FIAMMA

Beyond Today, Shaping Tomorrow

Annual Report 2023

INSIDE THIS REPORT


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NO. 1
COOKER HOODS
BRAND IN MALAYSIA*
EUROMONITOR INTERNATIONAL
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Innovative Functionality
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CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Seri Chiau Beng Teik, JP
Chairman, Non-Independent Non-Executive Director

Chiau Haw Choon
Non-Independent Executive Director

Tan Chee Wee
Group Chief Executive Officer/
Non-Independent Executive Director

Stefan Matthieu Lim Shing Yuan
Non-Independent Non-Executive Director

Dato' Yong Lei Choo
Independent Non-Executive Director

Khor Hun Nee
Independent Non-Executive Director

Nordin Bin Ahmad
Independent Non-Executive Director

AUDIT COMMITTEE

Khor Hun Nee
Chairman, Independent Non-Executive Director

Dato' Yong Lei Choo
Member, Independent Non-Executive Director

Nordin Bin Ahmad
Member, Independent Non-Executive Director

NOMINATION COMMITTEE

Dato' Yong Lei Choo
Chairman, Independent Non-Executive Director

Khor Hun Nee
Member, Independent Non-Executive Director

Nordin Bin Ahmad
Member, Independent Non-Executive Director

REMUNERATION COMMITTEE

Nordin Bin Ahmad
Chairman, Independent Non-Executive Director

Dato' Yong Lei Choo
Member, Independent Non-Executive Director

Khor Hun Nee
Member, Independent Non-Executive Director

COMPANY SECRETARIES

Chow Chiew Chin
Tai Yit Chan
Tan Ai Ning
Lim Seng Koon

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

Tel : (03) 7890 4800
Fax : (03) 7890 4650
Email: boardroom-kl@boardroomlimited.com

REGISTRARS

Tricor Investor and Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

Tel : (03) 2783 9299
Fax : (03) 2783 9222
Email: is.enquiry@my.tricorglobal.com

AUDITORS

KPMG PLT
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

Tel : (03) 7721 3388
Fax : (03) 7721 3399

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Islamic Bank Berhad
OCBC Bank (Malaysia) Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : FIAMMA
Stock Code : 6939

CORPORATE STRUCTURE
as at 31 December 2023

FIAMMA HOLDINGS BERHAD

TRADING & SERVICES

- FIAMMA SDN BHD 100%
  - FIAMMA LOGISTICS SDN BHD 100%
  - EXACT QUALITY SDN BHD 100%
- FIMACO SDN BHD 100%
- FIAMMA TRADING SDN BHD 70%
  - HAUSTERN SDN BHD 100%
- EBAC HOME SDN BHD 100%
- KINGSTON MEDICAL SUPPLIES (PTE) LTD 70%
  - KINSMEDIC SDN BHD 100%

PROPERTY DIVISION

- FHB MANAGEMENT SDN BHD 100%
- FIAMMA DEVELOPMENT SDN BHD 100%
  - PINANG SUTERA SDN BHD 60%
- AFFLUENT CRAFTS SDN BHD 100%
- ACTIVE EDGE SDN BHD 100%
- OAKSVILLA SDN BHD 100%
- UNIPHOENIX JAYA SDN BHD 100%
- DAWN LAND SDN BHD (f.k.a. Fiamma Land Sdn Bhd) 100%
- ARICIA SDN BHD (f.k.a. Fiamma Properties Sdn Bhd) 100%
- SINARAN URUSJUTA SDN BHD 100%
- GURVEY VISTA ESTATES SDN BHD 100%

DIRECTORS' PROFILE

Datuk Seri Chiau Beng Teik, JP

Non-Independent Non-Executive Chairman

Gender: Male
Age: 62

Datuk Seri Chiau Beng Teik, JP was appointed to the Board of Fiamma Holdings Berhad as a Non-Independent Non-Executive Chairman on 26 September 2022.

He finished his primary education at SJK(C) Pei Min, Padang Setar in Alor Setar, Kedah in December 1974. He has 48 years of working experience, beginning from the family's modest hardware business which he subsequently led and grew to include trading of building materials and cement transportation. Later, he started a cement distribution company and played an instrumental role in the growth of Chin Hin Group Berhad and its subsidiaries, expanding the business from a single office in Alor Setar, Kedah, to a group of companies with an expansive network of branch offices, warehouses and factories throughout Peninsular Malaysia.

He is currently the Executive Chairman of Chin Hin Group Berhad, Non-Independent Executive Chairman of Ajiya Berhad and Non-Independent Non-Executive Chairman of Chin Hin Group Property Berhad and Signature International Berhad. He also holds directorships in other private limited companies.

He is the father of Chiau Haw Choon, the Non-Independent Executive Director of the Company. He is also a major shareholder of the Company by virtue of his interest in PP Chin Hin Realty Sdn Bhd.

Chiau Haw Choon

Non-Independent Executive Director

Gender: Male
Age: 40

Mr. Chiau Haw Choon was appointed to the Board of Fiamma Holdings Berhad as a Non-Independent Executive Director on 26 September 2022.

He graduated from Deakin University, Australia with a Bachelor's Degree in Finance and Marketing in April 2009. Upon his graduation, he joined Chin Hin Group Berhad to assist Datuk Seri Chiau Beng Teik, JP, in transforming Chin Hin Group Berhad from a family-owned business to a professionally-run corporation. He has more than 14 years of experience in the building materials industry and property development industry.

He is currently the Group Managing Director of Chin Hin Group Berhad, Executive Director of Chin Hin Group Property Berhad and Managing Director of Signature International Berhad and Ajiya Berhad. He also holds directorships in other private limited companies.

He is the son of Datuk Seri Chiau Beng Teik, JP, the Non-Independent Non-Executive Chairman of the Company. He is also a major shareholder of the Company by virtue of his interest in PP Chin Hin Realty Sdn Bhd.

Tan Chee Wee

Group Chief Executive Officer,
Non-Independent Executive Director

Gender: Male
Age: 56

Mr. Tan Chee Wee was appointed to the Board of Fiamma Holdings Berhad as a Non-Independent Executive Director on 1 April 2023. He is also the Group Chief Executive Officer of Fiamma Holdings Berhad ("Fiamma"). He joined Fiamma on 1 December 2022 and is responsible for the strategic growth of Fiamma. He graduated from Universiti Kebangsaan Malaysia with a Bachelor's Degree in Development Science (Hons) and majored in Economics and Management.

Mr. Tan has vast experience in consumer electronics industry, with over 30 years in Sales and Marketing, of which 17 years were at senior management level. Prior to joining Fiamma, Mr. Tan worked at Samsung Malaysia Electronics (SME) Sdn Bhd for more than 16 years. During his tenure, he was responsible for business growth, brand building, expanding market share and transforming distribution channels. His deep consumer and business insight, combined with his experience in various capacities and knowledge in consumer product industry, have made him a versatile leader.

He does not have any interest in the securities of the Company or its subsidiaries. He does not have any family relationship with any director and/or major shareholder of Fiamma Holdings Berhad.

DIRECTORS' PROFILE

Stefan Matthieu Lim Shing Yuan

Non-Independent Non-Executive Director

Gender: Male

Age: 44

Mr. Stefan Matthieu Lim Shing Yuan was appointed to the Board of Fiamma Holdings Berhad on 8 October 2021 as a Non-Independent Non-Executive Director.

He holds a Master of Business Systems and Bachelor of Commerce (Accounting & Finance) Degrees from Monash University, Australia.

He is currently a Non-Independent Executive Director of Casa Holdings Limited ("Casa"), a company listed on Singapore Exchange Limited. He was a Non-Executive and Non-Independent Director of Casa from September 2009 to January 2020. He was re-designated from his position as a Non-Executive Director to Executive Director following his appointment as Deputy Chief Executive Officer in January 2020. He is also a director of Polybuilding (S) Pte Ltd.

Mr. Lim is the son of Mr. Lim Soo Kong (Lim Soo Chong), a major shareholder of Fiamma Holdings Berhad. Other than Fiamma Holdings Berhad, he does not hold any other directorship in public companies and listed issuers in Malaysia.

Dato' Yong Lei Choo

Independent Non-Executive Director

Gender: Female

Age: 62

Dato' Yong Lei Choo was appointed to the Board of Fiamma Holdings Berhad on 26 September 2022 as an Independent Non-Executive Director.

Dato' Yong holds an Honours Degree in Bachelor of Arts (Population Studies) from University of Malaya and a Master's Degree in Science (Human Resource Development) from Western Carolina University, North Carolina, USA.

She had a distinguished career in the Royal Malaysian Police Force for nearly 36 years before retiring on 27 October 2021 as Deputy Chief Police Officer of Kuala Lumpur. Notable achievements of Dato' Yong in the Police Force include: -

- First female Head of Special Branch in the Petaling Jaya Police District in 1998;
- First Malaysian Chinese woman with the rank of Senior Assistant Commissioner in 2009;
- First female Special Branch Chief of Penang Police Contingent in 2015 and in the history of the Malaysia Special Branch;
- First female Assistant Principal Director of the Malaysia Special Branch (Economic Intelligence Division) as well as the first female Deputy Chief Police Officer of Kuala Lumpur.

During her tenure as a professional police officer, she gained immense experience in investigation, prosecution, administration, anti-human trafficking, international security liaison, research and analysis in police precincts of various states such as Perak, Penang and Bukit Aman head precinct in Kuala Lumpur. She was also commissioned as the Chief VIP Security Team involved in the security detail for the Prime Minister's international excursions.

She currently sits on the board of LBS Bina Group Berhad, Vestland Berhad and M&A Equity Holdings Bhd. She is also the Independent Non-Executive Chairperson of Red Ideas Holdings Berhad.

Dato' Yong is the Chairman of Nomination Committee and a member of Audit Committee and Remuneration Committee. She does not have any family relationship with any director and/or major shareholder of Fiamma Holdings Berhad.

DIRECTORS' PROFILE

Khor Hun Nee

Independent Non-Executive Director

Gender: Female
Age: 47

Ms. Khor Hun Nee was appointed to the Board of Fiamma Holdings Berhad on 5 October 2022 as an Independent Non-Executive Director.

She is a fellow of The Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants and the Federation of Investment Managers Malaysia. She is also a Certified Financial Planner with the Financial Planning Association of Malaysia and possesses Capital Market Service Representative License issued by the Securities Commission Malaysia.

Ms. Khor started her career as auditor in Ernst & Young in 2000 for about four years. She later moved on to various senior finance positions in Intel Technology Sdn. Bhd., Computer Systems Adviser and Airbus Helicopters Malaysia Sdn. Bhd. She has more than 17 years of experience in financial management, financial reporting, corporate finance, auditing and taxation. She is currently self-employed as a licensed financial planner.

She also sits on the board of Jaks Resources Berhad, Asteel Group Berhad and Hextar Retail Berhad.

Ms. Khor is the Chairman of Audit Committee and a member of Nomination Committee and Remuneration Committee. She does not have any family relationship with any director and/or major shareholder of Fiamma Holdings Berhad.

Nordin Bin Ahmad

Independent Non-Executive Director

Gender: Male
Age: 61

Encik Nordin Bin Ahmad was appointed to the Board of Fiamma Holdings Berhad on 5 October 2022 as an Independent Non-Executive Director.

He graduated from University Teknologi MARA (UiTM) with a Diploma in Public Administration and holds an Honours Degree in Bachelor of Business Administration from University Kebangsaan Malaysia (UKM).

He started his career in Kolej Poly-Tech MARA (MARA) in December 1987. During his tenure with MARA, Encik Nordin held various positions of increasing responsibilities in the educational institution and rose up through the ranks to the positions of Senior Director, Deputy President and eventually reached a prominent position of CEO of Kolej Poly-Tech MARA from January 2018 until his retirement in May 2022.

Other than Fiamma Holdings Berhad, he does not hold any other directorship in public companies and listed issuers in Malaysia.

Encik Nordin is the Chairman of Remuneration Committee and a member of Audit Committee and Nomination Committee. He does not have any family relationship with any director and/or major shareholder of Fiamma Holdings Berhad.

OTHER INFORMATION

a. **Conflict of Interest**

On 29 February 2024, the Company had entered into Shareholders' Agreements and Subscription Agreements with BKG Development Sdn. Bhd., a wholly-owned subsidiary of Chin Hin Group Property Berhad, for the Proposed Joint Ventures, in which the directors of the Company, namely Datuk Seri Chiau Beng Teik, JP and Mr Chiau Haw Choon have direct and/or indirect interest. The Proposed Joint Ventures is subject to shareholders' approval being obtained at an Extraordinary General Meeting.

The detailed disclosures of the Proposed Joint Ventures are set out in Note 34(b) to Audited Financial Statements on page 153 of this Annual Report.

Save for the aforesaid directors, none of the directors have any conflict of interest with the Group.

b. **Conviction of Offences**

None of the Directors have any conviction for offences within the past 5 years other than traffic offences, if any and no public sanction or penalty have been imposed on them by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT PROFILE

Ching Wooi Kong

Age: 65 | Gender: Male

Mr. Ching Wooi Kong is the Managing Director of Rubine and Haustern brands that specialise in home appliances and sanitary ware. He is also the Managing Director of the medical division and sits on the Board of some of the subsidiary companies of Fiamma Group. In his leadership roles, he is responsible for business operations, product development, and strategic planning for Rubine and Haustern brands of products and oversee the distribution of healthcare and medical equipment within the medical division.

He started his career with Fiamma Group as a Project Executive in 1990 and progressed through various roles, becoming General Manager in 1995 and assuming the role of Managing Director in April 2007. With a wealth of experience exceeding 30 years in the home appliances and sanitary ware industry, he has proven himself as a seasoned professional.

He does not have any family relationship with any director and/or major shareholder of Fiamma Holdings Berhad.

Tok Sang Man

Age: 56 | Gender: Male

Mr. Tok Sang Man is the Managing Director of Elba brand that specialises in home appliances sector. In his leadership roles, he is responsible for business operations, product development, and strategic planning for Elba brand of home appliance.

He joined Fiamma Group on 13 June 2023. Prior to joining Fiamma Group, he served as Deputy Managing Director at Sharp Electronics Malaysia Sdn Bhd from 1996. He graduated with a Master of Business Administration, majoring in management.

He does not have any family relationship with any director and/or major shareholder of Fiamma Holdings Berhad.

Chua Ah Boon

Age: 51 | Gender: Male

Mr. Chua Ah Boon is the Managing Director of Faber and Tuscani homegrown brands of home appliances. His brand portfolios also cover agency brands, including Braun (Germany), Oral B (Germany) and Speed Queen (USA). In his leadership roles, he is responsible for business operations, product development, and strategic planning.

He joined Fiamma Group on 2 January 2024. Prior to joining Fiamma Group, he served as Senior General Manager in Pensonic Sales & Services Sdn Bhd. His notable career also includes an 18-year tenure as General Manager in Toshiba Sales & Services Sdn Bhd, where his leadership and management skills played a pivotal role in driving initiatives that contributed to the success and expansion of Toshiba's sales and services. He graduated from Universiti Putra Malaysia with a Bachelor of Science-Human Development.

He does not have any family relationship with any director and/or major shareholder of Fiamma Holdings Berhad.

KEY SENIOR MANAGEMENT PROFILE

Chong Sze Chun

Age: 57 | Gender: Female

Ms. Chong Sze Chun is the Managing Director responsible for the installation of home furniture, fittings and electrical home appliances of Ebac brand. She has more than 30 years' experience in the home kitchen cabinets and home furnishing industry. In her leadership roles, she is responsible for the business development and strategic planning of the project business of kitchen cabinet and home furnishing.

