

FIAMMA HOLDINGS BERHAD

Quarterly Report on consolidated results for the first quarter ended 31 December 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

	NOTE	INDIVIDUAL QUARTER (Q1)		CUMULATIVE QUARTER (3 MONTHS)	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		QUARTER	CORRESPONDING QUARTER	TO DATE	CORRESPONDING PERIOD
		31 DEC 2022	31 DEC 2021	31 DEC 2022	31 DEC 2021
		RM'000	RM'000	RM'000	RM'000
Revenue		87,780	106,068	87,780	106,068
Cost of sales		(64,152)	(74,890)	(64,152)	(74,890)
Gross profit		23,628	31,178	23,628	31,178
Change in fair value of other investments		9,822	-	9,822	-
Operating expenses		(12,759)	(13,495)	(12,759)	(13,495)
Finance costs		(1,320)	(1,443)	(1,320)	(1,443)
Other operating income		1,208	764	1,208	764
Profit before tax		20,579	17,004	20,579	17,004
Tax expense	B5	(3,203)	(4,221)	(3,203)	(4,221)
Profit for the period		17,376	12,783	17,376	12,783
Other comprehensive income					
Foreign exchange translation difference		256	23	256	23
Total comprehensive income		17,632	12,806	17,632	12,806
Profit for the period attributable to:					
Owners of the Company		16,478	11,458	16,478	11,458
Non-controlling Interest		898	1,325	898	1,325
Profit for the period		17,376	12,783	17,376	12,783
Total comprehensive income for the period attributable to:					
Owners of the Company		16,662	11,475	16,662	11,475
Non-controlling Interest		970	1,331	970	1,331
Total comprehensive income		17,632	12,806	17,632	12,806
Basic earnings per share (sen)	B11	3.37	2.32	3.37	2.32
Diluted earnings per share (sen)	B11	3.37	2.31	3.37	2.31

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 2022.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022
(The figures have not been audited)

	NOTE	AS AT 31 DEC 2022 RM'000	AS AT 30 SEPT 2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		114,842	114,928
Right-of-use assets		131	48
Investment properties		76,906	76,906
Inventories		130,945	130,661
Deferred tax assets		5,241	5,284
		<u>328,065</u>	<u>327,827</u>
Current assets			
Inventories		249,646	275,403
Contract assets		5,708	7,760
Contract costs		306	822
Trade and other receivables		89,418	92,159
Prepayments		887	954
Short-term investments - quoted shares		35,044	-
Current tax assets		1,488	1,367
Cash and cash equivalents		65,208	102,339
		<u>447,705</u>	<u>480,804</u>
TOTAL ASSETS		<u>775,770</u>	<u>808,631</u>
EQUITY			
Share capital		277,884	277,744
Treasury shares		(30,507)	(11,023)
Reserves and retained earnings		328,492	311,847
Total equity attributable to owners of the Company		<u>575,869</u>	<u>578,568</u>
Non-controlling interest		<u>21,456</u>	<u>20,486</u>
TOTAL EQUITY		<u>597,325</u>	<u>599,054</u>
LIABILITIES			
Non-current liabilities			
Loans and borrowings	B7	28,218	31,169
Trade payables		5,613	5,613
Lease liabilities		106	22
Deferred tax liabilities		5,653	5,456
		<u>39,590</u>	<u>42,260</u>
Current liabilities			
Loans and borrowings	B7	80,413	99,172
Trade and other payables		36,330	46,840
Contract liabilities		20,332	19,541
Lease liabilities		26	28
Provision for warranties		500	515
Current tax liabilities		1,254	1,221
		<u>138,855</u>	<u>167,317</u>
TOTAL LIABILITIES		<u>178,445</u>	<u>209,577</u>
TOTAL EQUITY AND LIABILITIES		<u>775,770</u>	<u>808,631</u>
Net assets per share (RM)		<u>1.1787</u>	<u>1.1382</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 2022.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3 MONTHS ENDED 31 DECEMBER 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	REVALUATION RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000		
At 1 October 2022	277,744	(11,023)	2,329	55	11,538	297,925	578,568	20,486	599,054
Total comprehensive income for the financial period									
- Foreign exchange translation reserve	-	-	184	-	-	-	184	72	256
- Profit for the financial period	-	-	-	-	-	16,478	16,478	898	17,376
Total comprehensive income for the financial year	-	-	184	-	-	16,478	16,662	970	17,632
<i>Contribution by and (distributions to) owners of the Company</i>									
- Issuance of ordinary shares pursuant to ESOS	A6	123	-	-	-	-	123	-	123
- Transfer from share option reserve		17	-	-	(17)	-	-	-	-
- Own shares acquired		-	(19,484)	-	-	-	(19,484)	-	(19,484)
Total transactions with owners of the Company		140	(19,484)	-	(17)	-	(19,361)	-	(19,361)
At 31 December 2022		<u>277,884</u>	<u>(30,507)</u>	<u>2,513</u>	<u>38</u>	<u>11,538</u>	<u>314,403</u>	<u>21,456</u>	<u>597,325</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 2022.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 3 MONTHS ENDED 31 DECEMBER 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 2021	268,408	(11,023)	1,805	1,256	271,938		
Total comprehensive income for the financial period								
- Foreign exchange translation reserve	-	-	17	-	-	17	6	23
- Profit for the financial period	-	-	-	-	11,458	11,458	1,325	12,783
Total comprehensive income for the financial year	-	-	17	-	11,458	11,475	1,331	12,806
<i>Contribution by and (distributions to) owners of the Company</i>								
- Issuance of ordinary shares pursuant to ESOS	39	-	-	-	-	39	-	39
- Transfer from share option reserve	5	-	-	(52)	47	-	-	-
Total transactions with owners of the Company	44	-	-	(52)	47	39	-	39
Dividends paid by subsidiaries to non-controlling interest	-	-	-	-	-	-	(918)	(918)
At 31 December 2021	268,452	(11,023)	1,822	1,204	283,443	543,898	27,488	571,386

