

FIAMMA HOLDINGS BERHAD

Quarterly Report on consolidated results for the third quarter ended 30 June 2017

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

| | NOTE | INDIVIDUAL QUARTER (Q3) | | CUMULATIVE QUARTER (9 MONTHS) | |
|--|------|-------------------------|-----------------------|-------------------------------|----------------------|
| | | CURRENT YEAR | PRECEDING YEAR | CURRENT YEAR | PRECEDING YEAR |
| | | QUARTER | CORRESPONDING QUARTER | TO DATE | CORRESPONDING PERIOD |
| | | 30 JUNE 2017 | 30 JUNE 2016 | 30 JUNE 2017 | 30 JUNE 2016 |
| | | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | 83,794 | 79,483 | 225,641 | 210,520 |
| Operating expenses | | (72,648) | (68,544) | (198,192) | (187,191) |
| Other operating income | | 721 | 456 | 2,503 | 3,788 |
| Profit from operations | | 11,867 | 11,395 | 29,952 | 27,117 |
| Finance costs | | (1,273) | (1,472) | (3,318) | (4,363) |
| Depreciation and amortisation | | (1,288) | (1,069) | (3,905) | (3,147) |
| Profit before taxation | | 9,306 | 8,854 | 22,729 | 19,607 |
| Taxation | B5 | (2,667) | (2,708) | (6,888) | (5,932) |
| Profit for the period | | 6,639 | 6,146 | 15,841 | 13,675 |
| Other comprehensive income | | | | | |
| Foreign exchange translation difference | | (247) | 336 | 367 | (557) |
| Total comprehensive income | | 6,392 | 6,482 | 16,208 | 13,118 |
| Profit for the period attributable to: | | | | | |
| Owners of the Company | | 6,379 | 5,961 | 14,373 | 12,276 |
| Non-controlling Interest | | 260 | 185 | 1,468 | 1,399 |
| Profit for the period | | 6,639 | 6,146 | 15,841 | 13,675 |
| Total comprehensive income for the period attributable to: | | | | | |
| Owners of the Company | | 6,206 | 6,196 | 14,629 | 11,886 |
| Non-controlling Interest | | 186 | 286 | 1,579 | 1,232 |
| Total comprehensive income | | 6,392 | 6,482 | 16,208 | 13,118 |
| Basic earnings per share (sen) | B11 | 1.25 | 1.21 | 2.81 | 2.42 |
| Diluted earnings per share (sen) | B11 | 1.18 | 1.21 | 2.67 | 2.42 |

Notes:

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 2016

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017
(The figures have not been audited)

| | NOTE | AS AT 30 JUNE 2017 | AS AT 30 SEPT 2016 |
|---|------|-----------------------|-----------------------|
| | | RM'000 | RM'000 |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | | 97,242 | 99,934 |
| Investment properties | | 75,684 | 75,684 |
| Intangible assets | | 500 | 500 |
| Land held for property development | | 27,980 | 27,980 |
| Deferred tax assets | | 2,194 | 1,956 |
| | | <u>203,600</u> | <u>206,054</u> |
| Current assets | | | |
| Property development costs | | 262,519 | 242,902 |
| Inventories | | 66,683 | 71,862 |
| Trade and other receivables | | 97,404 | 88,641 |
| Prepayments | | 1,627 | 1,129 |
| Tax recoverable | | 2,617 | 2,433 |
| Cash and cash equivalents | | 69,613 | 87,638 |
| | | <u>500,463</u> | <u>494,605</u> |
| TOTAL ASSETS | | <u>704,063</u> | <u>700,659</u> |
| EQUITY | | | |
| Share capital | | 265,028 | 264,951 |
| Treasury shares | | (10,052) | (4,649) |
| Reserves and retained earnings | | 176,671 | 169,473 |
| Total equity attributable to owners of the Company | | <u>431,647</u> | <u>429,775</u> |
| Non-controlling interest | | <u>21,797</u> | <u>21,123</u> |
| TOTAL EQUITY | | <u>453,444</u> | <u>450,898</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Loans and borrowings | B7 | 101,856 | 101,817 |
| Other payables | | 12,749 | 12,749 |
| Deferred tax liabilities | | 4,968 | 5,152 |
| | | <u>119,573</u> | <u>119,718</u> |
| Current liabilities | | | |
| Loans and borrowings | B7 | 77,524 | 66,141 |
| Trade and other payables | | 51,673 | 62,087 |
| Provision for warranties | | 400 | 400 |
| Taxation | | 1,449 | 1,415 |
| | | <u>131,046</u> | <u>130,043</u> |
| TOTAL LIABILITIES | | <u>250,619</u> | <u>249,761</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>704,063</u> | <u>700,659</u> |
| Net assets per share (RM) | | <u>0.84</u> | <u>0.82</u> |