She joined Fiamma Group in November 2013 as General Manager and was promoted to Managing Director in April 2018. Prior to this, she was the Head of Project for Aino Kitchen Sdn Bhd from December 2008 to October 2013, where she was involved in building the project business. She also served Fiamma Group as Sales Manager between March 1995 and November 2008 where she was overall in charge of retail sales and project sales of the kitchen and home furnishing business.

She does not have any family relationship with any director and/or major shareholder of Fiamma Holdings Berhad.

Lim Choon Weng

Age: 52 | Gender: Male

Mr. Lim Choon Weng is the General Manager responsible for the after sales service of the products and logistics operations of Fiamma Group. He has more than 25 years of management experience in home appliances, information technology and telecommunication industry.

He joined Fiamma Group in November 2013. Prior to this, he also served in Canon Maketing, Redtone Technology and Maxis. He graduated with a Bachelor Degree in Electrical Engineering in 1996 and Master of Business Administration Degree in 2003, both from University of Malaya.

He does not have any family relationship with any director and/or major shareholder of Fiamma Holdings Berhad.

Chow Chiew Chin

Age: 50 | Gender: Female

Ms. Chow Chiew Chin is the Chief Financial Officer and Company Secretary of Fiamma Group. She is responsible for the overall financial management, secretarial, tax, risk management and corporate functions of Fiamma Group.

She joined Fiamma Group in May 2017 as Senior Finance Manager, became Group Financial Controller on 1 February 2023, and assumed her current role on 1 January 2024. With over 25 years of experience in accounting, finance, taxation, audit, and corporate finance, she began her career as an auditor in international accounting firms before joining various sizeable organisations across industries. She is a fellow of The Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants.

She does not have any family relationship with any director and/or major shareholder of Fiamma Holdings Berhad.

OTHER INFORMATION

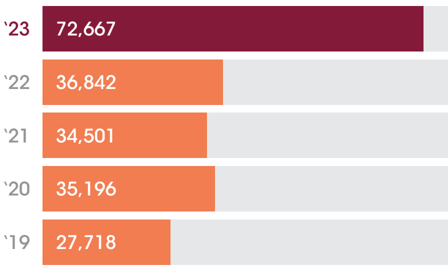
a. **Conflict of Interest**
None of the Key Senior Management has any conflict of interest with the Company.

b. **Conviction of Offences**
None of the Key Senior Management has any conviction for offences within the past 5 years other than traffic offences, if any, and no public sanction or penalty have been imposed on them by relevant regulatory bodies during the financial year.

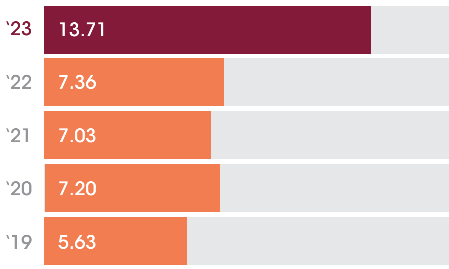
c. **Directorships**
None of the Key Senior Management holds any directorship in any public companies and listed issuers in Malaysia.

FINANCIAL HIGHLIGHTS

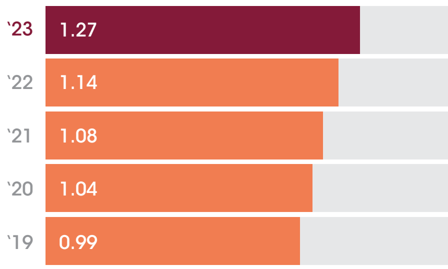
Profit for the financial period/ year attributable to owners of the Company (RM'000)



Basic earnings per share (sen)



Net assets per share (RM)



	30 Sep 2019 RM'000	30 Sep 2020 RM'000	30 Sep 2021 RM'000	30 Sep 2022 RM'000	31 Dec 2023 RM'000
RESULTS					
Revenue	337,412	378,591	338,022	369,980	**486,144**
Operating profit before depreciation, finance cost, foreign exchange gain/losses and tax	54,194	68,149	62,625	64,425	**102,484**
Profit before taxation	41,830	55,368	53,613	56,604	**90,117**
Profit for the financial year/period attributable to owners of the Company	27,718	35,196	34,501	36,842	**72,667**
EQUITY AND ASSETS					
Share capital	265,030	265,030	268,408	277,744	**286,848**
Total equity attributable to owners of the Company	489,501	508,438	532,384	578,568	**672,131**
Total assets	808,072	836,899	774,079	808,631	**916,881**
Cash and bank balances and deposits with financial institutions	83,325	114,027	104,450	102,339	**104,635**
FINANCIAL STATISTICS					
Basic earnings per share (sen)	5.63	7.20	7.03	7.36	**13.71**
Gross dividend per share (sen)	2.00	2.75	3.20	-	**-**
Dividend pay-out	9,853	13,498	15,847	-	**-**
Net assets per share (RM)	0.99	1.04	1.08	1.14	**1.27**

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Fiamma Holdings Berhad was founded in 1979 and listed on the Bursa Malaysia Securities Berhad in 1997. The Group's business is categorised into three segments: -

Trading and Services

Property Development

Investment Holding and Property Investment

Trading and Services Segment is involved in the distribution and servicing of electrical home appliances, sanitaryware, kitchen and wardrobe system and built-in furniture, medical devices and healthcare products. Its in-house brands include Elba, Faber, Rubine, Tuscani, Haustern and Ebac. It also holds distribution rights for international brands, namely Braun, Speed Queen and Beurer.

Property Development Segment is involved in the development of residential and commercial properties in the Central and Southern Regions of Malaysia. Some of the signature projects are: -

- Menara Centara at Jalan Tuanku Abdul Rahman, Kuala Lumpur;
- East Parc @ Menjalara, Kuala Lumpur; and
- Taman Kota Jaya, Kota Tinggi, Johor.

Investment Holding and Property Investment Segment is mainly involved in investment holding and letting of investment properties, namely commercial spaces in Wisma Fiamma in Bandar Menjalara and Menara Centara in Jalan Tuanku Abdul Rahman, both in Kuala Lumpur, Malaysia.

FY2023 FINANCIAL PERFORMANCE

The Group changed its financial year end from 30 September to 31 December. As a result, the Group's records for the financial period ended 2023 ("FY2023") span 15 months, in contrast to the 12 months for the previous financial year ended 30 September 2022 ("FY2022").

	1.10.2022 to 31.12.2023	1.10.2021 to 30.9.2022	Changes	
	RM'000	RM'000	RM'000	%
REVENUE				
Trading and Services	**348,835**	339,759	9,076	2.7
Property Development	**131,527**	26,292	105,235	>100
Investment Holding and Property Investment	**5,782**	3,929	1,853	47.2
	486,144	369,980	116,164	31.4
PROFIT BEFORE TAXATION				
Trading and Services	**43,566**	53,313	(9,747)	-18.3
Property Development	**1,602**	996	606	60.8
Investment Holding and Property Investment	**44,949**	2,295	42,654	>100
	90,117	56,604	33,513	59.2

FY2023 FINANCIAL PERFORMANCE (CONT'D)

Trading and Services Segment

Following nearly three years of unprecedented sales and profit growth within the electrical home appliances industry amid the pandemic, the Group is now observing a decline in revenue and profitability. Other factors affecting the segment performance in FY2023 were: -

(a) Slowdown in economy as a result of inflation and high interest rates, which translated to decline of purchasing power over time, thus affecting consumers sentiment;
(b) Higher product costs due to depreciation of Ringgit Malaysia;
(c) Higher costs of running business due to the minimum wage requirement, which was in turn contributed by higher living costs as a result of the increase in global oil price and foods price due to the geopolitical conflicts in Russia-Ukraine and Israel-Palestine;
(d) Initiatives to clear the stockpile built-up during the pandemic era;
(e) Higher marketing expenditure; and
(f) Stiff competition due to low barriers to entry for new players and overseas competitors.

Property Development Segment

The Property Development Segment experienced a remarkable fivefold increase in revenue during FY2023 when compared to FY2022, constituting 27% of the Group's total revenue for FY2023. This growth was achieved through the Group's strategic initiatives to monetise its completed properties by offering discounts and rebates. However, this approach has led to a decline in the segment margin.

Investment Holding and Property Investment Segment

The remaining of the Group's revenue and bottom line were contributed by Investment Holding and Property Investment Segment. The revenue was mainly derived from the letting of investment properties at Wisma Fiamma in Bandar Menjalara and Menara Centara in Jalan Tuanku Abdul Rahman, both located in Kuala Lumpur.

Higher profit before tax was mainly due to the following: -

Net gain on sales of other investments of
RM16.21 million

Net gain on fair value of other investments of
RM24.38 million

Fair value gain of investment properties of
RM2.39 million

STATEMENTS OF FINANCIAL POSITION

The Group's total assets increased by RM108.25 million from RM808.63 million in FY2022, primarily attributed to the acquisition of land involving a land premium settlement and its incidental costs totaling RM119.65 million, property development costs incurred on upcoming projects amounting to RM37.67 million and investment in quoted shares of RM75.59 million. The increase in total assets was, however, offset by the liquidation of its trading stocks and completed property units throughout FY2023.

MANAGEMENT DISCUSSION AND ANALYSIS

STATEMENTS OF FINANCIAL POSITION (CONT'D)

The Group's total liabilities increased by RM13.94 million from RM209.58 million in FY2022, mainly due to accrual of additional land premium of RM16.55 million for its existing 1.4-acre land in Jalan Yap Kwan Seng.

During FY2023, the Company repurchased 20,000,000 of its issued shares from the open market for a total consideration of RM19.48 million. These repurchased shares were held in treasury. Combined with the treasury shares acquired in previous years, the Company held a total of 41,624,400 treasury shares. Subsequently, all treasury shares were sold in the open market, realising a total consideration of RM39.44 million.

During FY2023, a total of 273,000 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.

The Group's net gearing ratio as at 31 December 2023 stood at 0.03 times (FY2022: 0.05 times).

STATEMENTS OF CASH FLOW

Operating Activities

Net cash from operating activities was RM35.75 million in FY2023 against RM16.19 million in FY2022, an increase of RM19.56 million. The increase was primarily due to sales of trading stocks and completed property units throughout FY2023.

Investing Activities

Net cash used in investing activities was RM37.17 million in FY2023 against net cash generated of RM0.50 million in FY2022. The predominant factors contributing to the net cash outflow were the investment in and sale of quoted shares, along with acquisition of plant and equipment.

Financing Activities

Net cash generated from financing activities was RM3.22 million against net cash used of RM19.12 million in FY2022. Net cash inflow was mainly due to net proceeds received from trading the treasury shares, no dividends were disbursed to the Company's shareholders and lower dividend payout to its minority shareholder. This strategic move aimed to preserve cash for future projects and growth initiatives. However, the increase in cash flow was mitigated by higher interest payments due to higher interest rates.

The Group's total assets increased by **RM108.25** million from **RM808.63** million in FY2022

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS, STRATEGIES & RISK MANAGEMENT

Trading and Services Segment

Overall, the electrical household appliances market is highly competitive, with numerous brands vying for market share. Hence, the players must be innovative, customer-focused, and agile to remain competitive.

The Group has undertaken a multifaceted differentiation strategy to fortify its position as a distributor of electrical household appliances, inter alia: -

1. **Innovation and Expansion**

   Embracing a forward-looking approach, the Group is dedicated to expanding its product range to include the latest trends, lifestyle enhancements, and cutting-edge smart connectivity and Internet of Things (IoT) solutions. By staying at the forefront of technological advancements, the Group aims to position itself to lead the market and captivate the modern consumers.

2. **Direct to Customer (DTC) Focus**

   Embracing the changing dynamics of consumer engagement, the Group is strategically advancing its DTC channel across online and offline platforms, on top of its existing distribution channels, i.e. corporate, chain-store and traditional retail clientele. This initiative ensures a seamless and direct link between customers and the Group's diverse product offerings, enhancing accessibility and nurturing a personalised connection with our brands.

3. **Brand Building through Strategic Marketing**

   The Group has embarked on a brand transformation and is committed to building and fortifying its brand identity. Through strategic campaigns, the Group defines the unique positioning of each brand within the Group's portfolio. By understanding the distinct needs of the target customers, the Group provides tailored solutions that inspire and enrich their lives. The marketing initiatives of the Group extend beyond product sales, aiming to establish meaningful connections and enrich the lives of customers.

The business's future outlook and strategies are tightly intertwined with the assessment and management of associated risks, reflecting a strategic approach to navigating the challenges in the evolving business landscape.

The 2% increase in sales and service tax ("SST"), an extended scope of SST, along with broader application of stamp duty and the proposed subsidy rationalisation, may lead to a potential rise in business operating costs. This, in turn, could contribute to an increased cost of living, potentially diminishing the purchasing power of the population.

Property Development Segment

The Group holds significant inventory from completed projects in Klang Valley and Johor's Kota Tinggi, Batu Pahat, and Johor Bahru. The sale of these inventories is expected to enhance the Group's revenue and earnings in the upcoming financial years. The Group remains committed to ongoing initiatives aimed at selling and monetising all unsold completed properties.

The Group currently owns three parcels of prime land, namely: -

2.6-acre land in Jalan Sungai Besi.

1.4-acre land in Jalan Yap Kwan Seng.

1.9-acre land in Jalan Yap Kwan Seng.

MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS, STRATEGIES & RISK MANAGEMENT (CONT'D)

On 29 February 2024, the Company has executed Shareholders' Agreements ("SHA") with BKG Development Sdn Bhd ("BKGD"), a wholly-owned subsidiary of Chin Hin Group Property Berhad. Pursuant to the SHA, the Company's ownership stake in the 100%-owned subsidiaries holding the two parcels of land outlined in items (i) and (ii) (referred to as the "Landowners") above will be reduced from 100% to 30% subsequent to the Landowners' issuance of new shares to BKGD. Following the dilution of the Company's equity interest in the Landowners, BKGD will assume control over the property development endeavors of the Landowners.

Barring unforeseen circumstances and subject to all relevant approvals being obtained, the anticipated dilution of the Company's equity interest in the Landowners is expected to be completed in 2H 2024.

Investment Holding and Property Investment Segment

Both the investment properties of the Group are situated in strategic locations with good connectivity. The average occupancy rates for Wisma Fiamma and Menara Centara during FY2023 were 68%. This segment will continue to contribute to the Group's annual revenue and profit base with recurring income stream.

Nevertheless, the rental outlook for commercial properties remains gloomy in view of the economy slowdown and oversupply of commercial office especially in Klang Valley, thus suppressing the rental and affecting the yield and occupancy/take-up rates.

The Group maintains a long-term and good relationship with its tenants. This, combined with the strategic location of the office buildings, has enabled the Group to secure long-term tenancies. The Group will continue to invest in tenant improvements and provide quality building services and maintenance to satisfy the occupants' comfort needs.

LOOKING AHEAD

Looking ahead, the protracted geopolitical tensions in regions such as Russian-Ukraine and Israel-Palestine, coupled with their far-reaching consequences, may lead to increased market volatility in the coming years. Factors like rising inflation, depreciation of the Malaysian Ringgit, escalating cost pressures, and the looming risk of economic contraction add to the prevailing uncertainties.

The Group is poised to closely monitor geopolitical developments and national economic activities, implementing measures to minimise and mitigate any potential impact on its business. This includes prudent cash flow management for financial resilience, sustained cost vigilance to enhance profitability, and a cautious approach to business operations to navigate forthcoming risks.