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 2022.

FIAMMA HOLDINGS BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 3 MONTHS ENDED 31 DECEMBER 2022

(The figures have not been audited)

	3 MONTHS ENDED 31 DEC 2022 RM'000	3 MONTHS ENDED 31 DEC 2021 RM'000
Cash flows from operating activities		
Profit before tax	20,579	17,004
Adjustments	(8,049)	1,539
Operating profit before changes in working capital	12,530	18,543
Changes in working capital:		
Contract assets	2,052	(258)
Contract liabilities	791	6,105
Contract costs	516	143
Inventories	25,195	(3,182)
Prepayments	67	(196)
Trade and other payables	(10,507)	(266)
Trade and other receivables	2,797	(33,879)
Cash generated from/(used in) operations	33,441	(12,990)
Provision for warranties utilised	(116)	(132)
Tax paid net of refund	(3,051)	(3,292)
Net cash from/(used in) operating activities	30,274	(16,414)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(436)	(414)
Investment in quoted shares	(25,222)	-
Interest received	501	390
Proceeds from disposal of property, plant and equipment	-	201
Net cash (used in)/from investing activities	(25,157)	177
Cash flows from financing activities		
Dividends paid to non-controlling interest	-	(918)
Repayment of borrowings - net	(21,710)	33,996
Interest paid	(1,283)	(1,093)
Interest paid in relation to lease liabilities	(1)	(1)
Payment of lease liabilities	(8)	(7)
Proceeds from issuance of ordinary shares pursuant to ESOS	123	39
Purchase of treasury shares	(19,484)	-
Net cash (used in)/from financing activities	(42,363)	32,016
Net (decrease)/increase in cash and cash equivalents	(37,246)	15,779
Cash and cash equivalents at beginning of financial period	102,339	104,450
Effect of exchange rate fluctuation on cash held	115	(13)
Cash and cash equivalents at end of financial period	65,208	120,216

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 2022.

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

Notes to the interim financial statements for the quarter ended 31 December 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 2022.

AI. 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 – 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 1 January 2024

- Amendment to MFRS 16, Leases – *Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

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;
- 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; and
- from the annual period beginning on 1 October 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

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 2022 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 year under review.

Notes to the Interim Financial Statements

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 2022.

A6. *Debt and Equity Securities*

- (a) During the current financial quarter, a total of 220,000 new ordinary shares 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.

During the current financial quarter, the Company repurchased 20,000,000 of its issued shares from the open market at an average price of RM0.974 per share including transaction cost. The total consideration paid was approximately RM19.48 million. The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016. The repurchase transactions were financed by internally generated funds.

