

FIAMMA HOLDINGS BERHAD

Quarterly Report on consolidated results for the second quarter ended 31 March 2023

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(The figures have not been audited)

	NOTE	INDIVIDUAL QUARTER (Q2)		CUMULATIVE QUARTER (6 MONTHS)	
		CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
		QUARTER	CORRESPONDING QUARTER	TO DATE	CORRESPONDING PERIOD
		31 MAR 2023	31 MAR 2022	31 MAR 2023	31 MAR 2022
		RM'000	RM'000	RM'000	RM'000
Revenue		125,128	79,839	212,908	185,907
Cost of sales		(97,893)	(55,096)	(162,045)	(129,986)
Gross profit		27,235	24,743	50,863	55,921
Change in fair value of other investments		12,085	-	21,907	-
Operating expenses		(16,351)	(12,900)	(29,110)	(26,395)
Finance costs		(1,307)	(1,417)	(2,627)	(2,860)
Other operating income		1,059	1,042	2,267	1,806
Profit before tax		22,721	11,468	43,300	28,472
Tax expense	B5	(3,634)	(3,393)	(6,837)	(7,614)
Profit for the period		19,087	8,075	36,463	20,858
Other comprehensive income					
Foreign exchange translation difference		125	103	381	126
Total comprehensive income		19,212	8,178	36,844	20,984
Profit for the period attributable to:					
Owners of the Company		18,340	7,180	34,818	18,638
Non-controlling Interest		747	895	1,645	2,220
Profit for the period		19,087	8,075	36,463	20,858
Total comprehensive income for the period attributable to:					
Owners of the Company		18,409	7,254	35,071	18,729
Non-controlling Interest		803	924	1,773	2,255
Total comprehensive income		19,212	8,178	36,844	20,984
Basic earnings per share (sen)	B11	3.75	1.43	7.13	3.71
Diluted earnings per share (sen)	B11	3.75	1.43	7.12	3.71

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 MARCH 2023
(The figures have not been audited)

	NOTE	AS AT 31 MAR 2023 RM'000	AS AT 30 SEPT 2022 RM'000
ASSETS			
Non-current assets			
Property, plant and equipment		114,241	114,928
Right-of-use assets		159	48
Investment properties		76,906	76,906
Inventories		142,846	130,661
Deferred tax assets		4,972	5,284
		<u>339,124</u>	<u>327,827</u>
Current assets			
Inventories		197,069	275,403
Contract assets		9,157	7,760
Contract costs		193	822
Trade and other receivables		135,273	92,159
Prepayments		1,363	954
Short-term investments - quoted shares		64,327	-
Current tax assets		1,733	1,367
Cash and cash equivalents		46,552	102,339
		<u>455,667</u>	<u>480,804</u>
TOTAL ASSETS		<u>794,791</u>	<u>808,631</u>
EQUITY			
Share capital		277,908	277,744
Treasury shares		(30,507)	(11,023)
Reserves and retained earnings		346,898	311,847
Total equity attributable to owners of the Company		<u>594,299</u>	<u>578,568</u>
Non-controlling interest		<u>19,259</u>	<u>20,486</u>
TOTAL EQUITY		<u>613,558</u>	<u>599,054</u>
LIABILITIES			
Non-current liabilities			
Loans and borrowings	B7	25,243	31,169
Trade payables		5,613	5,613
Lease liabilities		140	22
Deferred tax liabilities		5,968	5,456
		<u>36,964</u>	<u>42,260</u>
Current liabilities			
Loans and borrowings	B7	82,903	99,172
Trade and other payables		41,125	46,840
Contract liabilities		17,771	19,541
Lease liabilities		24	28
Provision for warranties		485	515
Current tax liabilities		1,961	1,221
		<u>144,269</u>	<u>167,317</u>
TOTAL LIABILITIES		<u>181,233</u>	<u>209,577</u>
TOTAL EQUITY AND LIABILITIES		<u>794,791</u>	<u>808,631</u>
Net assets per share (RM)		<u>1.2164</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 6 MONTHS ENDED 31 MARCH 2023
(The figures have not been audited)

