

FIAMMA HOLDINGS BERHAD

Quarterly Report on consolidated results for the 4th quarter ended 30 September 2011

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited).

	INDIVIDUAL QUARTER (Q4)		CUMULATIVE QUARTER (12 MONTHS)	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30/09/2011	30/09/2010	30/09/2011	30/09/2010
	RM'000	RM'000	RM'000	RM'000
Revenue	63,436	54,249	225,494	200,688
Operating expenses	(52,417)	(45,378)	(180,866)	(165,118)
Other operating income	352	194	974	1,077
Profit from operations	11,371	9,065	45,602	36,647
Finance costs	(388)	(463)	(1,527)	(2,403)
Depreciation and amortisation	(799)	(1,007)	(3,385)	(3,992)
Profit before taxation	10,184	7,595	40,690	30,252
Taxation	(2,762)	(1,999)	(10,436)	(7,793)
Profit for the period	7,422	5,596	30,254	22,459
Other comprehensive income				
Foreign exchange translation difference	47	56	217	(191)
Revaluation of property, plant and equipment	20,433	-	20,433	-
Total comprehensive income	27,902	5,652	50,904	22,268
Profit for the period attributable to:				
Owners of the Company	6,789	5,196	27,782	20,402
Non-Controlling Interest	633	400	2,472	1,977
Profit for the period	7,422	5,596	30,254	22,459
Total comprehensive income for the period attributable to:				
Owners of the Company	27,255	5,235	48,367	20,349
Non-Controlling Interest	647	417	2,537	1,919
Total comprehensive income	27,902	5,652	50,904	22,268
Basic earnings per share (sen) (Refer Note B13)	5.76	4.41	23.56	17.37
Diluted earnings per share (sen) (Note 1)	-	-	-	-

Note 1: The effect is anti-dilutive

This Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes attached to the interim financial statements and the audited financial statements for the financial year ended 30 September 2010.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2011
(The figures have not been audited).

	AS AT 30/09/2011	AS AT 30/09/2010 (restated)
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	62,739	46,082
Intangible assets	827	1,046
Investment properties	14,794	18,808
Land held for property development	61,446	59,943
Deferred tax assets	113	188
	139,919	126,067
Current assets		
Asset held for sale	3,000	-
Property development costs	25,010	19,566
Inventories	53,521	49,947
Trade and other receivables	65,376	56,055
Prepayments	760	600
Tax recoverable	143	282
Cash and cash equivalents	37,798	26,228
	185,608	152,678
TOTAL ASSETS	325,527	278,745
EQUITY		
Share capital	125,149	125,149
Treasury shares	(5,775)	(5,775)
Reserves and retained earnings	112,164	70,282
Total equity attributable to owners of the Company	231,538	189,656
Non-controlling interests	10,237	8,139
TOTAL EQUITY	241,775	197,795
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	5,849	8,145
	5,849	8,145
Current liabilities		
Trade and other payables	35,089	33,517
Provision for warranties	475	425
Borrowings	41,164	38,268
Taxation	1,175	595
	77,903	72,805
TOTAL LIABILITIES	83,752	80,950
TOTAL EQUITY AND LIABILITIES	325,527	278,745
Net assets per share (RM)	1.96	1.61

This Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes attached to the interim financial statements and the audited financial statements for the financial year ended 30 September 2010.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011

(The figures have not been audited).

	ATTRIBUTABLE TO OWNERS OF THE COMPANY										NON-CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	TRANSLATION RESERVE RM'000	REVALUATION RESERVE RM'000	RETAINED EARNINGS RM'000					
At 1 October 2010	125,149	-	46	421	(42)	3,042	66,802	8,152				197,795
- as previously stated	-	(5,775)	-	-	13	-	-	(13)				-
- effect of adopting revised FRS 101	125,149	(5,775)	46	421	(29)	3,042	66,802	8,139				197,795
At 1 October 2010 restated												
Total comprehensive income for the period	-	-	-	-	152	-	27,782	2,537				30,471
Revaluation of property, plant and equipment	-	-	-	-	-	20,433	-	-				20,433
Revaluation reserve transferred to retained earnings upon realisation	-	-	-	-	-	(99)	99	-				-
Dividends	-	-	-	-	-	-	(6,485)	(439)				(6,924)
At 30 September 2011	125,149	(5,775)	46	421	123	23,376	88,198	10,237				241,775

This Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes attached to the interim financial statements and the audited financial statements for the financial year ended 30 September 2010.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011

(The figures have not been audited).

