of 1% less 28% taxation on 263,160,000 ordinary shares in respect of financial period ended 31 March 2005, amounting to RM1.89 million (2004 : RMNil) was paid on 26 September 2005.

A8. Segmental revenue and results for business segments

By industry segments.

Segments	← 30-09-2005 →		
	Revenue	Profit Before tax	Total Assets Employed
	RM'000	RM'000	RM'000
Manufacturing*	72,018	15,746	193,986
Bulking	15,054	4,757	158,320
Agrobased	50,370	1,217	116,075
Trading	11,276	1,761	16,112
Others	11,705	6,945	206,538
	160,423	30,426	691,031
Associated companies	-	2,813	23,495
	160,423	33,239	714,526
Consolidation adjustments	(13,496)	(10,541)	(235,080)
Group results	146,927	22,698	479,446

* Production and trading of security documents and property management.

A9. Valuation of property, plant and equipment

The valuations of land and buildings have been brought forward without any amendmends from the financial statements for the year ended 31 March 2005.

A10. Subsequent material events

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

A11. Inventories

There were no material write-off or write back of inventories as at 30 September 2005.

A12. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter.

A13. Changes in contingent liabilities and assets

There were no additional contingent liabilities for the quarter, except as disclosed in Note B11 herein.

A14. Significant acquisition of property, plant and equipment

As at end of the current quarter, the Group's significant acquisitions of property, plant and equipment are as follows :

	Current Year To date RM'000
Plant and machinery	709
Motor Vehicles	611
Storage tank and pipelines	282
Office Equipment, furniture, fittings and computers	779
	<u>2,381</u>

A15. Capital commitments

The amount of commitments not provided for in the interim financial statements as at 30 September 2005 is as follows :

	Current Year To date RM'000
Property, plant and equipment	
Approved and contracted for	16,345
Approved but not contracted for	17,126
	<u>33,471</u>

A16. Related party transactions

The Group's material related party transactions at the end of current quarter are as follows:

KFB and its subsidiaries	Transaction parties	Relationship	Nature of transactions	RM'000
Kumpulan Fima Berhad	Jerneh Insurance Berhad	Common Shareholder	Purchase made - Insurance services	(28)
Fima Corporation Berhad	Nationwide Express Courier Services Bhd	Common Shareholder	Purchase made - delivery services	(94)
Fima-TLP Feedlot Sdn Bhd	Lee Pineapple Co. Pte. Ltd	Shareholder of Fima-TLP Feedlot Sdn Bhd	Purchase of cattle feeds	(98)

PART B-BURSA SECURITIES

B1. Review of performance

The Group's revenue for the six months ended 30 September 2005 recorded an improvement of RM23.92 million or 19.4% to RM146.93 million from RM123.01 million in the same period last year. The improvement was mainly attributable to increase in demand of security and confidential documents.

The Group's profit before taxation and minority interest improved from RM20.78 million to RM22.70 million or 9.2% in the same period last year. The Group's profit margin for the current period had been marginally affected by the increase in cost of raw materials compared to the same period last year.

B2. Comparison with preceding quarter's results

The Group's profit before taxation for the current quarter of RM13.06 million is higher by RM3.42 million from RM9.64 million recorded in the preceding quarter. This is mainly due to higher profit from operations.

B3. Prospects

Barring unforeseen circumstances, the Directors expect the performance of the Group to remain satisfactory for the financial year ending 31 March 2006.

B4. Explanatory notes on variances with profit forecasts or profit guarantee

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

B5. Taxation

Taxation comprises the following:

	Current period	
	Quarter RM'000	To-date RM'000
Income tax	2,923	5,460
Share of taxation of associated companies	143	292
	<u>3,066</u>	<u>5,752</u>

Note :

The effective tax rate is lower than statutory tax rate due to certain subsidiaries having unabsorbed tax losses and a pioneer status of an associated company.

B6. Profits/(losses) on sale of unquoted investments and/or properties

There were no sale of unquoted investments and/or properties during the current quarter.

B7. Purchase or disposal of quoted securities

There were no purchase or disposal of quoted securities during the current quarter.

Investment in quoted shares as at 30 September 2005 is as follows:

	Current year To-date RM'000
At cost	<u>23</u>
At net book value	<u>23</u>
At market value	<u>31</u>

B8. Corporate proposals

There were no corporate proposals undertaken during the period under review.