Notes:

- 1) 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 2016.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS ENDED 30 JUNE 2017
(The figures have not been audited)

| NOTE | ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | | | | | | 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 | SHARE OPTION RESERVE RM'000 | RETAINED EARNINGS RM'000 | TOTAL RM'000 | NON-CONTROLLING INTEREST RM'000 | |
| | | | | | | | | | | | |
| At 1 October 2016 | 264,951 | (4,649) | - | 421 | 1,712 | 28,300 | 630 | 138,410 | 429,775 | 21,123 | 450,898 |
| Total comprehensive income for the financial period | | | | | | | | | | | |
| - Foreign exchange translation reserve | - | - | - | - | 256 | - | - | - | 256 | 111 | 367 |
| - Profit for the financial period | - | - | - | - | - | - | - | 14,373 | 14,373 | 1,468 | 15,841 |
| Total comprehensive income for the financial period | - | - | - | - | 256 | - | - | 14,373 | 14,629 | 1,579 | 16,208 |
| <i>Contribution by and (distributions to) owners of the Company</i> | | | | | | | | | | | |
| - Dividends to owners of the company | - | - | - | - | - | - | - | (7,756) | (7,756) | - | (7,756) |
| - Share-based payment transactions | 10 | - | - | - | - | - | 325 | - | 335 | - | 335 |
| - Issue of shares | 67 | - | - | - | - | - | - | - | 67 | - | 67 |
| - Own shares acquired | - | (5,403) | - | - | - | - | - | - | (5,403) | - | (5,403) |
| Total transactions with owners of the Company | 77 | (5,403) | - | - | - | - | 325 | (7,756) | (12,757) | - | (12,757) |
| Dividends paid by subsidiaries to non-controlling interest | - | - | - | - | - | - | - | - | - | (905) | (905) |
| At 30 June 2017 | 265,028 | (10,052) | - | 421 | 1,968 | 28,300 | 955 | 145,027 | 431,647 | 21,797 | 453,444 |

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 2016.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE 9 MONTHS ENDED 30 JUNE 2017

(The figures have not been audited)