	ATTRIBUTABLE TO OWNERS OF THE COMPANY								NON-CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	SHARE PREMIUM RM'000	CAPITAL RESERVE RM'000	TRANSLATION RESERVE RM'000	REVALUATION RESERVE RM'000	RETAINED EARNINGS RM'000			
At 1 October 2009	125,149	(5,775)	46	421	149	3,251	50,827		6,625	180,693
- as previously stated	-	-	-	-	(45)	-	-		45	-
- effect of adopting revised FRS 101										
At 1 October 2009 restated	125,149	(5,775)	46	421	104	3,251	50,827		6,670	180,693
Total comprehensive income for the period	-	-	-	-	(133)	-	20,482		1,919	22,268
Revaluation reserve transferred to retained earnings upon realisation	-	-	-	-	-	(209)	209		-	-
Dividends	-	-	-	-	-	-	(4,716)		(450)	(5,166)
At 30 September 2010 restated	125,149	(5,775)	46	421	(29)	3,042	66,802		8,139	197,795

This Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes attached to the interim financial statements and the audited financial statements for the financial year ended 30 September 2010.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE 12 MONTHS ENDED 30 SEPTEMBER 2011
(The figures have not been audited).

	12 MONTHS	12 MONTHS
	ENDED 30/09/2011	ENDED 30/09/2010
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	40,690	30,252
Adjustments	7,313	8,664
Operating profit before working capital changes	48,003	38,916
Changes in working capital:		
Inventories	(5,802)	(8,753)
Property development costs	(5,444)	394
Trade and other receivables	(9,086)	(8,427)
Prepayments	(160)	(173)
Trade and other payables	1,747	1,991
Cash generated from operations	29,258	23,948
Interest paid	(1,184)	(2,026)
Tax paid net of refund	(9,538)	(8,432)
Net cash generated from operating activities	18,536	13,490
Cash flows from investing activities		
Interest received	387	149
Land held for property development	(1,503)	-
Proceeds from disposal of property, plant and equipment	256	2
Proceeds from disposal of investment property	-	2,493
Purchase of property, plant and equipment	(2,122)	(1,096)
Net cash (used in)/generated from investing activities	(2,982)	1,548
Cash flows from financing activities		
Borrowings	2,896	(8,065)
Dividend paid to non-controlling interest	(439)	(450)
Dividend paid	(6,485)	(4,716)
Net cash used in financing activities	(4,028)	(13,231)
Net increase in cash and cash equivalents	11,526	1,807
Cash and cash equivalents at beginning of period	26,228	24,493
Effect of exchange rate fluctuation on cash held	44	(72)
Cash and cash equivalents at end of period	37,798	26,228

Cash and cash equivalents

Deposits placed with licensed banks	17,343	12,343
Cash and bank balances	20,455	13,885
	<u>37,798</u>	<u>26,228</u>

This Condensed Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes attached to the interim financial statements and the audited financial statements for the financial year ended 30 September 2010.

Fiamma Holdings Berhad (Company No: 88716-W)

("Fiamma" or "the Company")

Notes to the interim financial statements for the financial quarter ended 30 September 2011.

A. Compliance with Financial Reporting Standards ("FRS") 134, Interim Financial Reporting

AI. Accounting Policies

The interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") and FRS 134, *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements of the Group as at and for the financial year ended 30 September 2010.

The following notes 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 30 September 2010.

The interim financial statements have been prepared using the accounting policies and methods of computation consistent with the most recent audited financial statements of the Group for the financial year ended 30 September 2010, except for the adoption of the following new Financial Reporting Standards ("FRSs"), Amendments to FRSs and IC Interpretations effective for the annual period beginning on or after 1 January 2010, 1 March 2010 and 1 July 2010 as disclosed below:

FRS 7, Financial Instruments: Disclosures

Prior to the adoption of FRS 7, the disclosures for financial instruments were based on the requirements of the original FRS 132, *Financial Instruments: Disclosure and Presentation*. With the adoption of FRS 7, financial assets and financial liabilities are disclosed in the statement of financial position based on their respective classification. Additional disclosure regarding the nature and extent of risks from financial instruments to which the entity is exposed and how the entity manages those risks are required in the year end financial statements.