B9. Borrowings and debt securities

	Current year To-date RM'000
Secured:	
Current	17,772
Non-current	<u>60,078</u>
	<u>77,850</u>

B10. Off balance sheet financial instruments

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

B11. Change in material litigations

Pending material litigations since 30 June 2005 are as follows:

- (a) The Company and a subsidiary, FCB Business Centre Sdn Bhd ("Plaintiffs") had jointly claimed against a third party, ("Defendant") demanding arrears of rental and other expenses amounting to RM1.70 million. The Defendant filed their Statement of Defence denying the demand and counter claimed for over payment of RM2.06 million.

The High Court allowed the Plaintiffs' claim for the sum of RM1.18 million on 7 February 2003. 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 Court the Record of Appeal and the Affidavit in support.

The matter has been fixed for mention on 9 December 2005 to enable the Defendant's appeal against the Judgment obtained on 7 February 2003 to be heard. The Court has decided that the Defendant's appeal must be heard before the full trial for Plaintiff's remaining claim can be proceeded. The solicitors are of the opinion that the Plaintiffs would succeed in the appeal.

- (b) Following the termination of the Tenancy Agreement by Malaysia Airports Holdings Berhad ("Plaintiff") on 11 May 2000, Fima Corporation Berhad ("FCB") as the Principal Tenant issued a termination notice dated 15 May 2000 to all its respective sub-tenants at Airtel Complex.

The Plaintiff, i.e. the sub-tenant claimed against FCB a compensation sum of RM2.12 million being their renovation costs and general damages. The Board of FCB sought the advice from the solicitors who were of the opinion that no compensation should be payable to the Plaintiff as the demised premise was acquired by a relevant authority and FCB would succeed in dismissing the Plaintiff's claim. The matter has been fixed for Case Management on 2 December 2005.

- (c) Federal Flour Mills Bhd ("FFM") obtained an arbitration award against Fima Palmbulk Services Sdn Bhd ("Fima Palmbulk") on 8 October 1999 for the sum of RM1,622,250.00 being the price of Crude Palm Oil ("CPO") stored with Fima Palmbulk which was alleged to have been contaminated. During the arbitration proceedings, Fima Palmbulk in its defence claimed that the CPO was within the parameters of Commodity and Monetary Exchange of Malaysia (COMMEX) and counterclaimed for the storage fees of RM84,000.00 from FFM.

Fima Palmbulk applied to the High Court to set aside the award. The High Court had allowed Fima Palmbulk's application and ordered the CPO to be sold and a sum of RM84,000.00 from the sale was paid to Fima Palmbulk as storage charges.

FFM appealed to the Court of Appeal which allowed its appeal to enforce the arbitration award. Fima Palmbulk appealed to the Federal Court on 28 February 2005 and the solicitors advised that Fima Palmbulk has a fair chance to succeed in its appeal.

- (d) The Company was served with a Writ of Summons together with a statement of Claim on 29 September 2005 by the ex-employees of the Company. The ex-employees claimed for an alleged sum of RM1,726,656.00 together with 8% interest per annum under the Company's Employment Benefit Scheme pursuant to the Trust Deed dated 16 June 1992.

The Company has appointed Messrs. Gideon Tan Razali Zaini who had entered appearance on the Company's behalf on 7 October 2005 to defend the case.

B12. Dividends

The Directors of the Company do not recommend any interim dividend for the period ended 30 September 2005.

B13. Earnings per share

The basic earnings per share are calculated as follows:

	Individual Quarter		Cumulative Quarter	
	30-09-2005	30-09-2004	30-09-2005	30-09-2004
Net profit attributable to shareholders (RM'000)	7,085	5,072	11,877	10,179
Number of ordinary shares in issue ('000)	263,160	263,160	263,160	263,160
Earnings per share (sen)	<u>2.69</u>	<u>1.93</u>	<u>4.51</u>	<u>3.87</u>

By order of the Board

MOHD YUSOF BIN PANDAK YATIM (MIA 4110)
NASLIZA MOHD NASIR (LS 08653)
Company Secretaries

Kuala Lumpur
Dated : 25 November 2005