Despite anticipating persistent market uncertainties and a challenging business landscape in FY2024, the Group is committed to fortifying its financial health, fostering growth in both top and bottom lines, and bolstering the resilience of its businesses. Armed with strong fundamentals, the Group remains cautiously optimistic about economic prospects, maintaining a positive outlook for the future.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EBAC HOME
-Is All About Comfortable and Stylish Living-
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SUSTAINABILITY STATEMENT

Fiamma Holdings Berhad's ("Fiamma" or the "Company") vision is to become a leading distributor of home appliances, including electrical home appliances, sanitaryware, kitchen and wardrobe systems and built-in furniture, medical devices, and healthcare products in Malaysia through the businesses of Fiamma and its subsidiaries ("Fiamma Group" or the "Group"). Fiamma Group aims to provide innovative and quality products and services that enhance stakeholder value while remaining steadfast in its commitment to delivering unparalleled service to all its customers.

In striving towards its vision, the Group acknowledges that as a business, its purpose extends beyond shareholder value optimisation to the preservation and creation of value for all stakeholders involved.

In addition to business operations and corporate governance, Fiamma Group places a heightened focus on fostering employee development and well-being. Simultaneously, Fiamma Group is dedicated to establishing effective communication channels with relevant internal and external stakeholders to ensure that they are updated with the current sustainability risks and opportunities.

About this Report

This Sustainability Statement ("Statement") provides updates on Fiamma Group's ongoing sustainability commitments, strategies, initiatives, targets, and performances towards supporting the Group's business value creation. Amongst others, this Statement discusses how the Group addresses its significant economic, environmental, and social ("EES" or "sustainability") risks and opportunities and stakeholder expectations by implementing sustainability initiatives designed to safeguard the environment and contribute to societal well-being.

Reporting Scope and Period

This Statement presents sustainability data and information on the Group's main revenue contributors, which are the **Trading and Services Segment** and **Property Development Segment** during the financial period spanning from 1 October 2022 to 31 December 2023 ("FPE2023"), constituting a reporting period of 15 months. The data for FY2022 encompasses the timeframe from 1 October 2021 to 30 September 2022. It is important to note that meaningful comparisons between FY2022 and FPE2023 may be limited due to the inherent inconsistency in the duration of the presented data.

This Statement has been prepared in accordance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and has also considered the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits published by Bursa Securities.

External Assurance

This Statement and the data reporting in this Statement were not subject to specific internal review by the internal auditors or external assurance by independent parties.

SUSTAINABILITY GOVERNANCE

The management of sustainability topics is integrated into Fiamma's corporate governance framework and is aligned closely with the Group's risk management structure. The Board is tasked with ensuring that the Group's strategies, policies, objectives, and targets align with the objectives of long-term value creation and the Group's core values of Commitment, Honesty, Respect, Teamwork, Creativity, and Responsibility. In this regard, the Board is responsible for ensuring the most material EES factors have been identified and considered in the Group's business strategy and activities, as well as risk management activities.

To ensure sustainability strategies and initiatives are considered effectively in the Board's decision-making process, Directors are required to undergo continuous learning including training and briefing on sustainability-related topics. This also helps to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development and addresses the various expectations and needs of stakeholders relevant to the Group's businesses.

SUSTAINABILITY STATEMENT

The Board is supported by the Audit Committee ("AC"), which is responsible for ensuring a systematic process for identifying sustainability matters that are material to the Group, i.e. materiality assessment process, is in place. The AC oversees the Group's overall management of Material Sustainability Matters ("MSMs"), including Management's implementation, management, and monitoring of initiatives to address the MSMs and their risks and opportunities. At least on an annual basis, the AC reviews Management's sustainability progress, policies and strategies, and their engagement with stakeholders to ensure they are adequate and allows the Group to understand stakeholders' expectations and communicate key sustainability information such as policies, targets and performance to stakeholders.

The Risk Management Committee ("RMC") is a management-level committee, led by the Group Chief Executive Officer and consists of the heads of business units and senior management. The responsibility of the RMC includes carrying out the materiality assessment to identify, assess, and prioritise the Group's MSMs, develop and implement strategies and initiatives to address the Group's MSMs and monitor their performance. The RMC is also responsible for ensuring MSMs are considered in the Group's risk management process and that sustainability risks are managed in accordance with the Group's risk management framework. The RMC is also tasked to review the Group's overall engagement with stakeholders, ensuring appropriate engagement strategies and channels are established to facilitate effective engagement. The RMC reports to the AC on sustainability-related matters on an annual basis.

In FPE2023, the RMC carried out a comprehensive materiality assessment to review the Group's MSMs. The assessment was participated by the RMC members and relevant heads of departments or functions, as well as personnel who have adequate understanding of the Group's key stakeholders to ensure stakeholders' views and concerns were taken into consideration in the materiality assessment. The performance assessment of the relevant Directors and Management personnel incorporates factors concerning the delivery of their responsibilities pertaining to sustainability, as well as considerations of the Group's sustainability performance. The remuneration of these Directors and Management personnel also considers such outcome of the performance assessment, ensuring there is alignment between the Group's sustainability-related governance structure and overall sustainability performance.

STAKEHOLDER ENGAGEMENT

Engaging with stakeholders adequately is important for the Group's business to understand its stakeholders such as customers and users and manage significant expectation gaps between the business and its stakeholders. Through effective and ongoing stakeholder engagements, we collect valuable feedback, enhance trust and credibility, and harmonise its business strategies with corporate values which are in alignment with the short and long-term interests of both the business and the stakeholders. Furthermore, stakeholder engagements enable the Group to assess the sustainability impacts of its operations, facilitating informed decision-making that generates value for the stakeholders.

An overview of the Group's engagement with various stakeholder groups during FPE2023, including the engagement channels, engagement frequency, and the key concerns for each stakeholder group are summarised as follows:

Stakeholder Groups	Engagement Methods	Frequency	Focus Areas
Customers (Dealers, Consumers, Homebuyers and Tenants)	• Customer feedback during after-sales service • Appreciation events • Sales, marketing, and promotional events • Collaboration activities • Social media • Customer visits/site visits	• During after-sales service • Annual • Ongoing • Joint promotion with dealers • Ongoing • Very frequent	• Product safety and quality • Design and features • Timely delivery • Facilities management • Customer service and experience • Energy efficiency

SUSTAINABILITY STATEMENT

Stakeholder Groups	Engagement Methods	Frequency	Focus Areas
Employees	• Employee survey • Code of Conduct • Whistleblowing policy and mechanism • Career development programmes • Training programmes • Day-to-day operations	• Ongoing • Company's website • Company's website • On-the-job • Ongoing • Daily	• Occupational safety and health • Employee appreciation, welfare, and benefits • Employee development • Talent development • Fair and equitable treatment
Shareholders/ Investors	• Annual general meetings • Quarterly announcement of financial results • Press conference • Analyst briefing • Website updates	• Annually • Quarterly • None • As and when requested by analysts • As and when there are things to update	• Sustainable financial returns • Ethical Business Practices
Government, Government Agencies, Authorities and Regulators	• Regulatory disclosures/ reporting • Meetings	• Quarterly and annually • Frequent	• Compliance • Ethical Business Practices • Approvals and permits • Energy efficiency
Financial Institutions/ Lenders	• Annual and periodic reviews • Meetings	• Annual • Whenever there are fund-raising requests	• Financial soundness
Vendors/Suppliers/ Transporters/ Contractors/ Agents	• Business meetings • Responsible sourcing • Strategic partnership/ alliance • Day-to-day operations	• Frequent • Ongoing • Ongoing • Daily	• Ethical business practices • Occupational safety and health • Product quality and safety • Timely delivery • Supply chain efficiency

SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT

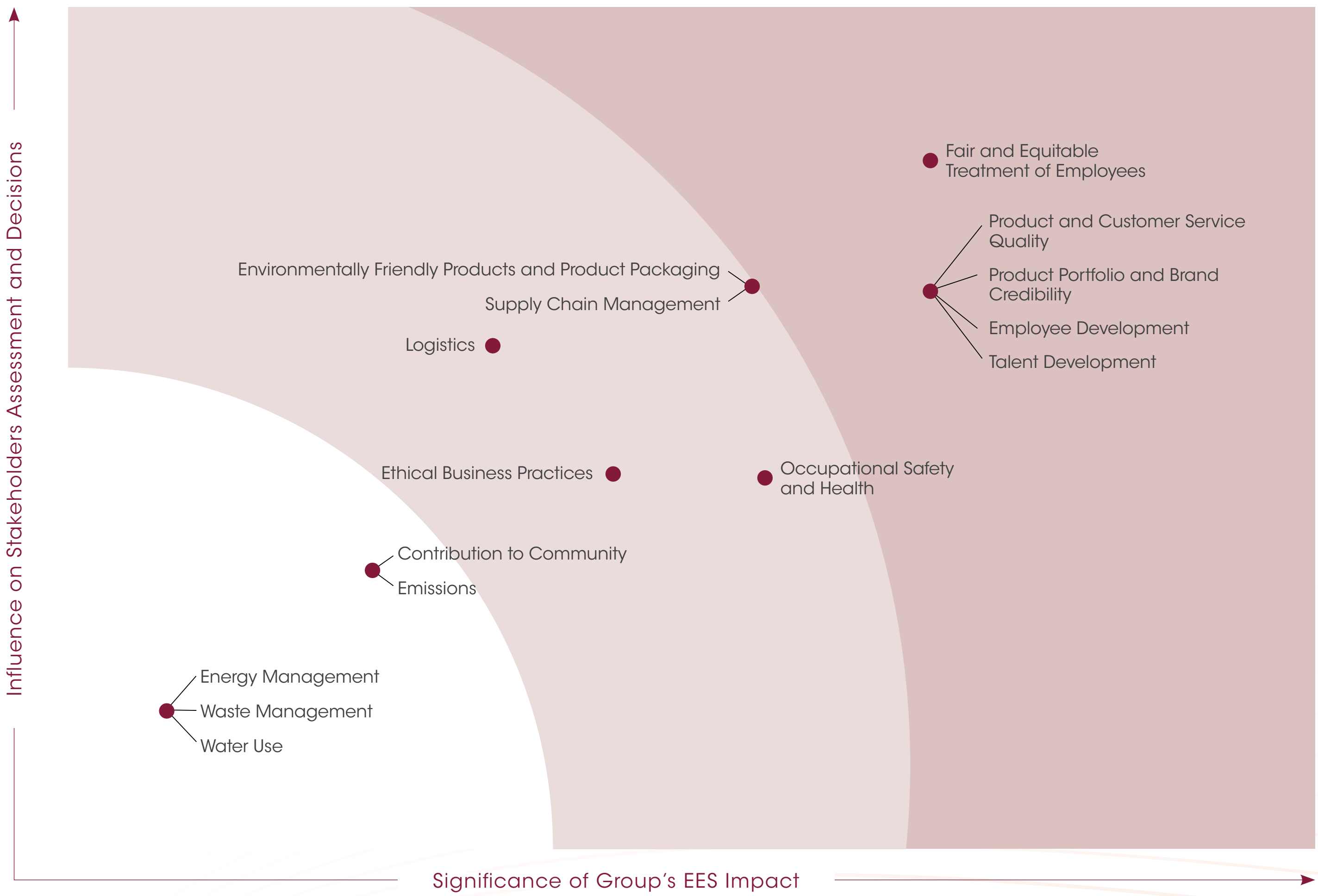
In FPE2023, the RMC carried out a comprehensive materiality assessment to review the Group's MSMs and enhance the understanding of matters crucial to the Group's business operations, stakeholders, and the wider community.

A comprehensive materiality assessment is conducted every three years, and the next assessment will be undertaken during/for FY2026. This process involves understanding the expectations and concerns of various stakeholders, such as customers, employees, shareholders/investors, government and regulators, financial institutions as well as vendors/suppliers, and aligning them with the Group's business strategies and operations. As such, the definition of Fiamma Group's materiality is broadly aligned with the Listing Requirements, where matters significant to the Group and the stakeholders are both considered.

The assessment was participated by the RMC members and relevant heads of departments or functions, as well as personnel who have an adequate understanding of the Group's key stakeholders. The outcome of the materiality assessment, i.e. the Materiality Matrix, was reviewed by the AC and tabled to the Board.

The material matrix is illustrated as follows:

Materiality Matrix FPE2023



Through the materiality assessment, we identified fifteen (15) MSMs, including seven (7) new MSMs, namely "**Supply Chain Management**", "**Talent Development**", "**Contribution to Community**", "**Emissions**", "**Energy Management**", "**Waste Management**", as well as "**Water Use**".

While not categorised as top-priority material topics, we are also reporting the matters "**Contribution to Community**", "**Emissions**", "**Energy Management**", "**Waste Management**", and "**Water Use**" as they are common sustainability matters prescribed in the Listing Requirements.

ETHICAL BUSINESS PRACTICES

Business ethics is fundamental to the way we do business at Fiamma. In addition to our commitment to complying with relevant laws and regulations, the Group also established various policies and codes to set and communicate its expectations, with respect to business ethics, to Directors, employees, and stakeholders.

This year, we have also enhanced our conflict of interest-related controls and have established a Conflict of Interest Policy, in alignment with the enhanced requirements in the Listing Requirements.

Code of Ethics

Fiamma Group is committed to maintaining ethical and professional conduct in the Group's business, and every Director is required to adhere to the Code of Ethics ("COE") which sets out a standard of ethical behaviour that is expected of all Directors. This COE communicates and aims to elevate the Directors' ethical qualities with respect to corporate governance and behaviour standards, prevent actual or potential conflicts of interest within the Board, and ensure the fulfilment of social and environmental responsibilities.

Code of Conduct

Fiamma Group is committed to conducting business with ethics and integrity, aiming to generate long-term sustained value for stakeholders, shareholders, and the wider society. To foster a culture of integrity and ethical conduct within the organisation, the Board has formalised the Code of Conduct ("Code") which applies to all Directors, Management, and employees of the Group. All employees must adhere to these standards in the execution of their duties, and engaging in unethical behaviour is strictly prohibited. This Code addresses various aspects, including but not limited to as follows:

1. Human Rights and No Discrimination or Harassment
2. Health and Safety
3. Environmental
4. Gifts, Gratuities, and Entertainment
5. Bribes and Corruption
6. Conflict of Interest
7. Insider Trading
8. Money Laundering
9. Abuse of Power
10. Other related areas

The Code is communicated to all employees regularly and briefing on the Code is also provided to all new employees during the orientation. To ensure that employees are well-informed of the Code, all employees are required to read through the Code and sign an acknowledgement letter confirming their understanding and commitment to comply with the Code. From time to time, refresher briefing is provided to employees to remind them of the Group's expectations as well as to keep employees informed on any updates.

SUSTAINABILITY STATEMENT

Anti-Bribery and Corruption Policy and Procedure

Fiamma Group has adopted a zero-tolerance approach towards all forms of bribery and corruption and the Board has established an Anti-Bribery and Corruption Policy and Procedure ("ABC Policy") to formalise this commitment. We expect all Directors, employees, contractors, joint venture partners, or any other parties performing services on behalf of the Group to comply with the ABC Policy.

100%
Operations assessed for corruption-related risks in FPE2023

All types of bribery and corruption are strictly prohibited, and we ensure that no employees will face demotion, penalty, or other adverse consequence for refusing to pay or receive bribes or engaging in other illicit behaviour. Apart from that, the ABC Policy addresses various situations or activities which may pose higher corruption risks, such as conflict of interest, gifts, entertainment, hospitality, travel, donation and sponsorship, and facilitation payments. Fiamma Group treats facilitation payments as bribes and facilitation payments are strictly prohibited. Serious violation of the ABC Policy may lead to termination of employment, cessation of business arrangements, initiation of legal action, or notification to the authorities.