FRS 101, Presentation of Financial Statements (revised)

The Group has applied revised FRS 101 as of 1 October 2010. As a result, the Group presents all non-owner changes in equity in the consolidated statement of comprehensive income.

A1. Accounting Policies (continued)

Comparative information has been re-presented so that it is in conformity with the revised standard. Since the change only affects presentation aspects, there is no impact on the earnings per ordinary share.

The following comparative figures have been restated following the adoption of the revised FRS 101:

	30 September 2010	
	As restated	As previously stated
	RM'000	RM'000
Reserves and retained earnings	70,282	70,269
Non-controlling interest	8,139	8,152
	=====	=====

Amendment to FRS 117, Leases

Prior to the adoption of Amendment to FRS 117, the Group had classified leasehold land that has an indefinite economic life and whose title is not expected to pass to the lessee by the end of the lease term as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as prepaid lease payment that is amortised over the lease term in accordance with the pattern of benefits provided.

On the adoption of Amendment to FRS 117, lease of a leasehold land which is in substance a financial lease has been reclassified to property, plant and equipment. The following comparative figures have been restated following the adoption of the amendment to FRS 117:

	30 September 2010	
	As restated	As previously stated
	RM'000	RM'000
Property, plant and equipment	46,082	31,216
Prepaid lease payments	-	14,866
	=====	=====

This reclassification does not affect the basic and diluted earnings per ordinary share for the current and prior periods.

FRS 139: Financial Instruments – Recognition and Measurement

Prior to the adoption of FRS 139, financial derivatives are recognised on their settlement dates. Outstanding derivatives at the balance sheet date were not recognised. With the adoption of FRS 139, all financial assets and financial liabilities, including derivatives, are recognised at contract dates when, and only when, the company or any subsidiary company becomes a party to the contractual provision of the instruments.

A1. Accounting Policies (continued)

In accordance with FRS 139, the recognition, derecognition, measurement and hedge accounting requirements are applied prospectively from 1 October 2010.

Derivatives

Prior to the adoption of FRS 139, derivative contracts were recognised in the financial statements on settlement date. With the adoption of FRS 139, derivative contracts are now categorised as fair value through profit or loss and measured at their fair values with the gain or loss recognised in the profit or loss.

IC Interpretation 10, Interim Financial Reporting and Impairment

IC Interpretation 10 prohibits the reversal of an impairment loss that has been recognised in an interim period during a financial year in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. In accordance with the transitional provisions, the Group will apply IC Interpretation 10 prospectively from the date the Group first applied the measurement criteria of FRS 136, *Impairment of Assets* and FRS 139 respectively. The adoption of IC Interpretation 10 does not have any impact to the financial statements of the Group as no reversal of such impairment loss has been made in the current or previous periods.

A2. Report of the Auditors to the Members of Fiamma

The reports of the auditors to the members of Fiamma and its subsidiary companies on the financial statements for the financial year ended 30 September 2010 were not subject to any qualification and did not include any adverse comments made under Section 174 (3) of the Companies Act, 1965.

A3. Seasonality or Cyclicity of Interim Operations

The business of the Group was not subject to material seasonal or cyclical fluctuations.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There are no unusual items affecting assets, liabilities, equity, net income or cash flows for the current quarter and financial year ended 30 September 2011.

A5. *Material Changes in Estimates of Amounts Reported*

There were no material changes in estimates used in reporting the current year as compared to the financial statement of the Group for the financial year ended 30 September 2010.

A6. *Debt and Equity Securities*

As at 30 September 2011, total number of treasury shares was 7,234,900, representing 5.8% of the total paid-up share capital of the Company. These shares were being held and retained as treasury shares as defined under Section 67A of the Companies Act, 1965.

There were no issuance, cancellation, resale and repayments of debt and equity securities for the current quarter and current financial year ended 30 September 2011.

A7. *Dividend Paid*

No dividend was paid during the current quarter.

