

KUMPULAN FIMA BERHAD

(Company No.:11817-V)

(Incorporated in Malaysia)

**Condensed Consolidated Income Statements
for the Fourth Quarter Ended 31 March 2006****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 (Audited)
	31-03-2006 RM'000	31-03-2005 RM'000	31-03-2006 RM'000	31-03-2005 RM'000
Revenue	66,780	57,726	300,331	247,121
Other operating income	638	968	3,865	3,393
Operating expenses	(58,621)	(48,644)	(255,142)	(208,986)
Profit from operations	8,797	10,050	49,054	41,528
Finance costs	(1,217)	(1,517)	(5,173)	(8,945)
Foreign exchange gain	454	1,179	1,239	2,006
Share of profit of associated companies	1,476	1,043	5,473	9,766
Exceptional items :				
Net gain on disposal of an associated company	-	-	-	50,302
Profit before tax	9,510	10,755	50,593	94,657
Taxation	6,880	(2,063)	(4,076)	(12,315)
Profit after tax	16,390	8,692	46,517	82,342
Minority interests	(2,650)	(1,674)	(12,222)	(8,579)
Net profit for the period/year	13,740	7,018	34,295	73,763
<u>Earnings Per Share:</u>				
Basic (sen)	5.22	2.67	13.03	28.03

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 31 March 2006
Except as disclosed otherwise, the figures have not been audited

	As At End Of Current Quarter 31-03-2006	As At Preceding Financial Year Ended 31-03-2005 (Audited)
	RM'000	RM'000
Property, plant and equipment	256,389	257,713
Plantation development expenditure	4,495	7,492
Investment in associated companies	25,918	21,740
Other investments	31	54
Deferred tax assets	2,710	3,621
Net goodwill on consolidation	318	414
	<u>289,861</u>	<u>291,034</u>
Current Assets		
Inventories	37,727	41,996
Trade receivables	59,102	41,392
Other receivables	15,066	7,959
Cash and bank balances	65,933	80,796
	<u>177,828</u>	<u>172,143</u>
Current Liabilities		
Short term borrowings	10,813	20,554
Trade payables	33,502	29,771
Other payables	20,694	27,084
Taxation	4,054	3,229
	<u>69,063</u>	<u>80,638</u>
Net Current Assets	<u>108,765</u>	<u>91,505</u>
	<u>398,626</u>	<u>382,539</u>
Represented by:		
Share capital	263,160	263,160
Reserves	(8,904)	(34,367)
Shareholders' equity	<u>254,256</u>	<u>228,793</u>
Minority interests	69,930	61,691
Long term liabilities		
Long term borrowings	49,792	66,189
Retirement benefit obligations	3,528	3,885
Deferred tax liabilities	21,120	21,981
	<u>398,626</u>	<u>382,539</u>
Net Assets Per Share (RM)	<u>0.97</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 Fourth Quarter Ended 31 March 2006
Except as disclosed otherwise, the figures have not been audited

2005/6

	← Non-distributable →							Total RM'000
	Share capital	Share premium	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Foreign exchange reserve	Accumulated losses	
	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 loss	-	-	-	-	-	(3,104)	-	(3,104)
Impairment loss on previously revalued land	-	-	(4,898)	-	-	-	-	(4,898)
Transfer from revaluation reserve	-	-	(4,112)	-	-	-	4,112	-
Transfer from deferred taxation	-	-	1,065	-	-	-	-	1,065
Net gain not recognised in income statement	-	-	(7,945)	-	-	(3,104)	4,112	(6,937)
Net profit for the period	-	-	-	-	-	-	34,295	34,295
Dividend	-	-	-	-	-	-	(1,895)	(1,895)
At 31-03-2006	263,160	12,161	52,279	437	26,758	12,205	(112,744)	254,256

2004/5 (Audited)

	← Non-distributable →							Total RM'000
	Share capital	Share premium	Revaluation reserve	Capital reserve	Capital reserve arising from bonus issue in subsidiaries	Foreign exchange reserve	Accumulated losses	
	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	-	-	-	-	-	253	-	253
Revaluation surplus	-	-	12,759	-	-	-	-	12,759
Under recognition of transfer on prior year's property disposal.	-	-	1,584	-	-	-	(1,584)	-
Transfer from deferred taxation	-	-	(3,050)	-	-	-	-	(3,050)
Net gain not recognised in income statement	-	-	11,293	-	-	253	(1,584)	9,962
Net profit for the period	-	-	-	-	-	-	73,763	73,763
At 31-03-2005	263,160	12,161	60,224	437	26,758	15,309	(149,256)	228,793

