

FIAMMA HOLDINGS BERHAD

Quarterly Report on consolidated results for the second quarter ended 31 March 2020

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

	NOTE	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 MONTHS)	
		CURRENT YEAR QUARTER 31 MAR 2020 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31 MAR 2019 RM'000	CURRENT YEAR TO DATE 31 MAR 2020 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31 MAR 2019 RM'000
Revenue		106,815	79,643	181,814	159,790
Cost of sales		(70,048)	(55,669)	(121,998)	(110,514)
Gross profit		36,767	23,974	59,816	49,276
Operating expenses		(14,065)	(13,258)	(26,218)	(25,525)
Other operating income		909	1,240	1,985	2,328
Profit from operations		23,611	11,956	35,583	26,079
Finance costs		(2,891)	(1,939)	(5,199)	(3,810)
Depreciation and amortisation		(829)	(979)	(1,650)	(2,126)
Profit before tax		19,891	9,038	28,734	20,143
Tax expense	B5	(5,204)	(2,336)	(7,577)	(5,060)
Profit for the period		14,687	6,702	21,157	15,083
Other comprehensive income					
Foreign exchange translation difference		(14)	(161)	47	(132)
Total comprehensive income		14,673	6,541	21,204	14,951
Profit for the period attributable to:					
Owners of the Company		14,134	6,000	19,902	13,427
Non-controlling Interest		553	702	1,255	1,656
Profit for the period		14,687	6,702	21,157	15,083
Total comprehensive income for the period attributable to:					
Owners of the Company		14,123	5,880	19,936	13,327
Non-controlling Interest		550	661	1,268	1,624
Total comprehensive income		14,673	6,541	21,204	14,951
Basic earnings per share (sen)	B10	2.88	1.19	4.06	2.67
Diluted earnings per share (sen)	B10	2.88	1.19	4.06	2.67

Note:

At 31 March 2020, the effect on the earnings per share in respect of potential ordinary shares from the exercise of share option 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 2019.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020
(The figures have not been audited)

	NOTE	AS AT 31 MAR 2020 RM'000	AS AT 30 SEPT 2019 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		98,133	98,650
Investment properties		77,339	77,339
Inventories		131,689	150,945
Deferred tax assets		5,789	5,558
		<u>312,950</u>	<u>332,492</u>
Current assets			
Inventories		262,989	272,864
Contract assets		18,816	18,464
Contract costs		2,791	3,949
Trade and other receivables		84,356	95,791
Prepayments		1,591	1,011
Current tax assets		507	176
Cash and cash equivalents		128,193	83,325
		<u>499,243</u>	<u>475,580</u>
TOTAL ASSETS		<u>812,193</u>	<u>808,072</u>
EQUITY			
Share capital		265,030	265,030
Treasury shares		(10,103)	(9,073)
Reserves and retained earnings		253,722	233,544
Total equity attributable to owners of the Company		<u>508,649</u>	<u>489,501</u>
Non-controlling interest		25,771	24,503
TOTAL EQUITY		<u>534,420</u>	<u>514,004</u>
LIABILITIES			
Non-current liabilities			
Loans and borrowings	B7	65,799	47,320
Trade payables		6,055	6,055
Deferred tax liabilities		3,287	4,707
		<u>75,141</u>	<u>58,082</u>
Current liabilities			
Loans and borrowings	B7	120,237	141,634
Trade and other payables		58,955	76,098
Contract liabilities		16,606	16,558
Provision for warranties		394	394
Current tax liabilities		6,440	1,302
		<u>202,632</u>	<u>235,986</u>
TOTAL LIABILITIES		<u>277,773</u>	<u>294,068</u>
TOTAL EQUITY AND LIABILITIES		<u>812,193</u>	<u>808,072</u>
Net assets per share (RM)		<u>1.04</u>	<u>0.99</u>

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 2019.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 31 MARCH 2020
(The figures have not been audited)