NOTE	----- Non-distributable -----				Distributable		TOTAL RM'000	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			
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	-	-	253	-	-	-	253	128	381
- Profit for the financial period	-	-	-	-	-	34,818	34,818	1,645	36,463
Total comprehensive income for the financial year	-	-	253	-	-	34,818	35,071	1,773	36,844
<i>Contribution by and (distributions to) owners of the Company</i>									
- Issuance of ordinary shares pursuant to ESOS	144	-	-	-	-	-	144	-	144
- Transfer from share option reserve	20	-	-	(20)	-	-	-	-	-
- Own shares acquired	-	(19,484)	-	-	-	-	(19,484)	-	(19,484)
Total transactions with owners of the Company	164	(19,484)	-	(20)	-	-	(19,340)	-	(19,340)
Dividends paid by subsidiaries to non-controlling interest	-	-	-	-	-	-	-	(3,000)	(3,000)
At 31 March 2023	277,908	(30,507)	2,582	35	11,538	332,743	594,299	19,259	613,558

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 6 MONTHS ENDED 31 MARCH 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	-	-	91	-	-	91	35	126
- Profit for the financial period	-	-	-	-	18,638	18,638	2,220	20,858
Total comprehensive income for the financial year	-	-	91	-	18,638	18,729	2,255	20,984
<i>Contribution by and (distributions to) owners of the Company</i>								
- Issuance of ordinary shares pursuant to ESOS	4,303	-	-	-	-	4,303	-	4,303
- Transfer from share option reserve	600	-	-	(657)	57	-	-	-
Total transactions with owners of the Company	4,903	-	-	(657)	57	4,303	-	4,303
Dividends paid by subsidiaries to non-controlling interest	-	-	-	-	-	-	(918)	(918)
At 31 March 2022	273,311	(11,023)	1,896	599	290,633	555,416	28,412	583,828

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 6 MONTHS ENDED 31 MARCH 2023

(The figures have not been audited)

	6 MONTHS ENDED 31 MAR 2023 RM'000	6 MONTHS ENDED 31 MAR 2022 RM'000
Cash flows from operating activities		
Profit before tax	43,300	28,472
Adjustments	(18,061)	3,475
Operating profit before changes in working capital	25,239	31,947
Changes in working capital:		
Contract assets	(1,397)	(1,810)
Contract liabilities	(1,770)	519
Contract costs	629	275
Inventories	65,436	2,546
Prepayments	(409)	(564)
Trade and other payables	(5,682)	(12,762)
Trade and other receivables	(43,303)	(16,973)
Cash generated from operations	38,743	3,178
Provision for warranties utilised	(175)	(204)
Tax paid net of refund	(5,639)	(6,187)
Net cash from/(used in) operating activities	32,929	(3,213)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(610)	(621)
Investment in quoted shares	(42,420)	-
Interest received	773	842
Dividend received	117	-
Proceeds from disposal of property, plant and equipment	211	14
Net cash (used in)/from investing activities	(41,929)	235
Cash flows from financing activities		
Dividends paid to non-controlling interest	(3,000)	(918)
Repayment of borrowings - net	(22,195)	26,740
Interest paid	(2,534)	(2,644)
Interest paid in relation to lease liabilities	(2)	(1)
Payment of lease liabilities	(15)	(13)
Proceeds from issuance of ordinary shares pursuant to ESOS	144	4,303
Purchase of treasury shares	(19,484)	-
Net cash (used in)/from financing activities	(47,086)	27,467
Net (decrease)/increase in cash and cash equivalents	(56,086)	24,489
Cash and cash equivalents at beginning of financial period	102,339	104,450
Effect of exchange rate fluctuation on cash held	299	202
Cash and cash equivalents at end of financial period	46,552	129,141

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 March 2023

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 and current financial period, a total of 38,000 and 258,000 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 2023, approved the Company's plan to repurchase its own shares.

During the current financial period, 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 March 2023, 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 March 2023.