| ATTRIBUTABLE TO OWNERS OF THE COMPANY | | | | | | | | | | | |
|---|----------------|----------------|----------|------------|--------------|---------------|------------|----------------|----------------|---------------|----------------|
| NOTE | SHARE | TREASURY | SHARE | CAPITAL | TRANSLATION | REVALUATION | SHARE | RETAINED | TOTAL | NON- | TOTAL |
| | CAPITAL | SHARES | PREMIUM | RESERVE | RESERVE | RESERVE | OPTION | EARNINGS | | CONTROLLING | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | INTEREST | RM'000 |
| At 1 October 2015 | 144,725 | (6,044) | 46 | 421 | 1,934 | 20,821 | - | 208,085 | 369,988 | 19,695 | 389,683 |
| Total comprehensive income for the financial period | | | | | | | | | | | |
| - Foreign exchange translation reserve | - | - | - | - | (390) | - | - | - | (390) | (167) | (557) |
| - Profit for the financial period | - | - | - | - | - | - | - | 12,276 | 12,276 | 1,399 | 13,675 |
| Total comprehensive income for the financial period | - | - | - | - | (390) | - | - | 12,276 | 11,886 | 1,232 | 13,118 |
| <i>Contribution by and (distributions to) owners of the Company</i> | | | | | | | | | | | |
| - Exercise of warrants | 32,628 | - | - | - | - | - | - | - | 32,628 | - | 32,628 |
| - Dividends to owners of the company | - | - | - | - | - | - | - | (12,660) | (12,660) | - | (12,660) |
| - Share-based payment transactions | - | - | - | - | - | - | 445 | - | 445 | - | 445 |
| - Own shares acquired/sold | - | 3,969 | 7,543 | - | - | - | - | - | 11,512 | - | 11,512 |
| - Corporate exercise expenses | - | - | (223) | - | - | - | - | - | (223) | - | (223) |
| Total transactions with owners of the Company | 32,628 | 3,969 | 7,320 | - | - | - | 445 | (12,660) | 31,702 | - | 31,702 |
| Bonus issue | 87,598 | - | (7,366) | - | - | - | - | (80,232) | - | - | - |
| Changes in ownership interest in a subsidiary | - | - | - | - | - | - | - | - | - | 44 | 44 |
| Dividends paid by subsidiaries to non-controlling interest | - | - | - | - | - | - | - | - | - | (647) | (647) |
| At 30 June 2016 | 264,951 | (2,075) | - | 421 | 1,544 | 20,821 | 445 | 127,469 | 413,576 | 20,324 | 433,900 |

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 2016.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 9 MONTHS ENDED 30 JUNE 2017

(The figures have not been audited)

| | NOTE | 9 MONTHS ENDED 30 June 2017 RM'000 | 9 MONTHS ENDED 30 June 2016 RM'000 |
|---|------|---|---|
| Cash flows from operating activities | | | |
| Profit before taxation | | 22,729 | 19,607 |
| Adjustments | | 9,702 | 7,035 |
| Operating profit before changes in working capital | | 32,431 | 26,642 |
| Changes in working capital: | | | |
| Inventories | | 3,368 | (8,513) |
| Prepayments | | (498) | (965) |
| Property development costs | | (19,617) | (21,418) |
| Trade and other receivables | | (10,981) | 4,043 |
| Trade and other payables | | (10,414) | (17,672) |
| Cash and bank balance held under Housing Development Account | | 1,223 | 802 |
| Cash used in operations | | (4,488) | (17,081) |
| Tax paid net of refund | | (7,460) | (8,917) |
| Net cash used in operating activities | | (11,948) | (25,998) |
| Cash flows from investing activities | | | |
| Acquisition of property, plant and equipment | | (1,454) | (5,132) |
| Acquisition of land held for property development | | - | (1,500) |
| Interest received | | 1,348 | 2,013 |
| Proceeds from disposal of property, plant and equipment | | 372 | 36 |
| Net cash generated from/(used in) investing activities | | 266 | (4,583) |
| Cash flows from financing activities | | | |
| Dividends paid to non-controlling interest | | (905) | (647) |
| Dividends paid to owners of the Company | | (7,756) | (12,660) |
| Drawdown of borrowings - net | | 11,126 | 7,358 |
| Own shares sold/(acquired) (net) | | (5,403) | 11,289 |
| Proceeds from the issuance of share capital | | 67 | - |
| Interest paid | | (2,912) | (4,072) |
| Proceeds from exercise of warrants | | - | 32,628 |
| Net cash (used in)/generated from financing activities | | (5,783) | 33,896 |
| Net (decrease)/increase in cash and cash equivalents | | (17,465) | 3,315 |
| Cash and cash equivalents at beginning of period | | 85,709 | 79,217 |
| Effect of exchange rate fluctuation on cash held | | 367 | (81) |
| Cash and cash equivalents at end of period | | 68,611 | 82,451 |
| Cash and cash equivalents | | | |
| Cash and bank balance and deposits placed with licensed banks | | 69,613 | 85,809 |
| Bank overdraft | | (296) | (980) |
| Cash and bank balances held under Housing Development Account | | (706) | (2,378) |
| | | 68,611 | 82,451 |

This Condensed Consolidated Statement of Cash Flows 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 2016.