NOTE	< ----- Non-distributable ----- >				Distributable		NON-CONTROLLING INTEREST RM'000	TOTAL EQUITY RM'000
	SHARE CAPITAL RM'000	TREASURY SHARES RM'000	TRANSLATION RESERVE RM'000	SHARE OPTION RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
At 1 October 2019	265,030	(9,073)	1,655	2,090	229,799	489,501	24,503	514,004
Total comprehensive income for the financial period								
- Foreign exchange translation reserve	-	-	34	-	-	34	13	47
- Profit for the financial period	-	-	-	-	19,902	19,902	1,255	21,157
Total comprehensive income for the financial year	-	-	34	-	19,902	19,936	1,268	21,204
Contribution by and (distributions to) owners of the Company								
- Share-based payment transactions	-	-	-	242	-	242	-	242
- Own shares acquired	A6	(1,030)	-	-	-	(1,030)	-	(1,030)
Total transactions with owners of the Company	-	(1,030)	-	242	-	(788)	-	(788)
At 31 December 2019	<u>265,030</u>	<u>(10,103)</u>	<u>1,689</u>	<u>2,332</u>	<u>249,701</u>	<u>508,649</u>	<u>25,771</u>	<u>534,420</u>

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 2019.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 6 MONTHS ENDED 31 MARCH 2019

(The figures have not been audited)

NOTE	< ----- Non-distributable ----- >					Distributable		NON- CONTROLLING INTEREST	TOTAL EQUITY
	SHARE CAPITAL	TREASURY SHARES	CAPITAL RESERVE	TRANSLATION RESERVE	SHARE OPTION RESERVE	RETAINED EARNINGS	TOTAL		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		
At 1 October 2018	265,028	(13,620)	421	1,676	1,605	223,455	478,565	22,767	501,332
Total comprehensive income for the financial period									
- Foreign exchange translation reserve	-	-	-	(100)	-	-	(100)	(32)	(132)
- Profit for the financial period	-	-	-	-	-	13,427	13,427	1,656	15,083
Total comprehensive income for the financial year	-	-	-	(100)	-	13,427	13,327	1,624	14,951
<i>Contribution by and (distributions to) owners of the Company</i>									
- Own shares acquired	-	(753)	-	-	-	-	(753)	-	(753)
- Exercise of warrants	2	-	-	-	-	-	2	-	2
- Share-based payment transactions	-	-	-	-	243	-	243	-	243
Total transactions with owners of the Company	2	(753)	-	-	243	-	(508)	-	(508)
At 31 March 2019	265,030	(14,373)	421	1,576	1,848	236,882	491,384	24,391	515,775

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 2019.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 6 MONTHS ENDED 31 MARCH 2020

(The figures have not been audited)

	6 MONTHS ENDED 31 MAR 2020 RM'000	6 MONTHS ENDED 31 MAR 2019 RM'000
Cash flows from operating activities		
Profit before tax	28,734	20,143
Adjustments	7,618	5,771
Operating profit before changes in working capital	36,352	25,914
Changes in working capital:		
Inventories	28,687	(5,435)
Prepayments	(580)	(950)
Contract assets	(352)	(2,470)
Contract liabilities	48	(4,620)
Contract costs	1,158	1,785
Trade and other receivables	10,309	11,295
Trade and other payables	(17,257)	(17,965)
Cash generated from operations	58,365	7,554
Provision for warranties utilised	(137)	(320)
Tax paid net of refund	(4,421)	(4,624)
Net cash generated from operating activities	53,807	2,610
Cash flows from investing activities		
Additions of: -		
- property, plant and equipment	(1,117)	(280)
Interest received	1,086	1,325
Proceeds from disposal of property, plant and equipment	1	139
Net cash (used in)/generated from investing activities	(30)	1,184
Cash flows from financing activities		
Drawdown of borrowings - net	15,749	11,310
Interest paid	(4,988)	(3,615)
Purchase of own shares	(1,030)	(753)
Proceeds from exercise of warrants	-	2
Net cash generated from financing activities	9,731	6,944
Net increase in cash and cash equivalents	63,508	10,738
Cash and cash equivalents at beginning of financial period	64,658	95,902
Effect of exchange rate fluctuation on cash held	27	(82)
Cash and cash equivalents at end of financial period	128,193	106,558
Cash and cash equivalents		
Cash and bank balance and deposits placed with licensed banks	128,193	120,206
Bank overdraft	-	(13,648)
	128,193	106,558

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 2019.