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A8. Segment Information

The Group's financial information analysed by operating segments is as follows:

	Investment Holding & Property Investment RM'000	Property Development RM'000	Trading & Services RM'000	Elimination RM'000	Total RM'000
For the financial year ended 30 September 2011					
<u>Operating Segments</u>					
External revenue	618	4,268	220,608	-	225,494
Inter-segment revenue	10,843	-	16,427	(27,270)	-
Total revenue	11,461	4,268	237,035	(27,270)	225,494
Segment results	(1,092)	139	43,170	-	42,217
Finance costs	(2)	-	(1,525)	-	(1,527)
(Loss)/profit before taxation	(1,094)	139	41,645	-	40,690
For the financial year ended 30 September 2010					
<u>Operating Segments</u>					
External revenue	728	2,639	197,321	-	200,688
Inter-segment revenue	8,116	-	32,233	(40,349)	-
Total revenue	8,844	2,639	229,554	(40,349)	200,688
Segment results	(490)	(492)	33,637	-	32,655
Finance costs	(1)	(1,095)	(1,307)	-	(2,403)
(Loss)/profit before taxation	(491)	(1,587)	32,330	-	30,252
As at 30 September 2011					
<u>Assets</u>					
Operating assets	164,556	91,532	199,536	(130,354)	325,270
Tax assets					257
Total assets					325,527
As at 30 September 2010					
<u>Assets</u>					
Operating assets	152,749	86,357	173,198	(134,029)	278,275
Tax assets					470
Total assets					278,745

A9. Property, Plant and Equipment

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses.

A10. Events Subsequent to the end of the Financial Period

There were no material events as at 16 November 2011, being the date not earlier than 7 days from the date of this announcement that will affect the financial results of the financial year under review.

A11. Changes in Composition of the Group

There were no changes in the composition of the Group for the current quarter and the period up to 16 November 2011, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

A12. Contingent Liabilities

Contingent liabilities of the Group are as follows:

	16 Nov 2011	30 Sept 2010
	RM'000	RM'000
Guarantees to financial institutions for facilities granted to subsidiary companies	120,125	109,112
	=====	=====

B. Compliance with Bursa Malaysia Listing Requirements.

B1. Review of the Performance of the Group

	Current financial year ended 30 Sept 2011 RM'000	Preceding financial year ended 30 Sept 2010 RM'000
Revenue	225,494	200,688
Profit before taxation	40,690	30,252

The Group recorded a higher revenue of RM225.494 million for the current financial year ended 30 September 2011 as compared to RM200.688 million achieved in the preceding financial year ended 30 September 2010. The increase in Group revenue was mainly due to improved performance of the trading and services segment arising from increase in demand for the Group's products and increase in product range. The Group recorded a higher profit before taxation of RM40.690 million for the current financial year ended 30 September 2011 as compared to RM30.252 million in the preceding financial year ended 30 September 2010. The increase in profit before taxation was mainly attributable to increase in revenue.

B2. Comparison with Preceding Quarter's Results

	Current quarter ended 30 Sept 2011 RM'000	Preceding quarter ended 30 June 2011 RM'000
Revenue	63,436	58,510
Profit before taxation	10,184	12,165

The Group recorded a higher revenue of RM63.436 million for the current quarter ended 30 September 2011 compared to RM58.510 million achieved in the preceding quarter ended 30 June 2011. However, the Group recorded a lower profit before taxation of RM10.184 million for the current quarter compared to RM12.165 million recorded in the preceding quarter ended 30 June 2011 due to higher operating expenses incurred in the current quarter.

B3. Prospects

The Group will continue to enhance its customer and product base and raise the awareness of the Group's products through aggressive advertising and promotional activities for the trading and services segment.

The Group's property development activities in Kota Tinggi, Johor is on-going and new phases of double-storey residential houses are expected to be launched in the first quarter of financial year 2012. The two vacant pieces of land that are strategically located in the vicinity of Jalan Tuanku Abdul Rahman and Jalan Yap Kwan Seng in Kuala Lumpur City Centre and which are intended for commercial development, are expected to have good development potentials for high end commercial properties. Construction of the commercial properties in Jalan Tuanku Abdul Rahman is expected to commence in the second quarter of financial year 2012.

B4. Profit Forecast or Profit Guarantee

Not applicable.

