

FIAMMA HOLDINGS BERHAD

Quarterly Report on consolidated results for the second quarter ended 30 June 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

	NOTE	INDIVIDUAL QUARTER (Q3)		CUMULATIVE QUARTER (9 MONTHS)	
		CURRENT	PRECEDING	CURRENT	PRECEDING
		YEAR	YEAR	YEAR	YEAR
		QUARTER	CORRESPONDING	TO DATE	CORRESPONDING
		30 JUNE 2022	30 JUNE 2021	30 JUNE 2022	30 JUNE 2021
		RM'000	RM'000	RM'000	RM'000
Revenue		94,287	83,473	280,194	276,214
Cost of sales		(65,000)	(55,986)	(194,986)	(189,780)
Gross profit		29,287	27,487	85,208	86,434
Operating expenses		(13,051)	(13,706)	(39,446)	(39,535)
Finance costs		(1,243)	(1,518)	(4,103)	(4,888)
Other operating income		856	712	2,662	2,752
Profit before tax		15,849	12,975	44,321	44,763
Tax expense	B5	(4,329)	(3,435)	(11,943)	(11,617)
Profit for the period		11,520	9,540	32,378	33,146
Other comprehensive income					
Foreign exchange translation difference		221	21	347	277
Total comprehensive income		11,741	9,561	32,725	33,423
Profit for the period attributable to:					
Owners of the Company		10,477	8,939	29,115	30,574
Non-controlling Interest		1,043	601	3,263	2,572
Profit for the period		11,520	9,540	32,378	33,146
Total comprehensive income for the period attributable to:					
Owners of the Company		10,637	8,954	29,366	30,773
Non-controlling Interest		1,104	607	3,359	2,650
Total comprehensive income		11,741	9,561	32,725	33,423
Basic earnings per share (sen)	B11	2.07	1.81	5.84	6.23
Diluted earnings per share (sen)	B11	2.07	1.76	5.84	6.04

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 2021.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022
(The figures have not been audited)

	NOTE	AS AT 30 JUNE 2022 RM'000	AS AT 30 SEPT 2021 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		101,534	102,167
Right-of-use assets		54	72
Investment properties		76,906	76,906
Inventories		130,349	129,474
Deferred tax assets		5,339	5,343
		<u>314,182</u>	<u>313,962</u>
Current assets			
Inventories		269,184	277,854
Contract assets		5,139	3,418
Contract costs		858	1,230
Trade and other receivables		96,936	70,975
Prepayments		787	847
Current tax assets		1,111	1,343
Cash and cash equivalents		102,023	104,450
		<u>476,038</u>	<u>460,117</u>
TOTAL ASSETS		<u>790,220</u>	<u>774,079</u>
EQUITY			
Share capital		277,272	268,408
Treasury shares		(11,023)	(11,023)
Reserves and retained earnings		292,367	274,999
Total equity attributable to owners of the Company		<u>558,616</u>	<u>532,384</u>
Non-controlling interest		<u>20,516</u>	<u>27,075</u>
TOTAL EQUITY		<u>579,132</u>	<u>559,459</u>
LIABILITIES			
Non-current liabilities			
Loans and borrowings	B7	34,047	42,788
Trade payables		5,613	5,613
Lease liabilities		28	48
Deferred tax liabilities		3,144	2,879
		<u>42,832</u>	<u>51,328</u>
Current liabilities			
Loans and borrowings	B7	96,437	87,751
Trade and other payables		48,147	55,454
Contract liabilities		20,036	17,488
Lease liabilities		28	26
Provision for warranties		485	485
Current tax liabilities		3,123	2,088
		<u>168,256</u>	<u>163,292</u>
TOTAL LIABILITIES		<u>211,088</u>	<u>214,620</u>
TOTAL EQUITY AND LIABILITIES		<u>790,220</u>	<u>774,079</u>
Net assets per share (RM)		<u>1.1005</u>	<u>1.0784</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 2021.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS ENDED 30 JUNE 2022
(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 2021	268,408	(11,023)	1,805	1,256	271,938	532,384	27,075	559,459
Total comprehensive income for the financial period								
- Foreign exchange translation reserve	-	-	251	-	-	251	96	347
- Profit for the financial period	-	-	-	-	29,115	29,115	3,263	32,378
Total comprehensive income for the financial year	-	-	251	-	29,115	29,366	3,359	32,725
<i>Contribution by and (distributions to) owners of the Company</i>								
- Dividends to owners of the Company	-	-	-	-	(10,914)	(10,914)	-	(10,914)
- Issuance of ordinary shares pursuant to ESOS	7,780	-	-	-	-	7,780	-	7,780
- Transfer from share option reserve	1,084	-	-	(1,143)	59	-	-	-
Total transactions with owners of the Company	8,864	-	-	(1,143)	(10,855)	(3,134)	-	(3,134)
Dividends paid by subsidiaries to non-controlling interest	-	-	-	-	-	-	(9,918)	(9,918)
At 30 June 2022	277,272	(11,023)	2,056	113	290,198	558,616	20,516	579,132