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 Fourth Quarter Ended 31 March 2006**Except as disclosed otherwise, the figures have not been audited**

	← 12 Months Ended →	
	31-03-2006	31-03-2005 (Audited)
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	50,593	94,657
Adjustment for:		
Non-cash items	15,321	11,904
Non-operating items	-	(50,302)
Operating profit before working capital changes	65,914	56,259
Decrease/(Increase) in inventories	4,176	(15,970)
Increase in receivables	(31,122)	(10,289)
Increase in payables	9,762	20,108
Cash generated from operations	48,730	50,108
Interest paid	(5,655)	(8,902)
Taxes paid	(14,301)	(12,322)
Tax refund	3,636	2,783
Retirement benefit paid	(1,118)	(543)
Net cash generated from operating activities	31,292	31,124
CASH FLOWS FROM INVESTING ACTIVITIES		
Plantation development expenditure	(2,053)	(1,739)
Proceeds from disposal of property, plant and equipment	1,956	808
Proceeds from disposal of an associated company	-	95,784
Proceeds from disposal of quoted investment	35	-
Purchase of property, plant and equipment	(17,133)	(7,012)
Purchase of additional shares in a subsidiary	(900)	-
Net dividend received from an associated company	766	3,408
Interest received	1,535	1,238
Net cash (used in)/generated from investing activities	(15,794)	92,487
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(18,000)	(100,800)
Net (repayment)/drawdown of short term borrowings	(9,077)	675
Proceeds from issuance of ordinary shares (ESOS) by a subsidiary	1,663	3,085
Acquisition of treasury shares by a subsidiary	(382)	(685)
Dividend paid to shareholders of the Company and minority shareholders of a subsidiary	(5,504)	(3,743)
Decrease/(increase) in deposits on lien	2,128	(4,010)
Net cash used in financing activities	(29,172)	(105,478)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(13,674)	18,133
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	66,987	48,854
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	53,313	66,987
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash in hand and at bank	11,984	10,638
Fixed deposit with financial institutions *	49,443	63,524
Secured and unsecured bank overdrafts	(8,114)	(7,175)
	53,313	66,987
* Fixed deposit with financial institutions comprise:		
Fixed deposits with financial institutions	53,949	70,158
less : Deposits on lien	(4,506)	(6,634)
	49,443	63,524

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 financial year.

A5. Changes in estimates

There were no changes in estimates that have had a material effect on the current year'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 financial year.

A7. Dividend paid

There were no dividend paid during the current quarter.

A8. Segmental revenue and results for business segments

By industry segments.

Segments	← 31-03-2006 →		
	Revenue	Profit Before tax	Total Assets Employed
	RM'000	RM'000	RM'000
Manufacturing*	157,190	39,722	194,270
Bulking	29,385	10,531	148,913
Agrobased	92,906	655	105,610
Trading	20,657	2,597	14,463
Others	25,270	13,590	214,363
	325,408	67,095	677,619
Associated companies	-	5,473	25,918
	325,408	72,568	703,537
Consolidation adjustments	(25,077)	(21,975)	(235,848)
Group results	300,331	50,593	467,689

* 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 adjustments 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 financial year.

A11. Inventories

There were no material write-off or write back of inventories for the quarter ended 31 March 2006.

A12. Changes in the composition of the Group

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

A13. Changes in contingent liabilities

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 financial year, the Group's significant acquisitions of property, plant and equipment are as follows :

	Current Year To date <u>RM'000</u>
Plant and machinery	860
Motor vehicles	1,027
Storage tank and pipelines	437
Office equipment, furniture, fittings and computers	1,934
Leasehold land and building	15,444
	<u>19,702</u>

A15. Capital commitments

The amount of commitments not provided for in the current financial year ended 31 March 2006 is as follows :

	Current Year To date <u>RM'000</u>
Property, plant and equipment	
Approved and contracted for	7,663
Approved but not contracted for	15,299
	<u>22,962</u>

A16. Related party transactions

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

KFB and its subsidiaries	Transacting parties	Relationship	Nature of transactions	RM'000
Kumpulan Fima Berhad	Jerneh Insurance Berhad	Common Shareholders/ Director	Purchase made - Insurance services	(66)
Fima Corporation Berhad	Nationwide Express Courier Services Bhd	Common Shareholders	Purchase made - delivery services	(110)
	Nationwide Express Courier Services Bhd	Common Shareholders	Purchase made - forwarding services	(61)
Fima-TLP Feedlot Sdn Bhd	Lee Pineapple Co. Pte. Ltd	Shareholder of Fima-TLP Feedlot Sdn Bhd	Purchase of cattle feeds	(188)

PART B-BURSA SECURITIES

B1. Review of performance

The Group's revenue for the year ended 31 March 2006 recorded an improvement of RM53.21 million or 21.5% to RM300.33 million from RM247.12 million in the same period last year. The improvement was mainly attributable to increase in demand of security and confidential documents in the manufacturing segment.