As at 31 December 2022, the Company held 41,624,400 of its own shares, representing 7.85% 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 31 December 2022.

A7. *Dividend Paid*

No dividend was paid during the current quarter.

Notes to the Interim Financial Statements

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 Chief Executive Officer (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	Investment in quoted and 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 year ended 31 December 2022				
External revenue	69,895	16,799	1,086	87,780
Inter/Intra segment revenue	5,066	-	477	5,543
Total reportable revenue	74,961	16,799	1,563	93,323
Segment profit	9,410	1,559	11,038	22,007
Segment assets	395,945	376,798	496,589	1,269,332
Segment assets				1,269,332
Elimination of inter-segment transactions or balances				(493,562)
				775,770
Segment liabilities	(82,506)	(216,786)	(133,188)	(432,480)
Segment liabilities				(432,480)
Elimination of inter-segment transactions or balances				254,035
				(178,445)
<i>Reconciliation of profit</i>				
				31 Dec 2022
				RM'000
Total profit for reportable segments				22,007
Elimination of inter-segment profits				18
Depreciation				(663)
Interest expense				(1,284)
Interest income				501
				20,579

Notes to the Interim Financial Statements

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

Exercise of ESOS

Subsequent to the financial quarter end, a total of 38,000 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 16 February 2023, 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*

Liquidation of its subsidiary, Enex Sdn. Bhd. (“Enex”)

On 6 December 2022, the liquidator of Enex has lodged the Return by Liquidator relating to final meeting pursuant to Section 459(3) of the Companies Act 2016 (“Notice Section 459(3)”) with the Companies Commission of Malaysia (“CCM”) and the Official Receiver. Pursuant to Section 459(5) of the Companies Act 2016, Enex shall be dissolved on the expiration of three months after the lodgement of Notice Section 459(3) with the CCM and the Official Receiver.

There were no other changes 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

	3 months ended	
	31 Dec 2022	31 Dec 2021
	RM'000	RM'000
Revenue	87,780	106,068
Profit before tax	20,579	17,004

The Group recorded a lower revenue of RM87.78 million in the current financial period compared with RM106.07 million in the preceding financial year corresponding period. Profit before tax (“PBT”) for the current financial period of RM20.58 million was, however, higher compared with RM17.00 million in the preceding financial year corresponding period. The higher PBT was attributable to the change in fair value of other investments of RM9.82 million.

The Group’s revenue is derived primarily from trading and services segment which contributed 79.6% of the Group’s revenue in the current financial period. The segment recorded a lower revenue of RM69.89 million in the current financial period compared with RM97.84 million in the preceding financial year corresponding period. Consequently, PBT for the current financial period of RM9.64 million was lower compared with RM16.94 million in the preceding financial year corresponding period.

The property development segment contributed 19.2% of the Group’s revenue in the current financial period. The segment recorded a higher revenue of RM16.80 million in the current financial period compared with RM7.19 million in the preceding financial year corresponding period. Hence, this segment recorded PBT of RM0.36 million in the current financial period compared with loss before tax of RM0.58 million in the preceding financial year corresponding period.

The investment holding and property investment segment contributed 1.2% of the Group’s revenue in the current financial period. The segment recorded a higher revenue of RM1.09 million in the current financial period compared with RM1.04 million in the preceding financial year corresponding period. PBT of RM10.58 million in the current financial period was higher compared with RM0.64 million in the preceding financial year corresponding period. The higher PBT was attributable to the change in fair value of other investments of RM9.82 million.

Notes to the Interim Financial Statements

B2. Comparison with Preceding Quarter's Results

	3 months ended	
	31 Dec 2022	30 Sept 2022
	RM'000	RM'000
Revenue	87,780	89,785
Profit before tax	20,579	12,284

The Group recorded a lower revenue of RM87.78 million in the current quarter ended 31 December 2022 compared with RM89.78 million in the previous quarter ended 30 September 2022. The Group, however, recorded a higher PBT of RM20.58 million compared with RM12.28 million in the previous quarter ended 30 September 2022. The higher PBT was attributable to the change in fair value of other investments of RM9.82 million.