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 2021.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 9 MONTHS ENDED 30 JUNE 2021

(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 2020	265,030	(10,904)	1,661	2,373	250,278		
Total comprehensive income for the financial period								
- Foreign exchange translation reserve	-	-	199	-	-	199	78	277
- Profit for the financial period	-	-	-	-	30,574	30,574	2,572	33,146
Total comprehensive income for the financial year	-	-	199	-	30,574	30,773	2,650	33,423
<i>Contribution by and (distributions to) owners of the Company</i>								
- Dividends to owners of the Company	-	-	-	-	(8,612)	(8,612)	-	(8,612)
- Issuance of ordinary shares pursuant to ESOS	2,680	-	-	-	-	2,680	-	2,680
- Transfer from share option reserve	373	-	-	(1,017)	644	-	-	-
- Own shares acquired	-	(119)	-	-	-	(119)	-	(119)
Total transactions with owners of the Company	3,053	(119)	-	(1,017)	(7,968)	(6,051)	-	(6,051)
At 30 June 2021	268,083	(11,023)	1,860	1,356	272,884	533,160	27,949	561,109

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 2021.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 9 MONTHS ENDED 30 JUNE 2022

(The figures have not been audited)

	9 MONTHS ENDED 30 JUNE 2022 RM'000	9 MONTHS ENDED 30 JUNE 2021 RM'000
Cash flows from operating activities		
Profit before tax	44,321	44,763
Adjustments	4,876	5,899
Operating profit before changes in working capital	49,197	50,662
Changes in working capital:		
Contract assets	(1,721)	(2,553)
Contract liabilities	2,548	2,458
Contract costs	372	(205)
Inventories	7,343	5,037
Prepayments	60	296
Trade and other payables	(7,295)	(27,535)
Trade and other receivables	(25,621)	20,113
Cash generated from operations	24,883	48,273
Provision for warranties utilised	(249)	(288)
Tax paid net of refund	(10,420)	(14,196)
Net cash from operating activities	14,214	33,789
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,043)	(2,889)
Interest received	1,248	1,250
Net cash from /(used in) investing activities	205	(1,639)
Cash flows from financing activities		
Dividends paid to non-controlling interest	(9,918)	-
Dividends paid to owners of the Company	(10,914)	(8,612)
Repayment of borrowings - net	(55)	(25,517)
Interest paid	(3,825)	(4,129)
Interest paid in relation to lease liabilities	(1)	(5)
Payment of lease liabilities	(21)	(118)
Proceeds from issuance of ordinary shares pursuant to ESOS	7,780	2,680
Purchase of treasury shares	-	(119)
Net cash used in financing activities	(16,954)	(35,820)
Net decrease in cash and cash equivalents	(2,535)	(3,670)
Cash and cash equivalents at beginning of financial year	104,450	114,027
Effect of exchange rate fluctuation on cash held	108	207
Cash and cash equivalents at end of financial period	102,023	110,564

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 2021.

Fiamma Holdings Berhad ((Registration No: 198201008992 (88716-W)) (“Fiamma” or “the Company”))

Notes to the interim financial statements for the financial quarter ended 30 June 2022

A. Compliance with Malaysian Financial Reporting Standards (“MFRS”) 134, Interim Financial Reporting

The unaudited interim financial statements have been prepared in accordance with MFRS 134, *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad (“Bursa Securities”). The interim financial statements should be read in conjunction with the audited consolidated financial statements of the Group as at and for the financial year ended 30 September 2021.