Guided by the ABC Policy, the Group adopts a risk-based approach towards managing bribery and corruption risks. Due diligence processes are in place to screen and assess new parties such as candidates for directorships and employment or new suppliers and vendors before the Group contracts with new employees or engages new suppliers. Corruption risk is also incorporated in the Group's annual risk assessment process. In addition, all employees and Directors of the Group are required to read and sign a declaration confirming their understanding and commitment to comply with this ABC Policy. New and existing external stakeholders such as contractors, suppliers, and vendors, are also required to sign a declaration form.

Awareness programmes related to anti-bribery and corruption are provided to all relevant parties to ensure a clear understanding of the Group's commitment. The Group ensures all employees and relevant business partners are informed of the Group's ABC Policy, which is publicly accessible on Fiamma's corporate website. Any updates to the ABC Policy will also be communicated to employees and Directors promptly.

During the establishment of the Group's anti-corruption policies and procedures in 2020, relevant communication and training were provided to all employees. A briefing video on ABC Policy was produced and accessible to Directors and employees and it serves as a reminder in relation to the Group's stance and controls to manage corruption risks. Briefing on ABC Policy is also conducted for new joiners and they are required to declare to abide by the ABC Policy, requirements, and provisions.

No. of employees received training on anti-corruption (%)

Senior Management	Management	Executives	Non-Executives	TOTAL
27 (100%)	42 (100%)	136 (100%)	91 (100%)	296 (100%)

The Group, through its risk management process, reviews its corruption risk assessment on an annual basis to monitor any changes to the Group's corruption risk exposures, considering the effectiveness of controls in place. The internal audit function also performs reviews on the adequacy and effectiveness of the Group's internal controls in relation to corruption risks.

Data Privacy and Security

As Fiamma enhances its adoption of information technology ("IT") and systems in its business, there arises an increasing need to enhance the cybersecurity and integrity of its IT systems, as well as cultivate heightened information security awareness and proper IT usage practices among employees.

In this regard, Fiamma Group has established a set of policies on information security that sets out IT usage and security rules for employees, especially for functions that are involved in the handling of sensitive and confidential information including client data. Regular reminder emails are also sent by the IT Department to emphasise safe cyber practices such as not to indiscriminately click on links or open files from unknown sources, to elevate employees' awareness.

Whistleblowing Policy

Fiamma treats compliance with the Group's ethics-related codes and policies seriously. All employees are encouraged to report any known or suspected illegal or unethical behaviour to their supervisors, managers, Heads of Departments ("HODs") or Head of Human Resources ("HR"). The Group is committed to promptly and discreetly investigating reported concerns with the utmost professionalism and transparency. Internal investigations and audits are conducted impartially, without predetermined conclusions.

Violations can be reported using the organisation's whistleblowing channel, as outlined in the Whistleblowing Policy approved by the Board. This channel is accessible by both employees and the general public, including stakeholders such as suppliers, customers, business partners, etc. The whistleblowing system incorporates features of independence and protection for the whistleblower to encourage genuine reporting and the raising of concerns.

The Group assures the confidentiality of the whistleblower's identity and commits not to reveal it to any third party not directly involved in the investigation or prosecution of the matter. The identity of the whistleblower making the allegation will stay anonymous unless he or she decides otherwise.

During the financial period under review, there were no whistleblowing cases or confirmed incidents of corruption reported. Apart from that, the Group is also pleasured to report that there were no substantiated complaints related to human rights violations and breaches of customer privacy and losses of customer data noted throughout the reporting period.

Regrettably, Fiamma was attacked by ransomware in March 2023, but there was no known compromise on sensitive data or malicious use of sensitive data.

0
Whistleblowing cases reported (no.)

0
Confirmed incidents of corruption (no.)

0
Substantiated complaints concerning human rights violations (no.)

0
Substantiated complaints concerning breaches of customer privacy and losses of customer data (no.)

PRODUCTS AND SERVICES

Product Portfolio and Brand Creditability

Fiamma Group distinguishes itself from competitors primarily through the development of a mature portfolio of brands that have achieved market awareness and are responsive to current market needs. The company consistently monitors market dynamics and trends, evaluating opportunities to incorporate new brands or products into its portfolio. This involves conducting thorough market studies to assess demand and potential traction for the brand and its products, including a comparative analysis that considers factors such as price, features, and specifications of other products in the market.

SUSTAINABILITY STATEMENT

Moreover, Fiamma Group adheres to a set of guidelines that establish the criteria for integrating new products into its portfolio. These guidelines encompass considerations such as quality, pricing, and regulatory compliance. Regarding in-house brands, the Group consistently explores possibilities for product expansion based on economic and market conditions, aiming to enhance market share and strengthen the brand credibility of its in-house brands. The Group also conducts reviews and assessments of its brand portfolio periodically to ensure the continued relevance of its product offerings in response to current market conditions. This involves factors such as customer satisfaction, brand positioning, profit margin, etc.

The Group has developed proactive mitigation plans aimed at aggressively marketing its properties, enhancing promotional and incentive initiatives to strengthen the competitive edge of its products, and addressing the clearance of unsold properties in its current inventory.

Product and Customer Service Quality

Product quality and safety are a representation of the reputation and credibility of Fiamma Group's brand portfolio. Fiamma Group views product quality and safety as a responsibility to its customers, end-consumers, shareholders, and investors.

Adherence to regulatory standards and certifications is crucial, and each business unit is tasked with securing necessary approvals, such as SIRIM approval or Certification Mark under SIRIM's Product Certification Scheme, Energy Commission ("EC") certification for specific electrical home appliances, and Construction Industry Development Board for ("CIDB") certifications for sanitaryware. To ensure compliance, audits are also conducted regularly by representatives from SIRIM or CIDB through factory or consignment audits.

A dedicated function within the Group has been established to supervise and manage quality control ("QC") and quality assurance ("QA") activities. The primary duty of this QC and QA function is to conduct product tests, emphasising safety, quality, and functionality, before the introduction of any product into the market. In coordination with the sales and service teams associated with each brand under Fiamma Group's portfolio, the QC and QA function also oversees after-sales support services. It actively addresses concerns related to quality and functionality, conducts analyses of product failure cases, and collaborates closely with the respective brand teams to ensure customer satisfaction.

The Group has implemented stringent QC and QA processes, particularly for its in-house brands. Product expansion activities, such as product sourcing and assessment, involve consideration of regulatory and certification requirements and tests by QC and QA functions are also conducted at this stage. Before onboarding a new vendor or supplier, Fiamma Group conducts sample testing and/or site visits to evaluate the business operations, and management processes, including quality control procedures, and workflow of the potential supplier or vendor. Furthermore, both in-house engineers/technicians and third-party inspectors conduct sample testing on every batch of the Group's in-house branded products before they are dispatched.

Fiamma Group upholds compliance with regulatory standards and requirements, particularly under the Good Distribution Practice of Medical Device ("GDPMD") and Medical Device Authority ("MDA"), for its medical devices and healthcare products.

As part of the Group's quality management process, failure analysis reports ("FARs") addressing product quality and safety issues are submitted monthly to the heads of business units. The heads of these units are responsible for taking necessary remedial actions to address the identified issues, which may include engaging with suppliers to assess and rectify product quality and safety concerns.

FOOD SAFETY

Food-grade materials

It is important for certain appliances to have safe food-grade materials when it relates to food preparation. This is to safeguard consumers and enhance food safety through Fiamma Group's products.

Customer Service – After-Sales Services

Fiamma Group has established a subsidiary named Exact Quality Sdn Bhd, dedicated to delivering after-sales customer service support. Information on the Group's customer service and support is as follows:

Exact Quality Sdn. Bhd.
Lot 13, Jalan E 1/5, Taman Usaha Ehsan,
Kepong 52100 Kuala Lumpur,
Wilayah Persekutuan, Malaysia.

Web: www.e-quality.com.my
Hotline: 03-6286 9000 **Fax**: 03-6286 9004
Customer Service Email: eqservice@fiamma.com.my

The service centre and its authorised service contractors offer walk-in and on-site service support to customers across the country. To ensure effective handling of customer inquiries, particularly those related to product support, the customer service function is equipped with product service manuals, exploded parts diagrams, and relevant documentation. Ongoing product and service training is provided to customer service staff and technicians to keep them informed about the latest product support information. Additionally, the customer service team receives technical advice from the Group's QC team, which possesses a good understanding of product specifications and functions.

The Group ensures product quality and after-sales support through a standard warranty offered to consumers. Fiamma Group provides an accessible online platform for warranty registration and service requests, enhancing convenience for end consumers. Each product is assigned and labelled with a unique serial number, and the same serial number is printed on the warranty card and carton box in alphanumeric and barcode formats to facilitate warranty management.

For the Ebac Home brand, which provides installation services for kitchen, wardrobe systems, and built-in furniture, customers submit an After Service Form or Defect Form upon the completion of installation. Following this, the site coordinator takes charge of coordinating and overseeing rectification work in collaboration with the respective installers.

Fiamma Group places a high priority on its dealers and consumers, constantly striving to enhance its service and customer satisfaction. Each brand under the Group is supported by dedicated sales and service teams that closely engage with dealers and customers, addressing their needs. This includes actively managing customer feedback and providing necessary product information to support informed decision-making by dealers and customers.

Surveys are conducted from time to time to ensure there is sufficient engagement to obtain feedback from dealers and customers to enhance the Group's products and services. The Group is dedicated to sustaining the value that customers associate with Fiamma Group's products and services. Additionally, the Group is committed to identifying and strengthening areas that can be improved further, based on the comments and feedback received during this process.

Logistic

The Group has established specific delivery time targets to ensure the timely delivery of Fiamma Group's products to dealers and customers. Regular communication and coordination between Fiamma Group's sales team, external logistics team, dealers, and customers are maintained to provide timely updates on the delivery status. In cases where there are unresolved logistics-related issues, close engagements are conducted among the logistics team, sales team, dealers, and customers. Additionally, the Fiamma Group's logistics team compiles and presents a monthly delivery performance report to track delivery performance.

To enhance efficiency and success in logistics management, the Group employs a Warehouse Management System. This system utilises a technology-enabled stock analysis system for real-time inventory management, further optimising the overall logistics process.

SUSTAINABILITY STATEMENT

Environmentally Friendly Products

One of the key product categories of Fiamma Group's portfolio is electrical home appliances. As a responsible business, the Group acknowledges its responsibility to both stakeholders and the environment, hence, Fiamma Group is actively encouraging customers and end-consumers to adopt energy-efficient products. This approach not only minimises electricity consumption but also contributes to energy preservation and cost savings. On the other hand, the market has also seen increasing customer preference for energy-efficient products.

Fiamma Group aligns with Governmental regulations and initiatives, particularly the Minimum Energy Performance Standards ("MEPS") outlined in the Electricity Regulations 1994 and its subsequent amendments. Through quality control and assurance processes, the Group ensures that all products governed under the Electricity Regulations 1994 and its subsequent amendments have obtained the necessary energy efficiency rating and display the required MEPS Star Rating label. Notably, products with MEPS Star Rating labels include cooling appliances, washing machines, and small cooking appliances.

In its commitment to advancing energy efficiency, Fiamma strives to procure products with high energy efficiency ratings as economically practical as possible. The Group remains dedicated to collaborating with suppliers and business partners, fostering the availability of high-quality, energy-efficient products in the market. This dual approach aims to meet the needs of both customers and end-consumers while promoting sustainability.

SUPPLY CHAIN MANAGEMENT

Suppliers and Service Providers

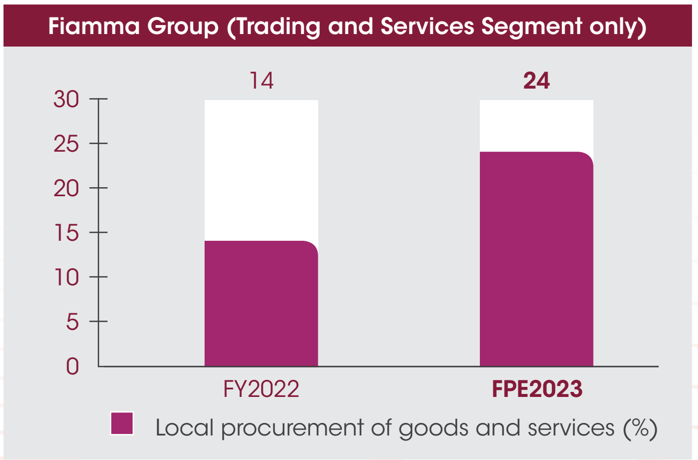
Recognising the important role of supply chain management in our operations, Fiamma Group, particularly the trading and services segment, places a strong emphasis on managing our supply chain well. This includes sourcing products from responsible suppliers and factories, producing quality and safe products to safeguard the interest of end-consumers, implementing warehouse management, and lead time effectively to meet customer needs.

In tandem with these efforts, the Group maintains an ongoing risk management process, allowing for the proactive identification, analysis, and mitigation of potential risks within the supply chain. This comprehensive approach underscores the Group's dedication to continuously elevating the sustainability and efficiency of its supplier relationships and business efficiencies.

Contributing to Local Economy

Where possible, the Group will attempt to source from local suppliers. Such an approach does not only serve to strengthen the Group's relationships with local suppliers and the local economy but it also plays an important role in minimising delivery times and reducing the associated emissions generated throughout the delivery process. By actively engaging with and contributing to the local economy, Fiamma aims not only to foster community development but also to enhance operational efficiency and environmental sustainability in the supply chain.

During the financial period under review, about 24% of the Group's trade goods and services were from Malaysian suppliers.



PEOPLE AND CULTURE

Fair and Equitable Treatment of Employees

A Diversity Policy is in place to guide the composition of the Board and its workforce. The policy was developed to secure the advantages stemming from diverse perspectives, aiming to maintain a well-rounded composition of skills, experience, and backgrounds across the Board and employees of Fiamma Group.

An inclusive, gender-diverse Board is recognised for providing different viewpoints, ideas, and market insights, thereby enhancing decision-making and problem-solving capabilities to gain a competitive edge in serving an increasingly diverse customer base. For its workforce, the Group is also committed to providing an inclusive workplace that embraces and promotes diversity.

As of 31 December 2023, the Group's diverse employment statistics demonstrate a balanced mix of gender and age groups, summarised as follows.

As of 31 December 2023					
Fiamma Group	**Age**			**Gender**	
Employment Data No. (%)	**<30**	**30-50**	**>50**	**Male**	**Female**
Board	0 (0.0%)	3 (42.9%)	4 (57.1%)	5 (71.4%)	2 (28.6%)
Employee Category					
Senior Management	0 (0.0%)	15 (55.6%)	12 (44.4%)	19 (70.4%)	8 (29.6%)
Management	0 (0.0%)	36 (85.7%)	6 (14.3%)	29 (69.0%)	13 (31.0%)
Executives	16 (11.8%)	104 (76.4%)	16 (11.8%)	72 (52.9%)	64 (47.1%)
Non-Executives	11 (12.1%)	61 (67.0%)	19 (20.9%)	34 (37.4%)	57 (62.6%)
Subtotal	**27 (9.1%)**	**216 (73.0%)**	**53 (17.9%)**	**154 (52.0%)**	**142 (48.0%)**
Total	**296**				

In FPE2023, Fiamma Group employed 57 non-employee workers, including roles such as warehouse workers, cleaners, and security guards, all of whom work at the Group's premises.

