

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

Condensed Consolidated Income Statements
for the First Quarter Ended 30 June 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
	30-06-2005 RM'000	30-06-2004 RM'000	30-06-2005 RM'000	30-06-2004 RM'000
Revenue	69,593	53,268	69,593	53,268
Other operating income	1,346	520	1,346	520
Operating expenses	(61,386)	(44,674)	(61,386)	(44,674)
Profit from operations	9,553	9,114	9,553	9,114
Finance costs	(1,305)	(2,315)	(1,305)	(2,315)
Foreign exchange gain	279	284	279	284
Share of profit of associated companies	1,109	2,243	1,109	2,243
Profit before tax	9,636	9,326	9,636	9,326
Taxation	(2,686)	(2,539)	(2,686)	(2,539)
Profit after tax	6,950	6,787	6,950	6,787
Minority interest	(2,158)	(1,680)	(2,158)	(1,680)
Net profit for the period	4,792	5,107	4,792	5,107
<u>Earnings Per Share:</u>				
Basic (sen)	1.82	1.94	1.82	1.94

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 Sheet as at 30 June 2005
Except as disclosed otherwise, the figures have not been audited

	As At End Of Current Quarter 30-06-2005	As At Preceding Financial Year Ended 31-03-2005
	RM'000	RM'000
Property, plant and equipment	256,770	257,713
Plantation development expenditure	7,625	7,492
Investment in associated companies	22,700	21,740
Other investments	54	54
Deferred tax assets	3,621	3,621
Net goodwill on consolidation	390	414
	<u>291,160</u>	<u>291,034</u>
Current Assets		
Inventories	45,922	41,996
Trade & other receivables	57,562	49,347
Due from related companies	7	4
Cash and bank balances	65,654	80,796
	<u>169,145</u>	<u>172,143</u>
Current Liabilities		
Short term borrowings	17,175	20,554
Trade & other payables	55,191	56,855
Taxation	5,402	3,229
	<u>77,768</u>	<u>80,638</u>
Net Current Assets	<u>91,377</u>	<u>91,505</u>
	<u>382,537</u>	<u>382,539</u>
Represented by:		
Share capital	263,160	263,160
Reserves	(29,504)	(34,367)
Shareholders' equity	<u>233,656</u>	<u>228,793</u>
Minority interests	64,262	61,691
Long term liabilities		
Long term borrowings	59,188	66,189
Retirement benefit obligations	3,450	3,885
Deferred tax liabilities	21,981	21,981
	<u>382,537</u>	<u>382,539</u>
Net Tangible Assets Per Share (RM)	<u>0.89</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 First Quarter Ended 30 June 2005
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 gain	-	-	-	-	-	71	-	71
Net gain not recognised in income statement	-	-	-	-	-	71	-	71
Net profit for the period	-	-	-	-	-	-	4,792	4,792
At 30-06-2005	263,160	12,161	60,224	437	26,758	15,380	(144,464)	233,656

2004/5

	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	-	-	-	-	-	196	-	196
Net gain not recognised in income statement	-	-	-	-	-	196	-	196
Net profit for the period	-	-	-	-	-	-	5,107	5,107
At 30-06-2004	263,160	12,161	48,931	437	26,758	15,252	(216,328)	150,371

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 First Quarter Ended 30 June 2005**Except as disclosed otherwise, the figures have not been audited**

	← 3 Months Ended →	
	30-06-2005	30-06-2004
	<u>RM'000</u>	<u>RM'000</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,636	9,326
Adjustment for:		
Non-cash items	2,971	1,671
Operating profit before working capital changes	12,607	10,997
Increase in inventories	(3,725)	(8,289)
Increase in receivables	(5,907)	(8,529)
(Decrease)/increase in payables	(2,000)	8,358
Cash generated from operations	975	2,537
Interest paid	(1,305)	(2,315)
Taxes paid	(2,393)	(1,906)
Net cash generated from operating activities	<u>(2,723)</u>	<u>(1,684)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Plantation development expenditure	(451)	(391)
Proceeds from disposal of property, plant and equipment	161	26
Purchase of property, plant and equipment	(2,557)	(1,520)
Net dividend received from associated companies	-	1,908
Interest received	396	335
Net cash generated from investing activities	<u>(2,451)</u>	<u>358</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(10,000)	(1,000)
Net (repayment)/drawdown of short term borrowings	(5,767)	1,004
Proceeds from issuance of ordinary shares (ESOS) by a subsidiary	669	385
Acquisition of treasury shares by a subsidiary	(257)	(488)
Decrease in deposits on lien	570	-
Net cash used in financing activities	<u>(14,785)</u>	<u>(99)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(19,959)	(1,425)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	66,987	48,854
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	<u>47,028</u>	<u>47,429</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	12,562	17,000
Fixed deposit with financial institutions	47,028	33,303
Secured and unsecured bank overdrafts	(12,562)	(2,874)
	<u>47,028</u>	<u>47,429</u>
Cash and bank balances comprise:		
Cash and bank balances	12,562	17,000
Fixed deposit with financial institutions	47,028	33,303
	<u>59,590</u>	<u>50,303</u>
Deposit on lien	6,064	2,624
	<u>65,654</u>	<u>52,927</u>

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

Results of the Group have not been affected by seasonal or cyclical factors, except for 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 in the current period 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

There were no dividend paid during the current quarter.