A1. Accounting Policies

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia. The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Notes to the Interim Financial Statements

A1. Accounting Policies (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 October 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022; and
- from the annual period beginning on 1 October 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and amendments to MFRS 17 which are not applicable to the Group.

The initial application of the abovementioned accounting standards, interpretations and amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group.

A2. Report of the Auditors to the Members of Fiamma

The report of the auditors to the members of Fiamma and its subsidiaries on the financial statements for the financial year ended 30 September 2021 were not subject to any qualification and did not include any adverse comments made under Section 266 (3) of the Companies Act 2016.

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 were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period under review.

A5. Material Changes in Estimates of Amounts Reported

There were no material changes in estimates used in reporting the current quarter as compared to the financial statements of the Group for the financial year ended 30 September 2021.

Notes to the Interim Financial Statements

A6. Debt and Equity Securities

- (a) During the current financial quarter and current financial period, a total of 6,208,000 and 13,892,000 new ordinary shares, respectively, were issued pursuant to the exercise of Employees' Share Option Scheme ("ESOS") at an option price of RM0.56 per ordinary share.
- (b) The owners of the Company, by a special resolution passed at the Annual General Meeting held on 23 February 2022, approved the Company's plan to repurchase its own shares.

There were no share buy-back during the current quarter and current financial period.

As at 30 June 2022, the Company held 21,624,400 of its own shares, representing 4.09% of the total number of issued shares of the Company. These shares were being held and retained as treasury shares.

There were no other issuance, cancellation, resale and repayments of debt and equity securities for the current financial quarter ended 30 June 2022.

A7. Dividend Paid

During the current quarter, the Company paid a final single-tier dividend of 2.20 sen per ordinary share in respect of the financial year ended 30 September 2021 on 8 April 2022.

A8. Operating Segment Information

The Group has three (3) reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed based on the Group's management and internal reporting structure. For each of the strategic business units, the Group Managing Director (the chief operating decision maker) reviews internal management reports at least on a monthly basis. The following summary describes the operations in each of the Groups' reportable segments:

Trading and services	Distribution and servicing of electrical home appliances, sanitaryware, kitchen and wardrobe system and built-in furniture, other household products, bathroom accessories, medical devices and healthcare products
Property development	Property development
Investment holding and property investment	Long term investment in unquoted shares and property investment

Notes to the Interim Financial Statements

A8. Operating Segment Information (continued)

The reportable segment information for the Group is as follows:

	Trading & Services RM'000	Property Development RM'000	Investment Holding & Property Investment RM'000	Total RM'000
For the financial period ended 30 June 2022				
External revenue	260,886	16,422	2,886	280,194
Inter/Intra segment revenue	20,107	-	24,574	44,861
Total reportable revenue	280,993	16,422	27,460	324,875
Segment profit	42,475	3,969	25,225	71,669
Segment assets	405,652	383,878	476,298	1,265,828
Segment assets				1,265,828
Elimination of inter-segment transactions or balances				(475,608)
				790,220
Segment liabilities	(101,472)	(222,361)	(120,001)	(443,834)
Segment liabilities				(443,834)
Elimination of inter-segment transactions or balances				232,746
				(211,088)
<i>Reconciliation of profit</i>				
				30 June 2022
				RM'000
Total profit for reportable segments				71,669
Elimination of inter-segment profits				(22,855)
Depreciation				(1,915)
Interest expense				(3,826)
Interest income				1,248
				44,321

Notes to the Interim Financial Statements

A9. *Events Subsequent to the end of the Financial Period*

Subsequent to the quarter end, a total of 270,000 new ordinary shares were issued pursuant to the exercise of ESOS at an option price of RM0.56 per ordinary share.

There were no other material events as at 17 August 2022, being the date not earlier than 7 days from the date of this announcement that will affect the financial results of the financial quarter under review.

A10. *Changes in Composition of the Group*

There was no change in the composition of the Group for the current quarter, including business combination, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations.

Notes to the Interim Financial Statements

B. Compliance with Bursa Securities Listing Requirements.

B1. Review of the Performance of the Group

	9 months ended	
	30 June 2022	30 June 2021
	RM'000	RM'000
Revenue	280,194	276,214
Profit before tax	44,321	44,763

The Group recorded a higher revenue of RM280.19 million in the current financial period compared with RM276.21 million in the preceding financial year corresponding period. However, profit before tax (“PBT”) for the current financial period of RM44.32 million was slightly lower compared with RM44.76 million in the preceding financial year corresponding period.