The Group's profit before taxation and minority interests higher by RM6.23 million from the preceding year of RM44.36 million (excluding net gain arising from disposal of an associated company of RM50.30 million) to RM50.59 million.

B2. Comparison with preceding quarter's results

The Group's profit before taxation for the current quarter is RM9.51 million, RM8.87 million lower as opposed to profit before taxation of RM18.38 million recorded in the preceding quarter. This is mainly attributable to lower contribution from manufacturing segment as a result of lower demand during the current quarter which is in line with the cyclical nature of some of its businesses.

B3. Prospects

Barring unforeseen circumstances, the Directors expect the performance of the Group to be satisfactory for the next financial year ending 31 March 2007.

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 Quarter RM'000	Year To-date RM'000
Income tax (credit)/charge	(531)	9,990
Over provision in previous years	(6,446)	(6,446)
Share of taxation of associated companies	97	532
	<u>(6,880)</u>	<u>4,076</u>

Note :

The net tax credit in the current quarter of RM6.88 million arising from over provision in income tax in prior years amounting to RM6.45 million.

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

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

B7. Purchase or disposal of quoted securities

There were no purchase or disposal of quoted securities during the current quarter except as disclosed below :

Disposal of quoted securities :

	Current Quarter RM'000	Year To-date RM'000
Sale proceeds	17	33
Cost of investment	20	21
(Loss)/gain on disposal	<u>(3)</u>	<u>12</u>

B8. Corporate proposals

(a) Status of Corporate Proposal

There were no corporate proposals announced but not completed at the date of this report except for the following:

On 27 January 2006, Fima Corporation Berhad ("FCB") 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 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 palm oil planting 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 FCB 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 and debt securities

	Current year To-date RM'000
Secured:	
Current	10,813
Non-current	49,792
	<u>60,605</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 31 December 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 case came up for Mention on 17 March 2006 and had been fixed for another Mention on 10 July 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 subsidiary, the amount of approximately of RM1.8 million has not been recognised in the income statement of the subsidiary.

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

Pursuant to the above, on 28 September 2001, FCB 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 the renovation costs and general damages arising from the early termination of the tenancy agreement at Airtel Complex, in Subang. The Board of FCB had sought the advice of the solicitors and was of the opinion that there should be no compensation payable to the plaintiff as the demised premises was acquired by a relevant authority, MAHB, which was provided in the Tenancy Agreement between FCB and the plaintiff.

On 24 June 2002, the plaintiff filed its amended Writ of Summons and Statement of Claims, naming MAHB as the second defendant and on 14 January 2003, served the same to FCB. On 20 January 2003, FCB's solicitors filed an amended Statement of Defence and on 22 April 2003, the second defendant obtained an order in terms from the Courts to strike out the plaintiff's claim.

The plaintiff served its Application for Summons in Chambers on FCB on 15 December 2003. Subsequently, FCB 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 2005, the plaintiff withdrew their Application for Summons in Chambers and the Court 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.

As at 31 March 2006, no provision has been recognised in the Company's financial statements.

- (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 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 (COMMEMEX) and counterclaimed for the storage fees of RM84,000 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 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.

Fima Palmbulk's application for Leave to Appeal to the Federal Court which has been fixed for Hearing on 2 May 2006 has been postponed to another date to be fixed later. The Federal Court has yet to fix any date for Hearing of the same.

- (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 ("Plaintiffs"). The Plaintiffs claimed for an alleged sum of RM1,726,656 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.

On 10 April 2006, the solicitors had filed the Company's application to strike out the Plaintiffs' suit and the Hearing of the said application has been fixed on 26 June 2006.

B12. Dividends

The Directors of the Company is recommending a final dividend of 2% less 28% taxation for the current financial year and subject to the approval of the shareholders at the forthcoming Annual General Meeting.

B13. Earnings per share

The basic earnings per share are calculated as follows:

	Individual Quarter		Cumulative Quarter	
	31-03-2006	31-03-2005	31-03-2006	31-03-2005
Net profit attributable to shareholders (RM'000)	13,740	7,018	34,295	73,763
Weighted average number of ordinary shares in issue ('000)	263,160	263,160	263,160	263,160
Earnings per share (sen)	<u>5.22</u>	<u>2.67</u>	<u>13.03</u>	<u>28.03</u>

By order of the Board

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

Kuala Lumpur
Dated : 24 May 2006