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 period ended 31 March 2023				
External revenue	143,349	67,284	2,275	212,908
Inter/Intra segment revenue	12,013	-	8,234	20,247
-				
Total reportable revenue	155,362	67,284	10,509	233,155
Segment profit	21,017	2,639	31,184	54,840
Segment assets	397,925	385,711	537,045	1,320,681
Segment assets				1,320,681
Elimination of inter-segment transactions or balances				(525,890)
				794,791
Segment liabilities	(89,173)	(226,494)	(153,803)	(469,470)
Segment liabilities				(469,470)
Elimination of inter-segment transactions or balances				288,237
				(181,233)
<i>Reconciliation of profit</i>				
				31 March 2023
				RM'000
Total profit for reportable segments				54,840
Elimination of inter-segment profits				(8,442)
Depreciation				(1,335)
Interest expense				(2,536)
Interest income				773
				43,300

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 10,000 new ordinary shares were issued pursuant to the exercise of ESOS at an option price of RM0.56 per ordinary share.

Treasury Shares

Subsequent to the financial quarter end, the Company disposed of a total of 13,669,000 ordinary shares held as treasury shares at an average price of RM0.96 per share. Total consideration received from the disposal was approximately RM13.12 million.

Subsequent to the said disposal, the Company held 27,955,400 of its own shares, representing 5.27% of the total number of issued shares of the Company.

There were no other material events as at 18 May 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*

There were no 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

	6 months ended	
	31 March 2023	31 March 2022
	RM'000	RM'000
Revenue	212,908	185,907
Profit before tax	43,300	28,472

The Group recorded a higher revenue of RM212.91 million in the current financial period compared with RM185.91 million in the preceding financial year corresponding period. Profit before tax (“PBT”) for the current financial period of RM43.30 million was also higher compared with RM28.47 million in the preceding financial year corresponding period. The higher PBT was mainly attributable to the change in fair value of other investments of RM21.91 million.

The Group’s revenue is derived primarily from trading and services segment which contributed 67.3% of the Group’s revenue in the current financial period. The segment recorded a lower revenue of RM143.35 million in the current financial period compared with RM170.23 million in the preceding financial year corresponding period. Consequently, PBT for the current financial period of RM18.73 million was lower compared with RM27.16 million in the preceding financial year corresponding period.

The property development segment contributed 31.6% of the Group’s revenue in the current financial period. The segment recorded a higher revenue of RM67.28 million in the current financial period compared with RM13.60 million in the preceding financial year corresponding period. Hence, this segment recorded PBT of RM1.39 million in the current financial period compared with RM26,000 in the preceding financial year corresponding period.

The investment holding and property investment segment contributed 1.1% of the Group’s revenue in the current financial period. The segment recorded a higher revenue of RM2.28 million in the current financial period compared with RM2.08 million in the preceding financial year corresponding period. PBT of RM23.18 million in the current financial period was higher compared with RM1.28 million in the preceding financial year corresponding period. The higher PBT was attributable to the change in fair value of other investments of RM21.91 million.

Notes to the Interim Financial Statements

B2. Comparison with Preceding Quarter's Results

	3 months ended	
	31 March 2023	31 Dec 2022
	RM'000	RM'000
Revenue	125,128	87,780
Profit before tax	22,721	20,579

The Group recorded a higher revenue of RM125.13 million in the current quarter ended 31 March 2023 compared with RM87.78 million in the previous quarter ended 31 December 2022. The Group also recorded a higher PBT of RM22.72 million compared with RM20.58 million in the previous quarter ended 31 December 2022. The higher PBT was mainly attributable to the change in fair value of other investments of RM12.09 million.

B3. Prospects

The Malaysian economy further expanded in the first quarter of 2023 (5.6%; 4Q 2022: 7.1%; 1Q 2011 - 4Q 2019 average: 5.1%), driven mainly by domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.9% (4Q 2022: -1.7%).

Headline inflation during the quarter trended lower to 3.6% (4Q 2022: 3.9%). Headline and core inflation are expected to moderate but would remain above historical average in 2023. The moderation reflects lower global cost factors amid easing supply chain disruptions and lower commodity prices. Existing price controls and fuel subsidies will continue to partly contain the extent of upward inflationary pressures.