As of 31 December 2023, there were a total of 296 employees in the Group and all are working as permanent employees.

Fiamma Group	**As of 31 December 2023**
Full-time permanent employees	296
Full-time temporary employees	0
Part-time permanent employees	0
Part-time temporary employees	0
Total	**296**
Non-employee workers who work at the Group's sites (employees of service providers)	57

SUSTAINABILITY STATEMENT

The Group recorded a 29.7% employee turnover rate and a 32.1% new employee hires rate in FPE2023. Our employee turnover rate remains relatively stable, reflecting a consistent balance between departures and new hires. This performance indicates that our operations effectively attract and retain talent while swiftly filling vacant positions.

Employee turnover in FPE2023

Senior Management	Management	Executives	Non-Executives	TOTAL
9	10	51	18	88
Rate* - (3.0%)	Rate* - (3.4%)	Rate* - (17.2%)	Rate* - (6.1%)	Rate* - (29.7%)

*Note: * Employee turnover rate = total number of employees turnover by employee category/total number of employees as of 31 December 2023*

New employee hires in FPE2023

Senior Management	Management	Executives	Non-Executives	TOTAL
6	12	49	28	95
Rate* - (2.0%)	Rate* - (4.1%)	Rate* - (16.6%)	Rate* - (9.5%)	Rate* - (32.1%)

*Note: * New employee hires rate = total number of new employees hires by employee category/total number of employees as of 31 December 2023*

WORKPLACE EMPOWERMENT

Human Rights and Labour Standards

Guided by the Code and Sustainability Policy established by the Group, Fiamma Group adheres to a policy that promotes equal employment opportunities and prohibits discrimination within the workplace. All employees of the Group, including Directors and Managers, shall treat everyone with personal dignity and uphold their privacy and basic human rights.

The Group is dedicated to fostering a work environment that is free from any discrimination based on race, ethnicity, gender, creed, religion, age, disability, or sexual preference. It recognises the value of diverse perspectives in its workforce, promoting the principles of candour, courtesy, adaptability to change, respect for humanity, personal dignity, and privacy among its employees. The Group also upholds and values labour rights and strictly opposes any instances of child labour and forced labour.

The Code also outlines procedures for reporting complaints or concerns related to harassment or violations of the Group's non-discrimination policy. Employees can address such issues with the HR Department or use the whistleblowing channel.

Employee and Talent Development

Fiamma Group places significant importance on its employees, recognising their talents, skills, and knowledge as crucial assets that require continuous development and enhancement. The organisation incorporates succession planning into its employee development strategy, actively identifying individuals with the potential to drive and contribute personal growth, leadership, and management skills in the medium and long-term future and ultimately supporting sustainable business growth.

SUSTAINABILITY STATEMENT

As part of the performance appraisal process which is conducted biannually, Management personnel engage with identified talents to discuss both their career development and training needs. The HR Department periodically arranges training sessions for employees, ensuring they stay informed about the latest developments in their respective fields and industries.

During the financial period under review, various types of training were provided to the employees of the Group:

1. Negotiation Strategies for Success
2. Leadership for Manager
3. Annual Planning Workshops
4. Business Intelligence with Power BI Desktop
5. ACCA Technical Symposium
6. The Finance Business Partner
7. Business Performance Management
8. Sustainability Training and Materiality Assessment Workshop
9. Reviewing your HR policies and procedures
10. Microsoft Excel Intermediate - Advanced

During the financial period under review, the employees attended a total of 3,710 hours of training.

Total training hours in FPE2023 (no.)

Senior Management	Management	Executives	Non-Executives	TOTAL
349	584	2,041	736	3,710

OCCUPATIONAL SAFETY AND HEALTH

Fiamma Group is committed to fostering a work environment that is safe, secure, and free from any form of danger, harassment, intimidation, threats, or violence. Several precautions are consistently implemented to prevent injuries or unfavourable working conditions for all employees.

The Group has a health and safety management system to assess, manage, and monitor occupational health and safety at the workplace. Health and safety hazards are identified via a Health Identification, Risk Assessment, and Risk Control ("HIRARC") process which is reviewed from time to time. There is also a process for the systematic reporting of safety incidents which are recorded and analysed to prevent recurrence.

Fiamma Group upholds stringent standards for workplace safety and conducts scheduled fire drills at the premises. This ensures that the employees are well-prepared to respond effectively in the event of an emergency, fostering a culture of safety awareness and responsiveness throughout the Group.

Relevant health and safety training is also provided to employees from time to time, including general training and training which are customised to specific roles and positions. In FPE2023, there were a total of 4 employees trained on health and safety standards.

4

Employees trained on health and safety standards (no.)

SUSTAINABILITY STATEMENT

Trading and Services Segment

Fiamma primarily engages in trading and services and there may be higher occupational safety and health risks in relation to the in-house logistics teams responsible for goods delivery and installation teams handling the installation of kitchen, wardrobe systems, and built-in furniture.

The Group has implemented a set of General In-house Occupational Safety and Health Rules ("OSH Rules") to guide safety practices for employees in the execution of their duties. These rules cover various aspects, including the following:

1. proper usage of Personal Protection Equipment ("PPE")
2. proper operation of equipment, machinery or vehicle by authorised personnel
3. management of visitors, vendors, and contractors
4. reporting of incidents and injuries

The Group provides relevant employees, such as logistics teams and installation teams, with PPE, including safety boots, safety helmets, and reflective safety vests.

Property Development Segment

In the Property Development Segment, the primary responsibility for providing PPE lies with the main contractor; however, the property development team also ensures that main contractors maintain a safe working environment for their workers.

In addition to adhering to the safety principles outlined in the OSH Rules, employees are entrusted with the responsibility of adhering to prescribed safety rules and acts, and they are encouraged to promptly report any concerns that may pose a potential threat to health and safety to the HR Department. Employees are expected to fulfil these obligations as soon as they are discovered or become known.

During the financial period under review, the Group is pleased to report that there were no work-related fatalities, lost time incident rates, or serious injuries recorded within the Group.

0
Work-related fatalities (no.)

0
Lost time incident rate

0
Serious injuries (no.)

CONTRIBUTION TO COMMUNITY

To better align with the aspirations concept of the Group campaign or vision, the Group aspires to contribute to addressing the community's needs and actively participating in societal programmes. During the financial period under review, there were RM10,000 contributed to 1 beneficiary.

Fiamma Group	FPE2023
Community investment (RM)	10,000
Beneficiaries of the investment in communities (no.)	1

SUSTAINABLE ENVIRONMENT

The Group conducts its operations responsibly while preserving health, safeguarding the environment, and conserving valuable resources. The Group places focus on environmental protection, with a concerted effort to minimise and mitigate environmental impacts across its operations. It is encouraged that all employees help contribute to the reduction of finite resource consumption, encompassing energy, water, and raw materials, as well as reducing greenhouse gas emissions.

While matters such as energy and emissions, water, and waste have relatively lower materiality compared to other sustainability matters, the Group continuously reviews and identifies specific areas where enhancements can be made. This proactive stance aligns with the Group's Sustainability Policy, and the Group will actively explore strategies to elevate its environmental performance and contribute to a more environmentally friendly operational footprint.

Energy and Emissions Management

Fiamma Group began to collect energy data used in the Group's operations for FY2022. Based on the Group's preliminary assessment, electricity, which is identified as the primary source of direct energy consumption by the Group, does not represent a significant proportion of the Group's overall operations.

In FPE2023, the Group recorded a total of 1,258 MWh of energy consumption across the operations, where 307 MWh is derived from fuel consumption while 951 MWh is derived from electricity consumption. The details of energy consumption and the associated emissions are summarised in the following table below.

Fiamma Group	FY2022	FPE2023
Fuel consumption (litre)	27,686	32,977
Electricity consumption (kWh)	792,661	950,558
After being converted into MWh		
Fuel consumption (MWh)	258	307
Electricity consumption (MWh)	793	951
Total energy consumption (MWh)	**1,051**	**1,258**

During the financial period under review, the Group generated 795.45 tCO_2e in Scope 1 and 2 emissions within their operations.

Fiamma Group	FY2022	FPE2023
Scope 1 emissions – fuel consumption (tCO_2e)	63.68	74.92
Scope 2 emissions – electricity consumption (tCO_2e)*	618.28	720.52
Total Scope 1 and Scope 2 emissions generated (tCO_2e)	**681.96**	**795.45**
Scope 3 emissions – business travel (tCO_2e)	849.02	1,142.23
Scope 3 emissions – employee commuting (tCO_2e)	231.65	358.30

*Note: * estimated using Peninsular Malaysia's Grid Emission Factor of 0.758 Gg CO_2e/GWh for FY2021. Source: https://meih.st.gov.my/documents/10620/cdddb88f-aaa5-4e1a-9557-e5f4d779906b*

SUSTAINABILITY STATEMENT

Waste Management

Waste generated by Fiamma Group's operations may be broadly categorised into hazardous and non-hazardous waste. The Group strives to responsibly manage waste generated and minimise waste generation. The Group implemented a variety of measures aimed at reducing waste generation and alleviating the environmental impact associated with its activities.

One of the Group's significant waste management efforts is the adoption of digitalisation technology to facilitate the transition to paperless operations, fostering increased productivity and simultaneous reductions in waste and costs. The digital transformation strategy is also integral to elevating operational efficiency and enhancing customer service. In addition, the Group has also assessed its waste generated to identify areas where waste generated may potentially be reduced, reused, or recycled.

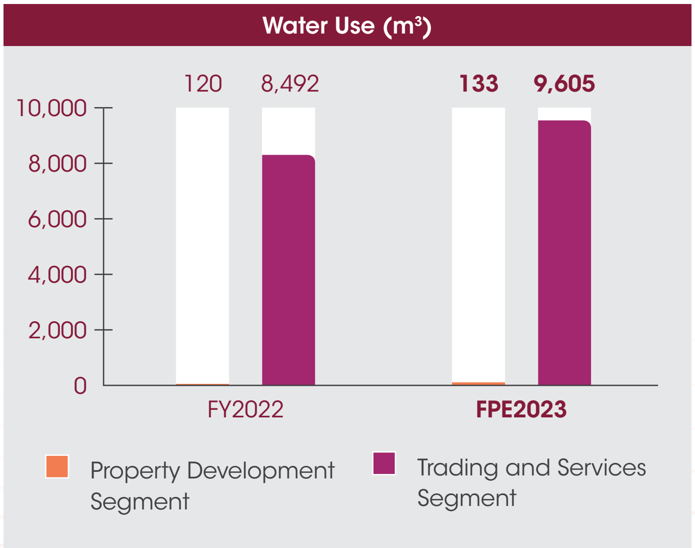
During the financial period under review, the Group generated 92.3 tonnes of waste, of which 80.9 tonnes were being reused and recycled, summarised as follows.

FPE2023					
Fiamma Group	Generated (tonnes)	Diverted from disposal (tonnes)		Directed to disposal (tonnes)	
		Reused	Recycled	Incineration	Landfill
Overall total waste generated					
Total	**92.3**	**80.9**		**11.4**	
Non-hazardous waste					
Carton boxes	8.7	0.0	8.7	0.0	0.0
Shrink wrap	4.5	0.0	4.5	0.0	0.0
Pallets	7.1	7.1	0.0	0.0	0.0
Paper	10.9	0.0	0.0	0.0	10.9
Ink cartridges	0.5	0.0	0.0	0.0	0.5
Scraps	60.6	0.0	60.6	0.0	0.0
Subtotal	**91.9**	**7.1**	**73.8**	**0.0**	**11.4**
Total	**92.3**	**80.9**		**11.4**	

Water Use

The Group does not operate in water-stressed areas. All water utilised by the Group is procured from municipal water sources.

Throughout the financial period under review, the Group used 9,738 m³ of water within the operations. Water use data is obtained from the Group's water bills.



PERFORMANCE TABLE (BURSA ESG REPORTING PLATFORM)

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Management	Percentage	100.00
Executive	Percentage	100.00
Non-Executives	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	24.00
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	55.60
Senior Management Above 50	Percentage	44.40
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	85.70
Management Above 50	Percentage	14.30
Executive Under 30	Percentage	11.80
Executive Between 30-50	Percentage	76.40
Executive Above 50	Percentage	11.80
Non-executive Under 30	Percentage	12.10
Non-executive Between 30-50	Percentage	67.00
Non-executive Above 50	Percentage	20.90
Gender Group by Employee Category		
Senior Management Male	Percentage	70.40
Senior Management Female	Percentage	29.60
Management Male	Percentage	69.00
Management Female	Percentage	31.00
Executive Male	Percentage	52.90
Executive Female	Percentage	47.10
Non-executive Male	Percentage	37.40
Non-executive Female	Percentage	62.60
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	71.40
Female	Percentage	28.60
Under 30	Percentage	0.00
Between 30-50	Percentage	42.90
Above 50	Percentage	57.10

Internal assurance External assurance No assurance (*)Restated

SUSTAINABILITY STATEMENT

Indicator	Measurement Unit	2023
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	349
Management	Hours	584
Executive	Hours	2,041
Non-executive	Hours	736
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	9
Management	Number	10
Executive	Number	51
Non-executive	Number	18
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	4
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	10,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,258.00
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	9.738000

Internal assurance | External assurance | No assurance | (*)Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement ("Statement") outlines the corporate governance framework of Fiamma Holdings Berhad ("Fiamma" or the "Company") and its subsidiaries (collectively referred to as the "Group"), including a summary of its corporate governance practices with reference to the Malaysian Code on Corporate Governance 2021 ("MCCG").

This Statement should be read together with the Corporate Governance Report ("CG Report") and in conjunction with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Audit Committee Report and Sustainability Statement) which provides stakeholders with a comprehensive view of the Group's corporate governance practices vis-à-vis the MCCG. The CG Report, which is prepared in the format prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities"), is made available via annual announcement on the website of Bursa Securities and is also available on the Company's website: www.fiamma.com.my.

The aforementioned disclosures are made in accordance with Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Securities ("MMLR") and guided by Practice Note 9 of the MMLR and the Corporate Governance Guide (4th Edition) issued by Bursa Securities.