A8. Segmental revenue and results for business segments

By industry segments.

Segments	← 30-06-2005 →		
	Revenue RM'000	Profit Before tax RM'000	Total Assets Employed RM'000
Manufacturing*	34,537	7,345	180,474
Bulking	6,976	1,917	157,975
Agrobased	24,838	602	117,642
Trading	4,070	303	14,217
Others	391	(1,617)	175,535
	<u>70,812</u>	<u>8,550</u>	<u>645,843</u>
Associated companies	-	1,109	22,700
	<u>70,812</u>	<u>9,659</u>	<u>668,543</u>
Consolidation adjustments	(1,219)	(23)	(208,238)
Group results	<u>69,593</u>	<u>9,636</u>	<u>460,305</u>

* 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 current quarter.

A11. Inventories

During the quarter, an amount of RM0.20 million was written back in respect of certain inventories which were previously written down.

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

	Current Year To date <u>RM'000</u>
Plant and machinery	619
Motor Vehicles	489
Storage tank and pipelines	227
Furniture, fittings and computers	653
	<u>1,988</u>

A15. Capital commitments

The Group's capital commitments for the current quarter are as follows:

	Current Year To date <u>RM'000</u>
Property, plant and equipment	
Approved and contracted for	16,194
Approved but not contracted for	11,772
	<u>27,966</u>

A16. Related party transactions

The material Group's 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	(10)
Fima Corporation Berhad	Nationwide Express Courier Services Bhd	Common Shareholder	Purchase made - delivery services	(38)
			Sale made - Printing	5
Fima-TLP Feedlot Sdn Bhd	Lee Pineapple Co. Pte. Ltd	Shareholder of Fima-TLP Feedlot Sdn Bhd	Purchase of cattle feeds	(35)

PART B-BURSA SECURITIES

B1. Review of performance

The Group's revenue for the first quarter ended 30 June 2005 recorded an improvement of RM16.32 million or 30.6% to RM69.59 million from RM53.27 million in the same period last year. The improvement was mainly contributed by the new clientele of the manufacturing division.

The Group's profit before taxation and minority interest improved from RM9.33 million to RM9.64 million or 3.3% in the same period last year. The increased in the cost of raw materials coupled with lower profit margin from the new clientele had effected the profit of the Group.

B2. Comparison with preceding quarter's results

The Group's profit before taxation for the current quarter of RM9.64 million is lower by RM1.24 million from RM10.88 million recorded in the preceding quarter. This is mainly due to higher foreign exchange gain recognised in the preceding quarter.

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 for the current quarter comprises the following:

	Current period	
	Quarter	To-date
	RM'000	RM'000
Income tax	2,537	2,537
Share of taxation of associated companies	149	149
	<u>2,686</u>	<u>2,686</u>

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 for the current quarter to-date is as follows:

	Current year To-date <u>RM'000</u>
At cost	<u>23</u>
At net book value	<u>23</u>
At market value	<u>28</u>

B8. Corporate proposals

There were no corporate proposals undertaken during period under review.

B9. Borrowings and debt securities

	Current year To-date <u>RM'000</u>
Secured:	
Current	17,175
Non-current	<u>59,188</u>
	<u>76,363</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 March 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 (COMDEX) 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 of success in its appeal.

The hearing date was fixed on 24 May 2005. However, the matter was postponed to another date as the Grounds of Judgment had not been extracted from the court.

B12. Dividends

The Directors of the Company do not recommend any interim dividend during the current quarter.

B13. Earnings per share

The basic earnings per share are calculated as follows:

	Individual Quarter		Cumulative Quarter	
	30-06-2005	30-06-2004	30-06-2005	30-06-2004
Net profit attributable to shareholders (RM'000)	4,792	5,107	4,792	5,107
Number of ordinary shares in issue ('000)	263,160	263,160	263,160	263,160
Earnings per share (sen)	<u>1.82</u>	<u>1.94</u>	<u>1.82</u>	<u>1.94</u>

By order of the Board

MOHD YUSOF BIN PANDAK YATIM (MIA 4110)

NASLIZA MOHD NASIR (LS 08653)

Company Secretaries

Kuala Lumpur

Dated : 29 August 2005