The global economy is expected to grow at a slower pace in 2023. Several positive factors such as China's reopening, resilient labour market, easing of supply chain conditions and recovery in services activity, particularly tourism will support growth. However, there are headwinds from elevated inflation and tighter monetary policy, amid waning support from reopening in most economies. The recent episodes of banking stress in some advanced economies are also expected to negatively affect growth to some degree. This is driven by more cautious lending behaviour among banks.

The balance of risks to global growth remains tilted to the downside. Downside risks stem from escalation of geopolitical tensions, higher-than-expected inflation and a sharp tightening in financial conditions including from further stress in the banking sector.

For 2023, the Malaysian economy is expected to continue to expand amid slower external demand. Growth will be driven by domestic demand, supported by improving labour market conditions, higher tourism activity and further progress of multiyear investment projects. Domestic financial conditions also remain conducive to financial intermediation.

The risks to Malaysia's growth outlook are fairly balanced. Upside risks are mainly from domestic factors such as stronger-than expected tourism activity and implementation of projects including those from the re-tabled Budget 2023. Meanwhile, downside risks stem from weaker-than-expected global growth and more volatile global financial market conditions.

(Source: Economic and Financial Developments in Malaysia in the First Quarter of 2023 and Quarterly Bulletin, 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:

	6 months ended 31 March 2023 RM'000
Current tax expense	5,999
Deferred tax expense	825
	<hr/>
	6,824
Under-provision in prior year	13
	<hr/>
	6,837
	<hr/> <hr/>
	RM'000
Profit before tax	43,300
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Tax at Malaysian tax rate of 24%	10,392
Non-taxable income	(5,258)
Non-deductible expenses and other tax effects	1,690
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Tax expense	6,824
Under-provision in prior year	13
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Tax expense	6,837
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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 31 March 2023 are as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Non-current			
Repayable after 12 months			
Term loan	25,243	-	25,243
	=====	=====	=====
Current			
Repayable within 12 months			
Term loan	11,890	-	11,890
Revolving credit	50,000	-	50,000
Bills payable	-	21,013	21,013
	-----	-----	-----
Sub-total	61,890	21,013	82,903
	=====	=====	=====
Total	87,133	21,013	108,146
	=====	=====	=====

B8. Derivatives

The details of the Group's foreign currency forward contracts as at 31 March 2023 are as follows:

	Notional amount RM'000	Fair value RM'000	Difference RM'000
Foreign currency forward contracts			
US Dollar	133	131	(2)
Chinese Yuan Renminbi	1,486	1,482	(4)
	-----	-----	-----
	1,619	1,613	(6)
	=====	=====	=====

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 RM6,000 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 18 May 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 March 2023 RM'000	6 months ended 31 March 2023 RM'000
Profit for the financial period attributable to owners of the Company	18,340	34,818
	'000	'000
Weighted average number of ordinary shares at 31 March 2023	488,579	488,554
Basic earnings per share (sen)	3.75	7.13
	'000	'000
Weighted average number of ordinary shares at 31 March 2023 (basic)	488,579	488,554
Effects of share options	204	209
Weighted average number of ordinary shares at 31 March 2023 (diluted)	448,783	488,763
Diluted earnings per share (sen)	3.75	7.12

Notes to the Interim Financial Statements

B12. Profit before tax

	6 months ended 31 March 2023 RM'000
Profit before tax is arrived at after charging:	
Depreciation and amortisation	1,335
Interest expense	2,536
Inventories written down and written off, net	712
Allowance for impairment loss for trade receivables – net	189
Loss on foreign exchange – realised and unrealised	38
Loss on derivative financial instruments – realised and unrealised	20
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and after crediting:	
Interest income	773
Change in fair value of other investments	21,907
Bad debts recovery	8
Gain on foreign exchange – realised and unrealised	224
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B13. Capital Commitments

There was no capital commitment as at 31 March 2023.

This announcement is dated 25 May 2023.