The Board is pleased to present this Statement and explain how the Company has applied the three (3) principles as set out in the MCCG: -

Principle A	Principle B	Principle C
Board leadership and effectiveness	Effective audit and risk management	Integrity in corporate reporting and meaningful relationship with stakeholders

This Statement outlines the principles and recommendations which the Company has adopted and applied, and where there are gaps in the Company's observation of any of the recommendations, they were disclosed herein with explanations.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

(I) Board Responsibilities

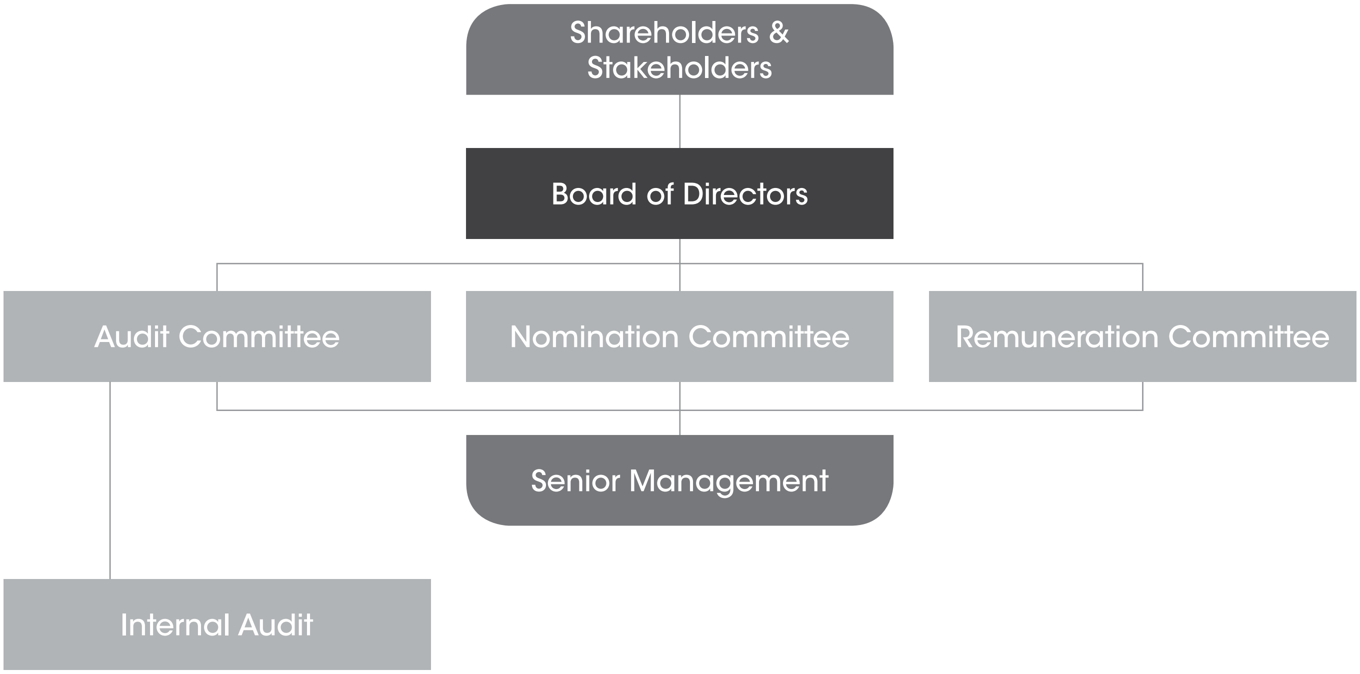
The Group is headed by an experienced and effective Board. The Board assumes overall responsibility in leading the strategic direction, future expansion, corporate governance, risk management and investments made by the Group and overseeing the proper conduct of business of the Group.

The Board is accountable to the stakeholders of the Group for the overall performance of the Group. The Board's primary role is to provide strategic leadership to the Group and ensure that the Group operates within a framework of prudent and effective controls which enables risks to be appropriately identified, assessed and managed. The Board sets the strategic direction for the Group and ensures that the necessary resources are in place for the Group to deliver its objectives and create sustainable value for its stakeholders.

In discharging its duties, the Board delegates certain of its responsibilities to the Board Committees, namely Audit Committee ("AC"), Nomination Committee ("NC") and Remuneration Committee ("RC") which operate within their defined Terms of Reference. The Chairpersons of the respective Board Committees report to the Board on key matters deliberated at the respective Board Committee meetings and makes recommendations to the Board for final decision, where necessary.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Group Governance Structure



The Board Charter adopted by the Board serves as a reference and guide for Directors in discharge of their fiduciary duties. The Board Charter sets out the respective roles and responsibilities of the Board, Board Committees, individual Director and Management and includes "Reserved Matters" for the Board. The Board reviews and updates its Board Charter periodically to ensure it complies and is consistent with the legislations and best practices as well as remains relevant and effective in the operations of the Group.

The Board has put in place Code of Conduct, Whistleblowing Policy, Code of Ethics and Anti-Bribery and Corruption Policy and Procedure ("ABCPP") to promote an environment of integrity and ethical behaviour within the Group, of which are available on the Company website.

One of the key responsibilities of the Board under the Board Charter is to direct and supervise sustainability management aspect of the Group, and to review and adopt a strategic plan for the long-term value creation, including formulation of strategy on economic, environmental and social issues, and understand the sustainability challenges that may influence or affect the Group's business operation, as well as to ensure the Group's strategies to promote sustainability.

The Board, together with the Management, has integrated sustainability considerations into the day-to-day operations and ensure the sustainability strategies and plans are effectively implemented in the Group. Material assessment on the sustainability matters has been conducted to ensure the sustainability matters remain relevant to the stakeholders. The detailed disclosure on the sustainability practices and performance of the Group are set out in the Sustainability Statement of this Annual Report.

During the financial period under review, the Group has established a Conflict-of-Interest Policy which outlines the disclosure obligations of each Director and Key Senior Management of the Group with respect to conflict of interest, and the procedures to be followed when any actual or potential conflict of interest arises to ensure systematic identification, disclosure, and management of conflict of interest in an effective and timely manner.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Whistleblowing Policy serves as a guide to the employees on how to raise genuine concerns related to possible improprieties on the matters relating to financial reporting, compliance and other malpractices at the earliest opportunity and in an appropriate way. The Board has adopted the policy with the aim that the employee or stakeholder can report and disclose through established channels any improper or unethical activities relating to the Company and its subsidiaries.

The Group's corporate governance policies and procedures complies with the Companies Act 2016, MCCG, the amendments to MMLR, the Corporate Governance Guide (4th Edition) by Bursa Securities and Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act"). These policies and procedures serve as the primary reference point and guide for Directors and the Board is committed to ensuring that they reflect the latest regulatory developments, expectations of stakeholders and the evolving demands and circumstances of the Group.

The Chairman oversees the Board in the effective discharge of its supervisory role emphasising on governance and compliance. During the financial period under review, there was a clear distinction of roles between the Chairman and Group Chief Executive Officer ("CEO") to ensure a balance of power and authority. The Chairman was responsible for providing leadership to the Board, orderly conduct including ensuring that the Board fulfils its fiduciary obligations, leading the Board in the oversight of Senior Management whilst the Group CEO played a vital role in leading the entire Group's business operations and implementing policies, strategies and decisions adopted by the Board.

The Board is supported by qualified and competent Company Secretaries. The Board has direct access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries play an advisory role to the Board in relation to the Group's constitution, Board's policies and procedures, corporate governance and compliance with the relevant regulatory requirements and legislations. The Company Secretaries are suitably qualified, competent and capable of carrying out the duties required.

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. No individual or group of individuals dominates the Board's decision-making. Each Director contributes his/her skill, experience and expertise accordingly and each agenda/issue raised is carefully considered during Board meeting. In furtherance to this, every Director has access to all information within the Group and all meeting materials are prepared and issued to the Board and Board Committee members at least seven (7) days prior to meetings to enable them to contribute constructively.

(II) Board Composition

During the financial period under review, the Board comprised seven (7) members: -

- Three (3) Independent Non-Executive Directors;
- Two (2) Non-Independent Non-Executive Directors; and
- Two (2) Non-Independent Executive Directors.

The composition of the Board complies with Paragraph 15.02 of the MMLR which requires at least two (2) directors or one third (1/3) of the Board, whichever is higher, to be Independent Directors.

On 5 October 2022, Chua Choo Eng, Chin Mee Foon and Eugene Lee Cheng Hoe resigned from the Board of Directors. Nordin Bin Ahmad and Khor Hun Nee were appointed as Independent Non-Executive Directors on the same date. On 1 April 2023, Tan Chee Wee was appointed as Non-Independent Executive Director.

The appointment of Khor Hun Nee and Nordin bin Ahmad was via the nomination of the major shareholders whilst the appointment of Tan Chee Wee was by virtue of his position as the Group CEO of the Company.

The Board is well balanced, comprising experienced businessmen and qualified professionals of diverse age, ethnicity and gender. The Directors collectively bring with them diverse knowledge, skill, extensive experience and expertise in areas such as strategic planning, business development, finance, corporate affairs, marketing and operations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Gender Diversity

The Board recognises the benefits of having a diverse Board to ensure that the mix and profiles of the Board members in terms of age, ethnicity and gender to provide the necessary range of perspectives, experience and expertise required to achieve effective stewardship and management. The Board believes that a truly diverse and inclusive Board will leverage on different thought, perspective, cultural and geographical background, age, ethnicity and gender which will ensure that the Group has a competitive advantage. The Board has adopted a Diversity Policy and target in place. As at the date of this report, the Board has two (2) female Directors, which constitutes 28.6% of the Board composition. With the composition, the Board is of the view that its members have the necessary knowledge, experience, diverse range of skills and competence to enable them to discharge their duties and responsibilities effectively.

The Board has adopted the Directors' Fit and Proper Policy, which serves as a guide to the NC and Board in conducting the assessment on potential candidates to be appointed as Directors/existing Directors seeking for re-election and to ensure that all Directors possess the right blend of qualifications, expertise, track record, character and integrity, and time commitment to effectively discharge their roles and responsibilities as Directors of the Group.

In recommending the appointment of potential Directors, the NC assessed the candidate's skills, expertise and experience and balances these traits against the existing composition of the Board to determine his or her suitability for the position and overall fit within the Board.

The record of attendance for the Directors who held office during the financial period was as follows: -

Directors	**No. of Meetings Attended**
Datuk Seri Chiau Beng Teik, JP Non-Independent Non-Executive Director	5/5
Chiau Haw Choon Non-Independent Executive Director	5/5
Tan Chee Wee# Non-Independent Executive Director	3/3
Stefan Matthieu Lim Shing Yuan Non-Independent Non-Executive Director	5/5
Dato' Yong Lei Choo Independent Non-Executive Director	5/5
Khor Hun Nee* Independent Non-Executive Director	5/5
Nordin bin Ahmad* Independent Non-Executive Director	5/5
Chin Mee Foon^ Non-Independent Executive Director	Not Applicable
Chua Choo Eng^ Independent Non-Executive Director	Not Applicable
Eugene Lee Cheng Hoe^ Independent Non-Executive Director	Not Applicable

Appointed on 1 April 2023
* *Appointed on 5 October 2022*
^ *Resigned on 5 October 2022*

The Board has yet to develop a policy which limits the tenure of its Independent Directors to nine (9) years. Nonetheless, the Board is mindful of the prescribed Practice of the MCCG pertaining to Board independence. The Board further recognises that tenure of directorship is not an absolute indicator of a Director's independence and objectivity wherein the spirit, intention, purpose and attitude should also be considered.

As at 31 December 2023, the NC comprises three (3) members, all of whom are Non-Executive Directors. The NC met three (3) times during FY2023. Their attendance at the NC meetings held during the tenure of office of the members was as follows: -

	No. of Meetings Attended
Dato' Yong Lei Choo Chairman, Independent Non-Executive Director	3/3
Khor Hun Nee* Member, Independent Non-Executive Director	3/3
Nordin bin Ahmad* Member, Independent Non-Executive Director	3/3
Chua Choo Eng^ Member, Independent Non-Executive Director	Not Applicable
Eugene Lee Cheng Hoe^ Member, Independent Non-Executive Director	Not Applicable

* *Appointed on 5 October 2022*
^ *Ceased on 5 October 2022*

The detailed Terms of Reference of the NC is available on the Company's website.

During FY2023, the activities carried out by the NC were as follows: -

- Reviewed and recommended to the Board the appointment of Ms Khor Hun Nee and Encik Nordin Bin Ahmad as Independent Non-Executive Directors after having reviewed their profile in detail, and assessed their fit and proper criteria.
- Recommended to the Board the appointment of Mr Tan Chee Wee as Group CEO after having reviewed his profile in detail.
- Reviewed and recommended to the Board the re-election of Directors pursuant to the Companies Act 2016 and the Company's Constitution.
- Reviewed and recommended to the Board the appointment of Mr Tan Chee Wee as Non-Independent Executive Director after having reviewed his profile in detail, and assessed his fit and proper criteria.
- Reviewed and recommended to the Board the revision in Directors' Fit and Proper Policy.
- Performed an assessment on the Board, Board Committees and individual Directors.
- Assessed the independence of Independent Non-Executive Directors.
- Reviewed the mix of skill sets, knowledge, expertise and experience, competence, composition, size, gender, ethnicity and age of the Board.
- Considered the training needs of the Board.

In accordance with the Company's Constitution, an election of Directors shall take place each year at an Annual General Meeting ("AGM") and one-third (1/3) of the Directors are subject to retirement by rotation, in any event, each Director shall retire from office once in every three (3) years. The Directors to retire in each year are the Directors who have been longest in office since their appointment or re-election. All retiring Directors are eligible for re-election. The re-election of each Director is voted on separate resolution during the AGM of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The following Directors are subject to retirement pursuant to the Company's Constitution at the upcoming AGM: -

- Datuk Seri Chiau Beng Teik, JP (Clause 95)
- Stefan Matthieu Lim Shing Yuan (Clause 95)
- Tan Chee Wee (Clause 102)

The NC had also taken into the consideration the outcome of the Directors' self-assessment before making recommendations to the Board for Directors who would be seeking for re-election at the AGM, and whether the Directors are 'fit and proper' under the Directors' Fit and Proper Policy after receiving submissions from the aforesaid retiring Directors.

The NC took reasonable steps to conduct checks using external information as part of the assessment process on whether the directors have the (i) Character and Integrity; (ii) Experience and Competence; and (iii) Time Commitment to do the job in accordance with the Directors' Fit & Proper Policy. The fit and proper assessments are supported by relevant independent sources in relation to the persons being assessed.

A seamless succession plan is a crucial component in safeguarding the vitality of the business and retaining the confidence of stakeholders to ensure that the development and execution of business strategy are carried out with a long-term horizon in view. In tandem with the strategic trajectory of the Group, the Board will seek to identify emerging talent and potential successors, from both within and outside of the Group, for Board and Key Senior Management positions. The Company has adopted the Succession Planning Policy which provides guidance to identify and develop a talent pool of employees through mentoring, training and job rotation.

The Group also endeavours to have a balanced representation by taking into consideration a range of different skills, age, gender, ethnicity, backgrounds and experiences represented amongst its Directors, officers and staff as the Board is aware that it is important in ensuring robust decision-making processes with a diversified viewpoints and the effective governance of the Group. The Board has formalised a Diversity Policy which outlines its approach to the diversity of the Board of the Company and of the Group's workforce.

The Board has established an annual performance evaluation process to assess the performance and effectiveness of the Board and Board Committees as well as the performance of each Director. The Independent Director is subject to independence and tenure of service criteria. The Board, through the NC, had carried out the annual assessment conducted internally and facilitated by the Company Secretary to review the effectiveness of the Board, its Committees and individual Directors during the financial period, and is satisfied with the current composition of the Board and its Committees in respect of their balanced mix of skills, experience and expertise, as well as individual Director's personal attributes and contribution to the Board. The results of the performance assessments have been documented.

The assessment of the Independent Directors was in accordance with the criteria as set out in the Board Charter and MMLR. Dato' Yong Lei Choo, Khor Hun Nee and Nordin bin Ahmad confirmed their independence in accordance with the MMLR.