B3. Prospects

The Malaysian economy registered a growth of 7.0% in the fourth quarter of 2022 compared to 14.2% in the third quarter. On a quarter-to-quarter seasonally adjusted basis, the economy registered a decline of 2.6% (3Q 2022: 1.9%). For 2022 as a whole, the economy expanded by 8.7% (2021: 3.1%).

Global financial conditions remained tight at the start of the quarter and began to ease from November 2022 onwards following indications that inflation in the US may have peaked. Since then, the strength in the US dollar has moderated as market participants now expect smaller interest rate increases by the US Federal Reserve. Global investor sentiments have also been somewhat lifted by the reopening of China's economy and its expected positive economic spillovers to the region.

The balance of risks to global growth remains tilted to the downside. Risks stem from escalation of geopolitical tensions, weaker-than-expected growth outturn in major economies, and a sharp tightening in financial conditions. In contrast, upside risks to global growth can arise from stronger-than-expected pent up demand in major economies.

For 2023, the Malaysian economy is expected to expand at a more moderate pace, amid a challenging external environment. Growth will be driven by domestic demand, supported by the continued recovery in labour market and realization of multi-year investment projects. The services and manufacturing sectors will continue to drive the economy. Meanwhile, the slowdown in exports following weaker global demand will be partially cushioned by higher tourism activity.

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

Over the course of 2023, headline and core inflation are expected to moderate but remain at elevated levels amid lingering demand and cost pressures.

(Source: Economic and Financial Developments in Malaysia in the Fourth 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 financial year 2023 to be 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 Kota Tinggi, Johor, as well as the completed and unsold residential and commercial developments, will contribute to the Group's revenue in financial year 2023 and the coming financial years.

The proposed residential developments in Jalan Sungai Besi and Jalan Yap Kwan Seng, 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:

	3 months ended 31 Dec 2022 RM'000
Current tax expense	2,962
Deferred tax expense	240
	<hr/> 3,202
Under-provision in prior year	1
	<hr/> 3,203
	<hr/> <hr/>
	RM'000
Profit before tax	20,579
	<hr/> <hr/>
Tax at Malaysian tax rate of 24%	4,939
Non-taxable income	(2,358)
Non-deductible expenses and other tax effects	621
	<hr/>
Tax expense	3,202
Under-provision in prior year	1
	<hr/>
Tax expense	3,203
	<hr/> <hr/>

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 31 December 2022 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
Repayable after 12 months			
Term loan	28,218	-	28,218
	=====	=====	=====
Current			
Repayable within 12 months			
Term loan	11,819	-	11,819
Revolving credit	51,000	-	51,000
Bills payable	-	17,594	17,594
Sub-total	62,819	17,594	80,413
	=====	=====	=====
Total	91,037	17,594	108,631
	=====	=====	=====

B8. Derivatives

The details of the Group's foreign currency forward contracts as at 31 December 2022 are as follows:

	Notional amount RM'000	Fair value RM'000	Difference RM'000
Foreign currency forward contracts			
US Dollar	444	431	(13)
Chinese Yuan Renminbi	2,574	2,595	21
	-----	-----	-----
	3,018	3,026	8
	=====	=====	=====

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 RM8,000 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 16 February 2023, being the date not earlier than 7 days from the date of this announcement.

B10. Dividend

No dividend was recommended 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 31 Dec 2022 RM'000
Profit for the financial period attributable to owners of the Company	16,478
	'000
Weighted average number of ordinary shares at 31 December 2022	488,530
Basic earnings per share (sen)	3.37
	'000
Weighted average number of ordinary shares at 31 December 2022 (basic)	488,530
Effects of share options	229
Weighted average number of ordinary shares at 31 December 2022 (diluted)	488,759
Diluted earnings per share (sen)	3.37

Notes to the Interim Financial Statements

B12. Profit before tax

	3 months ended 31 Dec 2022 RM'000
Profit before tax is arrived at after charging:	
Depreciation and amortisation	663
Interest expense	1,284
Inventories written down and written off, net	278
Loss on foreign exchange – realised and unrealised	24
Loss on derivative financial instruments – realised and unrealised	3
	=====
and after crediting:	
Interest income	501
Change in fair value of other investments	9,822
Reversal of allowance for impairment loss for trade receivables - net	56
Gain on foreign exchange – realised and unrealised	112
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B13. Capital Commitments

There was no capital commitment as at 31 December 2022.

This announcement is dated 23 February 2023.