The Group’s revenue is derived primarily from trading and services segment which contributed 93.1% of the Group’s revenue in the current financial period. The segment recorded a higher revenue of RM260.89 million in the current financial period compared with RM251.11 million in the preceding financial year corresponding period. PBT for the current financial period of RM43.03 million was, however, lower compared with RM44.91 million in the preceding financial year corresponding period due to higher product costs.

The property development segment contributed 5.9% of the Group’s revenue in the current financial period. The segment recorded a lower revenue of RM16.42 million in the current financial period compared with RM21.59 million in the preceding financial year corresponding period. This segment recorded a lower loss before tax (“LBT”) of RM0.36 million in the current financial period compared with LBT of RM2.21 million in the preceding financial year corresponding period, mainly due to better margin and lower operating expenses.

The investment holding and property investment segment contributed 1.0% of the Group’s revenue in the current financial period. The segment recorded a lower revenue of RM2.88 million in the current financial period compared with RM3.51 million in the preceding financial year corresponding period, which has resulted in lower PBT of RM1.65 million in the current financial period compared with RM2.06 million in the preceding financial year corresponding period.

Notes to the Interim Financial Statements

B2. Comparison with Preceding Quarter's Results

	3 months ended	
	30 June 2022	31 March 2022
	RM'000	RM'000
Revenue	94,287	79,839
Profit before tax	15,849	11,468

The Group recorded a higher revenue of RM94.29 million in the current quarter ended 30 June 2022 compared with RM79.84 million in the previous quarter ended 31 March 2022. Consequently, the Group recorded a higher PBT of RM15.85 million compared with RM11.47 million in the previous quarter ended 31 March 2022.

B3. Prospects

The Malaysian economy registered a strong growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). The improvement also reflected normalising economic activity as the country moved towards endemicity and reopened international borders. On a quarter-on-quarter seasonally-adjusted basis, the economy increased by 3.5% (1Q 2022: 3.8%).

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), increased to 2.8% during the quarter (1Q 2022: 2.2%). The increase reflected higher core inflation and higher fuel and price-volatile inflation. Elevated cost pressures amid the ongoing military conflict in Ukraine, adverse weather conditions in key food-exporting countries and the stronger US dollar were all key contributing factors to this.

In the second quarter of 2022, global financial conditions tightened due to higher policy rates by global central banks amid more elevated and prolonged inflationary pressures. These factors contributed to a strong US dollar environment, with the US Dollar index (DXY) rising to a 20-year high (end-Q2 2022: 104.66).

The ringgit depreciated by 4.6% against the US dollar (1Q 2022: -0.7%), in line with the movement of regional currencies. The downward pressure on the ringgit and regional currencies was driven mainly by a broad US dollar strength. Between April and May, the ringgit was relatively more affected compared to other regional currencies given the outlook of some of Malaysia's major trade partners.

In 2022, global growth is projected to continue on its recovery path, supported by the sustained reopening of the economy and stronger labour markets. Nevertheless, the military conflict in Ukraine is expected to dampen the pace of the global recovery. This has led to higher global inflation, which would exacerbate cost pressures on firms while negatively impacting consumer sentiments and spending.

The Malaysian economy is projected to expand further for the remainder of the year. Economic growth will be underpinned by firm domestic demand as external demand is expected to moderate, weighed by headwinds to global growth.

However, the balance of risks to Malaysia's growth remains tilted to the downside. This stems mainly from weaker-than-expected global growth, further escalation of geopolitical conflicts and worsening supply chain disruptions.

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2022, Bank Negara Malaysia)

Notes to the Interim Financial Statements

B3. Prospects (continued)

With the above outlook, the Directors expect the performance for the remaining of financial year 2022 to remain challenging. Nevertheless, the Group will continue to remain focused on its existing core businesses.

For the trading and services segment, Fiamma will continue to build on its supply chain system and core competencies to remain a market leader for its products. It will continue to invest in brand building and promotional activities to strengthen and expand its distribution network in Malaysia for its various brands of home appliances, sanitaryware, kitchen and wardrobe system and built-in furniture, medical devices and healthcare products and source for new products and business opportunities that are in synergy with the Group's products and activities.