The NC evaluates and determines the training needs of all its Directors on an annual basis. All Directors have completed the Mandatory Accreditation Programme ("MAP") Part I and will complete the MAP Part II within the prescribed timeframe. The Directors are kept informed of all relevant training programmes including courses conducted by Bursa Securities. The Company Secretaries also briefed and highlighted the relevant guidelines on statutory and regulatory requirements from time to time to the Board, amongst others, the amendments to the MMLR, the MCCG, the Companies Act 2016 and the MACC Act. The External Auditors also briefed the Board on any current and future changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

The training programmes attended by the Directors during the financial period ended 31 December 2023 were as follows: -

- Young President's Organisation ("YPO") Forum (Oct ~ Nov 2022 and Jan, Mar, May, July ~ November 2023)
- YPO Harvard Real Estate Program 2023
- YPO Insead Program

- Integration of Corporate Social Due Diligence Directive
- Anti-Bribery and Corruption Training
- Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act & Personal Data Protection Act 2003
- Code of Ethic and Rules of Professional Conduct
- Compliance & Shariah Training
- EPF-MIS Guidelines Training
- Guidelines on Advertisement
- IT Security Awareness Training
- Sustainability Management & Reporting
- Cybersecurity Approach & Risk Mitigation
- Advocacy Session for Directors and Senior Management of Main Market Listed Issuers
- Capital Market Director Programme
- Bursa Malaysia Immersive Session, The Board "Agender"
- Financial Market Class: AMLA, Personal Data Act (PDPA), Cyber-Security & Integrity (Code of Ethics) and Anti-Corruption & Bribery.

The Board will continuously evaluate and determine the training needs of its members to assist them in the discharge of their duties as Directors.

(III) Remuneration

The Board has adopted Directors and Senior Management's Remuneration Policy to govern the remuneration of Directors and Senior Management, of which serves as guidelines for the Board in remunerating Directors and Senior Management with a view to attract, retain and motivate talented and high-calibre individuals. The RC assists the Board in its oversight function on matters pertaining to Directors and Senior Management's remuneration.

The detailed Terms of Reference of the RC is available on the Company's website.

As at 31 December 2023, the RC comprises three (3) members and all of whom are Non-Executive Directors. The RC met twice during the financial period. Their attendance at the RC meeting held during the tenure of office of the members was as follows: -

	No. of Meetings Attended
Nordin bin Ahmad* Chairman, Independent Non-Executive Director	2/2
Dato' Yong Lei Choo Member, Independent Non-Executive Director	2/2
Khor Hun Nee* Member, Independent Non-Executive Director	2/2
Chua Choo Eng^ Chairman, Independent Non-Executive Director	Not Applicable
Eugene Lee Cheng Hoe^ Member, Independent Non-Executive Director	Not Applicable

* *Appointed on 5 October 2022*
^ *Ceased on 5 October 2022*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In determining the level and component parts of Directors' remuneration, the RC takes into consideration the demands, complexities and performance of the Group as well as the skills and experience that are required of Directors. The Executive Directors' performance evaluation is reviewed annually by the RC to ensure that they fulfil their fiduciary duties as Directors.

The remuneration of Non-Executive Directors is determined by the Board as a whole and Non-Executive Directors will abstain from discussing their own remuneration. The compensation of Non-Executive Directors which commensurate with their experience and level of responsibility is proposed by the RC for the Board's approval.

The disclosure for remuneration of the Board and of the top four (4) Senior Management are disclosed in the CG Report of the Company.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

(I) Audit Committee

The AC plays a key role in the Group's governance structure. The AC comprises three (3) Independent Non-Executive Directors. The Chairman of the AC is not the Chairman of the Board ensuring that the objectivity of the Board's review of the AC findings and recommendations remain intact.

The Terms of Reference of AC sets out its goals, objectives, duties, responsibilities and criteria on the composition of AC.

The AC assists the Board in safeguarding the integrity of the Group's financial statements. The AC, as the Board's delegate, provides a robust and critical oversight of the financial reporting, internal and external audit, risk management and internal control processes as well as conflict-of-interest situations and its related party transactions.

The AC collectively possesses the requisite financial literacy to have a sound understanding of the financial matters of the Group. All members of the AC undertake continuous professional development to keep themselves abreast of the relevant developments in accounting and auditing standards, practices and rules. The AC has unrestricted access to both the internal and external auditors, who in turn report directly to the AC. The AC has established formal and transparent arrangements to maintain an appropriate relationship with the external auditors. This includes undertaking an annual assessment to ascertain the suitability, objectivity and independence of the external auditors.

More information on the AC and its activities during the financial period is set out in the AC Report of this Annual Report.

(II) Risk Management and Internal Control

The Board acknowledges that it is responsible for maintaining a sound system of internal control and risk management. During FY2023, the Board, with the assistance of the AC and Risk Management Committee which comprise the Group CEO and Senior Management, carried out the ongoing process of identifying, evaluating and managing the key commercial and financial risks. The internal audit function which reports directly to the AC, assists the AC and the Board in this continuous process.

The AC reviews and deliberates on a quarterly basis the internal audit report, its findings and management's response. The AC reviews and approves the internal audit plan and the Group's risk profile on an annual basis.

The Statement on Risk Management and Internal Control of the Group as set out in the Annual Report provides an overview of the main features and state of internal controls and risk management within the Group for the financial period.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

(I) Communication with Stakeholders

The Group is fully aware of the importance of effective and timely communication with the shareholders to keep them informed of the Group's latest financial performance, business and corporate developments. The Board has formalised a set of corporate disclosure policies and procedures to facilitate timely and quality dissemination of information to the stakeholders. This includes the Company's website, announcements to Bursa Securities and analyst briefing sessions.

The Company's website includes a dedicated Investor Relations section which provides the relevant information of the Group, including announcements to Bursa Securities, corporate governance policies and procedures, as well as the communication channel for any enquiry pertaining to the Group.

The Company has put in place a Code of Conduct on confidentiality to ensure that the confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information. The Board is mindful that the information which is expected to be material must be announced immediately.

(II) Conduct of General Meetings

The AGM serves as the principal forum for dialogue with shareholders, where they may seek clarifications on the Group's performance, major developments of the Group as well as on the resolutions being proposed.

Members of the Board as well as the external auditors were present at the 40th AGM to answer questions raised by the shareholders. During FY2023, the Group CEO and/or authorised Senior Management met occasionally with institutional investors to provide updates on the Group's progress and to address any concerns raised.

In line with good governance practice, the Notice of the 40th AGM together with the Annual Report were sent out to shareholders at least 28 days prior to the meeting in order to accord shareholders with sufficient time to review the Group's financial and operational performance as well as the resolutions proposed to be tabled at the AGM. Shareholders who were unable to attend were allowed to appoint proxies to attend and vote on their behalf.

The 40th AGM was conducted virtually through live streaming via Remote Participation and Voting Facilities (RPV) with the Chairman and all the Board members present at the broadcast venue either physically or remotely.

All the resolutions set out in the Notice of the 40th AGM were put to vote by electronic poll. Shareholders were briefed on the voting procedures by the poll administrator prior to the poll voting and an independent scrutineer was appointed to validate the votes cast. All the resolutions set out in the Notice of the 40th AGM were duly passed and the outcome of the 40th AGM was announced to Bursa Securities on the same meeting day. The minutes of the 40th AGM, Minority Shareholders Watch Group (MSWG) Questions & Answers and a summary of the key matters discussed at the 40th AGM were published on the Company's website no later than 30 business days after the convening of 40th AGM, upon being reviewed by the Board members and approved by the Chairman.

FOCUS AREA DURING THE PERIOD

Corporate governance was imperative for the Group against a relatively challenging economic environment that is characterised by the volatile market conditions. Arising therefrom, these have necessitated the Board to pay closer attention to its value creation role. The Board will continue to look into the enhancement or development of corporate governance policies and procedures in the best interest of the Company's shareholders and stakeholders.

This Statement together with the CG Report were approved by the Board on 22 February 2024.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of Fiamma Holdings Berhad ("Fiamma" or the "Company") is pleased to present the report on the Audit Committee ("AC") for the financial period ended 31 December 2023 ("FY2023").

COMPOSITION AND ATTENDANCE

Presently, the AC comprises three (3) members, all of whom are Independent Directors. The AC meets the requirements of Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR"). The AC met five (5) times during FY2023. Their attendances at the AC meetings held during the tenure of office of the members are as follows: -

	No. of Meetings Attended
Khor Hun Nee Chairman, Independent Non-Executive Director *(Appointed on 5 October 2022)*	5/5
Dato' Yong Lei Choo Member, Independent Non-Executive Director	5/5
Nordin bin Ahmad Member, Independent Non-Executive Director *(Appointed on 5 October 2022)*	5/5
Eugene Lee Cheng Hoe Chairman, Independent Non-Executive Director *(Ceased on 5 October 2022)*	Not Applicable
Chua Choo Eng Member, Independent Non-Executive Director *(Ceased on 5 October 2022)*	Not Applicable

Ms Khor Hun Nee, who is the Chairman of the AC during FY2023, is a fellow of The Association of Chartered Certified Accountants and a Chartered Accountant of the Malaysian Institute of Accountants. The AC, therefore, met the requirements of Paragraph 15.09(1)(c)(i) of the MMLR.

Collectively, the AC possesses a wide range of necessary skills to discharge its duties and all members of the AC are financially literate and able to understand matters under the purview of the AC including the financial reporting process.

ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The AC is responsible for assisting the Board in fulfilling the statutory and fiduciary duties of monitoring the Fiamma Group's accounting and financial reporting practices, ensuring the efficacy of the Group's internal control system, risk management process and the oversight of both internal and external audit functions.

The duties and responsibilities of the AC are spelt out in the Terms of Reference of the AC, a copy of which is available in the Company's website.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES DURING THE FINANCIAL PERIOD

In discharging its duties, the AC had carried out the following activities during FY2023 and reported the same to the Board for approval: -

Financial Reporting and Compliance

1. Reviewed the unaudited quarterly financial results and annual audited financial statements before recommending to the Board for approval, in particular: -

   a) Changes in or implementation of new accounting policies and practices;
   b) Compliance with applicable approved accounting standards and other legal or regulatory requirements;
   c) Significant and unusual events; and
   d) Going concern assumption.

2. Reviewed all recurrent related party transactions, as submitted by management and any actual or potential conflict-of-interest situation that may arise within the Group, including any transaction, procedure or course of conduct that raises question of management integrity on quarterly basis.

Risk Management and Internal Audit

3. Considered and approved the annual internal audit plan and programme and be satisfied as to the adequacy of the scope, coverage and audit methodologies employed.

4. Ensured that the system of internal control is soundly in place, effectively administered and regularly monitored and reviewed the extent of compliance with established internal policies, standards, plans and procedures.

5. Reviewed and approved the reports on internal audit and risk management, including the Group's key operational and business risks areas, ensured that appropriate corrective actions were taken on the recommendations of the internal audit and risk management functions.

6. Assessed the adequacy and effectiveness of the system of internal control through the review of the results of work performed by the Internal and External Auditors and discussion with management.

External Audit

7. Reviewed and discussed with the External Auditors, prior to the commencement of audit, the audit plan which states the nature and scope of the audit.

8. Discussed on findings, problems and reservations arising from the statutory audits and any matters the External Auditors wished to discuss as well as reviewed the extent of cooperation and assistance given by the employees of the Group to the External Auditors.

9. Met with the External Auditors together with the Head of Internal Audit on 24 November 2022, 23 November 2023 and 22 February 2024 without the presence of executive board members and management to discuss any key audit concerns and findings of the Group.

10. Reviewed the independence, suitability and performance of External Auditors before recommending their re-appointment to the Board for consideration. The AC assessed among others, the adequacy of External Auditors' experience and resources, their independence, objectivity and services rendered including non-audit services, and the quality of service and the experience of the audit engagement partners.

11. Reviewed matters concerning the audit and non-audit fees of the External Auditors.

AUDIT COMMITTEE REPORT

Other Matters

12. Reviewed the Group's financial budget for FY2023 tabled by the management and the actual performance against the budget on a quarterly basis.

13. Reviewed and recommended to the Board the following reports/statements for approval and inclusion in the Company's 2022 Annual Report: -

    - AC Report;
    - Statement on Risk Management and Internal Control;
    - Corporate Governance Overview Statement;
    - Corporate Governance Report;
    - Management Discussion and Analysis; and
    - Sustainability Statement.

14. Reviewed and recommended to the Board the following policies in alignment with the amendments to MMLR in relation to conflict of interest: -

    - Conflict-of-Interest Policy;
    - Terms of Reference of AC; and
    - Anti-Bribery and Corruption Policy and Procedure.

INTERNAL AUDIT FUNCTION

The Group has an in-house internal audit function. The internal audit function is considered an integral part of the assurance framework and its primary mission is to provide assurance on the adequacy and effectiveness of the risk, control and governance framework of the Group. The internal audit function is independent of the activities and operations of the Group.

The Group's internal audit function adopts a risk-based approach to the implementation and monitoring of the effectiveness of the Group's internal control systems.

During FY2023, the major activities carried out by the Internal Auditors are summarised as follows: -

(i) Presented the Group Risk Profiles for FY2023 to the AC for review and notation.
(ii) Conducted independent reviews based on the risk–based audit plan that was reviewed and approved by the AC, covering areas on sales and marketing, logistics and warehousing management, after sales service, finance, human resource and property development divisions.
(iii) Followed-up on the corrective actions taken by the respective divisions to attend to the significant weaknesses highlighted in the Internal Audit Reports.
(iv) Presented the internal audit observations and status of the previous audit observations together with the Management's responses and action plans to the AC on a quarterly basis.
(v) Presented the submission status of the Letters of Representation on Internal Control by the various Heads of Department to the AC on a quarterly basis.
(vi) Developed the annual Internal Audit Plan for the financial year 2024 and tabled the same at the AC meeting for review and approval.

The main role of the internal audit function is to assist the AC and the Board in monitoring and managing risks and internal controls of all the companies in the Group by undertaking regular and systematic reviews of the system of internal control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group.

The total cost incurred in managing the internal audit function in FY2023 was RM331,000.

This AC Report was approved by the Board on 22 February 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for maintaining a risk management and internal control system in the Group and for reviewing its adequacy and integrity. These include business operations, financial management, corporate governance, information data base integrity and risk management procedures and practices.

RISK MANAGEMENT

The Board regards risk management as an integral part of the Group's business operations and is committed to the development of a risk management framework. The risk management framework is the starting point in the risk management initiative and has been prepared to ensure that risk management becomes a concern for everyone in the Group and that risk management practices are consistent throughout the Group, involving employees at all levels within the different business units of the Group.

The key elements of the Risk Management Framework of the Group are as follows:

Purpose

The purpose of the risk management framework is to establish policies and processes for identifying, assessing, monitoring and reporting of significant risks faced by the business units and ultimately the Group.

Risk Management Policy

The Group is committed to the development of an adequate and effective risk management framework which is capable of facilitating the identification, assessment and prioritisation of all significant risks confronting the Group and development of effective measures to mitigate the risks.

Roles and Responsibilities for Risk Management

The roles and responsibilities of the respective parties for the Group's risk management are defined in the Risk Management Framework as follows:

Functions	Roles and Responsibilities
The Board	▪ Establishing a framework to manage risks and provide the risk oversight function.
Audit Committee ("AC")	▪ Assisting the Board in establishing a framework to manage risks. ▪ Reviewing the Group's risk policy and risk management framework. ▪ Reviewing the Group's risk profile and risk tolerance.
Risk Management Committee ("RMC") comprising the Group Chief Executive Officer ("Group CEO"), senior management and heads of business units	▪ Assisting the Board and the AC with the overall responsibility for overseeing the risk management procedures. ▪ Developing and implementing the risk management policy. ▪ Developing and maintaining risk management procedures. ▪ Monitoring the progress of risk mitigation plans. ▪ Reporting to the AC on the risk management framework and the Group's risk profile.
Risk Owners comprising heads of business units	▪ Performing the operational risk assessment, monitoring and reporting risk exposures in their areas/activities within their control. ▪ Submitting major new risks identified to the RMC in their respective Risk Register at least twice yearly.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Process

Management from each business unit is responsible for creating a risk aware culture and applies a risk/control assessment approach in identifying emerging risks relating to their areas.