B5. Taxation

Taxation comprises the following:

	Current quarter ended 30 Sept 2011 RM'000	Financial year ended 30 Sept 2011 RM'000
Current year tax expense	2,802	10,357
Deferred tax expense	66	179
	<hr/> 2,868	<hr/> 10,536
Prior year tax expense	(106)	(100)
	<hr/> 2,762	<hr/> 10,436
	<hr/> RM'000	<hr/> RM'000
Profit before taxation	10,184	40,690
	<hr/> 2,546	<hr/> 10,172
Tax at the statutory income tax rates	322	364
Other tax effects	<hr/> 2,868	<hr/> 10,536
Tax expense	(106)	(100)
Prior year tax expense	<hr/> 2,762	<hr/> 10,436
Tax expense	<hr/> <hr/> 2,762	<hr/> <hr/> 10,436

B6. Sale of Unquoted Investments and/or Properties

The gain on disposal of property, plant and equipment for the financial quarter and financial year ended 30 September 2011 was RM111,000 and RM212,000 respectively.

B7. Investment in Quoted Securities

There were no purchases or disposals of quoted securities during the current quarter and financial year ended 30 September 2011.

B8. Status of Corporate Proposal

On 11 May 2011, Active Edge Sdn Bhd (“AESB”), a 100% owned subsidiary of Fiamma, entered into a Sale and Purchase Agreement (“SPA”) with a third party for the disposal of its investment property comprising a piece of freehold land and building for a cash consideration of RM3,000,000. The disposal consideration was arrived at on a willing buyer-willing seller basis. The transaction was completed on 14 October 2011.

B9. Group Borrowings and Debt Securities

The Group’s borrowings as at 30 September 2011 are as follows:

	Secured RM’000	Unsecured RM’000	Total RM’000
Current			
Repayable within 12 months			
Bills payable	-	34,164	34,164
Revolving credit	7,000	-	7,000
Total	<u>7,000</u>	<u>34,164</u>	<u>41,164</u>
	=====	=====	=====

B10. Derivatives

There is no foreign currency forward contract as at 30 September 2011.

B11. Changes in Material Litigation

There was no impending material litigation as at 16 November 2011, being the date not earlier than 7 days from the date of this announcement, other than as disclosed in the most recent audited financial statements for the financial year ended 30 September 2010.

B12. Dividend

No interim dividend was declared for the current quarter and financial year ended 30 September 2011.

The Directors recommend a final single tier dividend of 7 sen amounting to RM8,254,000 in respect of the financial year ended 30 September 2011, which is subject to the approval of the owners of the Company at the forthcoming Annual General Meeting. The proposed dividend has not been included in the financial statements.

B13. Earnings per share

Basic earnings per share

The basic earnings per share for the current quarter and financial year ended 30 September 2011 is calculated by dividing the Group's net profit attributable to the owners of the Company of RM6.789 million and RM27.782 million, by the weighted average number of ordinary shares outstanding during the current quarter and financial year ended 30 September 2011 of 117,914,000.

	Current quarter ended 30 Sept 2011 '000	Financial year ended 30 Sept 2011 '000
Issued ordinary shares net of treasury shares at beginning and end of the year	117,914 =====	117,914 =====
Basic earnings per share (sen)	5.76 =====	23.56 =====

Diluted earnings per share

The effect is anti-dilutive.

B14. Provision of Financial Assistance

The amount of financial assistance provided by the Company and its subsidiaries to its non wholly-owned subsidiaries pursuant to paragraph 8.23(1) of the Listing Requirements is as follows:-

Type of transactions	Cumulative value as at 1 July 2011 RM'000	Value provided during the quarter RM'000	Cumulative value as at 30 Sept 2011 RM'000
Corporate guarantees to financial institutions for trade facilities granted to non wholly-owned subsidiaries	22,375	(1,465)	20,910
Advances to non wholly-owned subsidiaries	466	(83)	383

The above financial assistance does not have a material financial impact on the Group.

B15. Realised and unrealised profits

	Current quarter ended 30 Sept 2011 RM'000	Financial year ended 30 Sept 2011 RM'000
Total retained profits		
- Unrealised profits	13,768	13,559
- Realised profits	8,649	126,436
	<u>22,417</u>	<u>139,995</u>
Less: Consolidation adjustments	(15,560)	(51,797)
Total retained profits as per condensed consolidated statement of changes in equity	<u>6,857</u>	<u>88,198</u>

No comparative figure is required in the first year of complying with the realised and unrealised disclosure.

This announcement is dated 23 November 2011.