For the property development segment, the on-going residential developments in Batu Pahat and Kota Tinggi and Rumah Mampu Milik Johor (RMMJ) projects in Kota Tinggi, Johor, as well as the completed and unsold residential and commercial developments, will contribute to the Group's revenue in financial year 2022 and the coming financial years.

The proposed residential developments in Jalan Yap Kwan Seng and Jalan Sungai Besi, both in Kuala Lumpur, are expected to contribute to the Group's future income stream once the proposed developments are launched and sold.

Notes to the Interim Financial Statements

B4. Profit Forecast or Profit Guarantee

Not applicable.

B5. Tax Expense

Tax expense comprises the following:

	9 months ended 30 June 2022 RM'000
Current tax expense	11,756
Deferred tax expense	256
	<hr/>
	12,012
Over provision in prior year	(69)
	<hr/>
	11,943
	<hr/> <hr/>
	RM'000
Profit before tax	44,321
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Tax at Malaysian tax rate of 24%	10,637
Non-deductible expenses and other tax effects	1,375
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Tax expense	12,012
Over provision in prior year	(69)
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Tax expense	11,943
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B6. Status of Corporate Proposal

The Group has not announced any corporate proposals, which have not been completed at the date of this announcement.

Notes to the Interim Financial Statements

B7. Group Borrowings and Debt Securities

The Group's borrowings as at 30 June 2022 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
<i>Repayable after 12 months</i>			
Term loan	34,047	-	34,047
	=====	=====	=====
Current			
<i>Repayable within 12 months</i>			
Term loan	11,755	-	11,755
Revolving credit	58,000	-	58,000
Bills payable	-	26,682	26,682
	-----	-----	-----
Sub-total	69,755	26,682	96,437
	=====	=====	=====
Total	103,802	26,682	130,484
	=====	=====	=====

B8. Derivatives

The details of the Group's foreign currency forward contracts as at 30 June 2022 are as follows:

	Notional amount RM'000	Fair value RM'000	Difference RM'000
Foreign currency forward contracts			
US Dollar	286	286	-
Chinese Yuan Renminbi	608	617	9
	-----	-----	-----
	894	903	9
	=====	=====	=====

The above instruments were executed with established financial institutions in Malaysia. There is no cash requirement for these contracts.

The Group uses appropriate financial instruments, such as foreign currency forward contracts, to hedge against specific exposures including foreign currency risks.

With the adoption of MFRS 139, the difference between the notional value and fair value of the contracts amounting to RM9,000 has been recognised in the financial statements.

Notes to the Interim Financial Statements

B9. Changes in Material Litigation

There was no impending material litigation as at 17 August 2022, being the date not earlier than 7 days from the date of this announcement.

B10. Dividend

No interim dividend was declared for the current quarter under review.

B11. Earnings per share

Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to the owners of the Company and a weighted average number of ordinary shares outstanding, is as follows:

	3 months ended 30 June 2022 RM'000	9 months ended 30 June 2022 RM'000
Profit for the financial period attributable to owners of the Company	10,477	29,115
	'000	'000
Weighted average number of ordinary shares at 30 June 2022	506,408	498,306
Basic earnings per share (sen)	2.07	5.84
	'000	'000
Weighted average number of ordinary shares at 30 June 2022 (basic)	506,408	498,306
Effects of share options	558	501
Weighted average number of ordinary shares at 30 June 2022 (diluted)	506,966	498,807
Diluted earnings per share (sen)	2.07	5.84

Notes to the Interim Financial Statements

B12. Profit before tax

	9 months ended 30 June 2022 RM'000
Profit before tax is arrived at after charging:	
Depreciation and amortisation	1,915
Interest expense	3,826
Inventories written down and written off, net	452
Loss on foreign exchange – realised and unrealised	32
Loss on derivative financial instruments – realised	12
	=====
and after crediting:	
Interest income	1,248
Reversal of allowance for impairment loss for trade receivables - net	340
Gain on foreign exchange – realised and unrealised	172
Gain on derivative financial instruments – unrealised	9
	=====

B13. Capital Commitments

There was no capital commitment as at 30 June 2022.

This announcement is dated 24 August 2022.