The risk assessments from the business units are consolidated and updated into the Group Risk Register, highlighting the major risks and the existing key controls. They are then compiled into Group Risk Profile based on the impact and likelihood of occurring.

The RMC met three (3) times during the financial period to review the adequacy and effectiveness of risk management and internal control system, the strategic and operational risks and assessed losses incurred. These are compiled in the Group Risk Profile, before presenting to the Audit Committee and the Board for their attention.

The Group CEO and Chief Financial Officer ("CFO") have provided assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively, in all material respects, based on the risk management and internal control system of the Group. Risk owners have also provided confirmation on the effectiveness of internal control in their respective business units on a quarterly basis.

System of Internal Control

The system of internal control is designed to manage the principal business risks that may impede the Group from achieving its business objectives. Due to the limitations that are inherent in any system of internal control, the Group's system of internal control can only manage rather than eliminate the risk of failure to achieve business objectives, and therefore, can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors is committed to maintaining a system of internal control for the conduct of the Group's business operations to achieve the following objectives:

- Safeguard assets of the Group and shareholders' interest;
- Identify and manage risks affecting the Group;
- Ensure compliance with regulatory requirements; and
- Ensure operational results are monitored and substantial variances are explained.

The key features of the Group's system of internal control are:

- An organisational structure with defined lines of responsibility and delegated authority, which are communicated to all levels. Key responsibilities are segregated to ensure no one staff is in total control of the whole transaction.
- Financial results are reviewed quarterly by the Audit Committee and the Board.
- Key business risks are reviewed by the Board with the assistance of the Audit Committee, the Risk Management Committee and the Internal Auditors.
- The internal audit unit conducts reviews on the adequacy and effectiveness of the internal control system. Control deficiencies are communicated to management and staff to ensure corrective actions are taken. The audit reports and the proposed corrective actions are consolidated and tabled at the quarterly Audit Committee meetings for deliberation and approval. These reports are also presented to the Board by the Audit Committee.
- The Group CEO meets with the individual head of business units at least once a month to discuss business and operational issues and all the heads of business units at least two times a year to discuss group objectives and key management issues.
- The Group CEO and the CFO meet at least once a month to review the monthly financial performance and cash flows of the companies in the Group.
- The Group has put in place financial reporting guidelines and policies for the generation of monthly financial information for management review.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

System of Internal Control (cont'd)

The key features of the Group's system of internal control are: (cont'd)

- An annual budget is prepared to facilitate monitoring of the Group's financial performance. The Audit Committee reviews the Group's financial performance against the budget on a quarterly basis.
- The Group has put in place policies and procedures to review and approve its purchases, operating and capital expenditure and has a centralised human resource function which outlines procedures for recruitment, training and appraisal.
- The Group has established a Code of Conduct which governs the standards of behaviour and provides guidance on ethical standards.
- The Group has established a Whistleblowing Policy which encourages employees to report any wrongdoings committed by an employee, officer or management of the Group to the proper parties. This policy also applies to any vendors, partners, associates or any individuals, including the general public.
- The Group has established an Anti-Bribery and Corruption Policy & Procedure which prohibits all forms of bribery and corruption practices, and is committed to conduct business dealings with integrity and ethics. This policy applies to Directors, employees of the Group, contractors, joint venture partners or any other parties performing services for and on behalf of the Group.
- The Group has established a Conflict-of-Interest Policy which outlines the disclosure obligations of each Director and Key Senior Management of the Group with respect to conflict of interest, and the procedures to be followed when a conflict of interest arises or potentially arises to ensure systematic identification, disclosure, and management of conflict of interest in an effective and timely manner.

Internal Audit Function

The internal audit unit reports directly to the Audit Committee, and its primary function is to provide feedback regarding the adequacy and the integrity of the Group's system of internal controls in managing its key risks. The internal audit unit conducts regular reviews on the business units operations based on an annually approved Internal Audit Plan, reports the internal audit observations and status of the previous audit observations together with Management's responses and action plans to the Audit Committee on a quarterly basis.

The Audit Committee reviews the internal audit plan, internal audit reports, risk management reports and deliberates on and makes recommendations for corrective actions where applicable, before submitting them to the Board for approval.

Conclusion

Throughout the year, the internal audit unit and the Risk Management Committee have performed various reviews over the adequacy and effectiveness of risk management and internal control system. The Board confirms that the risk management and internal control system is being implemented throughout the Group and continuous reviews are being carried out to ascertain its adequacy and effectiveness. There were no major weaknesses over the risk management and internal control system which might have a material impact on the Group's financial performance or operations. There were also no material internal control aspects of any significant problems disclosed in the annual report or financial statements.

The Board confirms that the risk management and internal control system described in this statement is considered appropriate to the Group's business operation. It should be noted that, due to the limitations that are inherent in any system of internal control, such arrangements do not eliminate all risks of failure to achieve business objectives. However, the risk management and internal control system during the financial period 2023 and up to the date of approval of this statement for inclusion in the annual report is adequate and effective to provide a level of confidence on which the Board relies upon.

This statement is made in accordance with a resolution of the Board of Directors dated 22 February 2024.

ADDITIONAL COMPLIANCE INFORMATION

1) Audit and Non-Audit Fees

The audit and non-audit fees payable to the external auditors for the financial period ended 31 December 2023 are as follows: -

	Company RM'000	Group RM'000
Audit fees	87	493
Non-audit fees	10	13
Total	**97**	**506**

2) Employees' Share Option Scheme ("ESOS")

At an extraordinary general meeting held on 23 February 2016, the Company's shareholders approved the establishment of an ESOS of not more than 15% of the issue and paid up share capital of the Company, to the eligible Directors and employees of the Group.

The Company had extended the duration of its existing ESOS that expired on 11 May 2021 for a further period of five (5) years from 12 May 2021 to 11 May 2026 in accordance with the terms of the ESOS By-Laws. The ESOS extension is not subject to any regulatory or shareholders' approval. The ESOS extension will give the eligible employees of the Group additional time to exercise their options.

Total number of options granted, exercised and outstanding during the financial period under review were as follows:

Number of Options	Group	Directors
Outstanding as at 1 October 2022	693,000	-
Granted	-	-
Exercised	(273,000)	-
Forfeited	-	-
Outstanding as at 31 December 2023	**420,000**	**-**

There were no options offered to and exercised by, or shares granted to and vested in Non-Executive Directors pursuant to ESOS during the financial period.

3) Material Contracts

There were no material contracts entered into by the Group involving the interests of Directors, chief executives or major shareholders during the financial period.

4) Utilisation of Proceeds

The Company did not undertake any corporate proposal to raise proceeds during the financial period.

STATEMENT OF RESPONSIBILITY BY DIRECTORS

in respect of the preparation of the annual audited financial statements

The Directors are responsible for ensuring that the financial statements of the Group are drawn up in accordance with the applicable Financial Reporting Standards in Malaysia and the provisions of the Companies Act 2016.

The Directors are also responsible for ensuring that the annual audited financial statements of the Group are prepared with reasonable accuracy from the accounting records of the Group so as to give a true and fair view of the financial position of the Group as of 31 December 2023 and of their financial performance and cash flows for the period then ended.

In preparing the annual audited financial statements, the Directors have:

(i) selected and applied the appropriate and relevant accounting policies on a consistent basis;
(ii) made judgements and estimates that are reasonable and prudent; and
(iii) prepared the annual audited financial statements on a going concern basis.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

for the financial period from 1 October 2022 to 31 December 2023

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial period from 1 October 2022 to 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and property investment, whilst the principal activities of the subsidiaries are as stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial period.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

CHANGE OF FINANCIAL YEAR END

The financial year end of the Company was changed from 30 September to 31 December. Accordingly, the financial statements of the Group and the Company for the financial period ended 31 December 2023 cover a fifteen (15) months period compared to the twelve (12) months for the financial year ended 30 September 2022.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial period attributable to:		
Owners of the Company	72,667	68,365
Non-controlling interests	3,384	-
	76,051	68,365

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial period under review, except as those disclosed in the financial statements.

DIVIDENDS

No dividend was paid during the financial period and the Directors do not recommend any dividend to be paid for the financial period under review.

DIRECTORS OF THE COMPANY

Directors who served during the financial period until the date of this report are:

Datuk Seri Chiau Beng Teik, JP
Chiau Haw Choon
Dato' Yong Lei Choo
Stefan Matthieu Lim Shing Yuan
Khor Hun Nee
Nordin bin Ahmad
Tan Chee Wee (appointed on 1 April 2023)

DIRECTORS' REPORT

for the financial period from 1 October 2022 to 31 December 2023

DIRECTORS OF THE COMPANY (CONT'D)

The names of the Directors of the Company's subsidiaries during the financial period until the date of this report excluding those who are listed above are as follows:

Lim Soo Kong (Lim Soo Chong)
Ching Wooi Kong
Liang Jit Sin
Quek Guek Peng
Yeo Hsin Yin
Kho Soo San
Chow Chiew Chin
Nordin bin Mohd Kanchil
Shelly Chiau Yee Wern
Lim Mee Ding
Chin Mee Foon (resigned on 31 March 2023)
Chong Yuen Bing (resigned on 31 March 2023)
Chong Sze Chun (ceased on 4 September 2023)
Low Eng Bee (ceased on 6 March 2023)
Dr Lim Kee Ley (ceased on 6 March 2023)
Ho Hong Seng (ceased on 6 March 2023)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial period end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
Interests in the Company *Fiamma Holdings Berhad*	**At 1.10.2022**	**Bought**	**Sold**	**At 31.12.2023**
Deemed interest				
- Datuk Seri Chiau Beng Teik, JP^	150,000,000	-	-	150,000,000
- Chiau Haw Choon^	150,000,000	-	-	150,000,000

^ Deemed interested through Divine Inventions Sdn. Bhd., Chin Hin Group Berhad and Signature International Berhad by virtue of their direct and indirect interest in PP Chin Hin Realty Sdn. Bhd., in accordance with Section 8 of the Companies Act 2016.

The other Directors holding office at 31 December 2023 do not have any interest in the ordinary shares of the Company and of its related corporations during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The directors' benefits paid to or receivable by directors in respect of the financial period from 1 October 2022 to 31 December 2023 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	600	-
Remuneration	44	968
Defined contribution plan	-	116
Gratuity	90	-
Estimated money value of any other benefits	-	27
	734	1,111

There were no arrangements during and at the end of the financial period which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company issued 273,000 new ordinary shares pursuant to the Company's ESOS at an option price of RM0.56 per ordinary share. These new ordinary shares issued rank *pari passu* in all respect with the existing ordinary shares of the Company.

There were no other changes in the issued and paid-up capital of the Company during the financial period.

There were no debentures issued during the financial period.

TREASURY SHARES

During the financial period, the Company repurchased 20,000,000 of its issued shares from the open market at an average price of RM0.97 per share including transaction cost and the total consideration paid was RM19,484,000. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

The Company subsequently resold 41,624,000 treasury shares with a carrying amount of RM30,507,000 at an average cost of RM0.73 per ordinary share during the financial period.

As at 31 December 2023, the Company did not hold any treasury shares.

DIRECTORS' REPORT

for the financial period from 1 October 2022 to 31 December 2023

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial period apart from the issue of options pursuant to the ESOS.

At an extraordinary general meeting held on 23 February 2016, the Company's shareholders approved the establishment of an ESOS of not more than 15% of the issued and paid-up share capital of the Company, to the eligible Directors and employees of the Group.

The ESOS which expired on 11 May 2021 had been extended for another five (5) years until 11 May 2026 in accordance with the terms of the ESOS By-Laws.

The salient features of the ESOS scheme are, *inter alia*, as follows:

i) Employees of the Group who have been confirmed in service and must serve the Group on a continuous full time basis for a period of not less than six (6) months prior to the Date of Offer and is on the payroll of any company within the Group, or be a Director, who has been appointed to the board of directors of any member of the Group;

ii) The maximum number of new shares to be allocated and issued pursuant to the exercise of the options that may be granted under the scheme consist of:

   (a) the options exercised by all grantees;
   (b) the remaining options exercisable by all grantees; and
   (c) the unexpired offers pending acceptance by all eligible employees;

iii) The scheme shall be in force for a period of five (5) years from the first grant date and it can be extended for up to a further five (5) years;

iv) The option price shall not be a discount of more than 10% from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall in no event be less than the par value of the shares of the Company of RM0.50;

v) An option holder may, in a particular year, exercise up to such maximum number of shares as determined by the ESOS committee; and

vi) The options granted to eligible employees and Directors will lapse when they are no longer in employment with the Group or resign as Directors.

The options offered to take up unissued ordinary shares and the exercise prices are as follows:

		Exercise	Number of options over ordinary shares			
Date of offer	Expiry date	price RM	At 1.10.2022	Exercised	Forfeited	At 31.12.2023
12 May 2016	11 May 2026	0.56	663,000	(273,000)	-	390,000
15 May 2017	11 May 2026	0.56	30,000	-	-	30,000
			693,000	(273,000)	-	420,000

INDEMNITY AND INSURANCE COSTS

During the financial period, no indemnity and insurance costs were incurred for the Directors, officers and auditors of the Group and of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial period and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial period.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for change in fair value and gain on disposal of other investments as disclosed in Note 21 to the financial statements, the financial performance of the Group and of the Company for the financial period from 1 October 2022 to 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial period and the date of this report.

SIGNIFICANT EVENT

The significant event is disclosed in Note 33 to the financial statements.

SUBSEQUENT EVENTS

The subsequent events are disclosed in Note 34 to the financial statements.

DIRECTORS' REPORT

for the financial period from 1 October 2022 to 31 December 2023

AUDITORS

The auditors, KPMG PLT retire and are not seeking re-appointment.

The auditors' remuneration of the Group and of the Company during the financial period are RM428,000 and RM87,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....
Chiau Haw Choon
Director

....
Tan Chee Wee
Director

Kuala Lumpur,

Date: 5 April 2024

STATEMENTS OF FINANCIAL POSITION
as at 31 December 2023

	Note	Group 31.12.2023 RM'000	Group 30.9.2022 RM'000	Company 31.12.2023 RM'000	Company 30.9.2022 RM'000
Assets					
Property, plant and equipment	3	117,255	114,928	2	3
Right-of-use assets	4	140	48	-	-
Investment properties	5	79,291	76,906	9,000	9,000
Inventories	6	135,072	130,661	-	-
Investments in subsidiaries	7	-	-	315,789	218,053
Amount due from subsidiaries	8	-	-	58,451	135,775
Deferred tax assets	9	4,703	5,284	-	-
Total non-current assets		336,461	327,827	383,242	362,831
Inventories	6	307,451	275,403	-	-
Contract assets	10.1	2,966	7,760	-	-
Contract costs	10.2	-	822	-	-
Trade and other receivables	11	87,814	92,145	13	12
Prepayments		655	954	-	18
Other investments	12	75,587	-	75,587	-
Current tax assets		1,312	1,367	14	-
Derivative financial assets	13	-	14	-	-
Amount due from subsidiaries	8	-	-	61,350	-
Cash and cash equivalents	14	104,635	102,339	3,167	21,573
Total current assets		580,420	480,804	140,131	21,603
Total assets		916,881	808,631	523,373	384,434
Equity					
Share capital	15.1	286,848	277,744	286,848	277,744
Treasury shares	15.2	-	(11,023)	-	(11,023)
Reserves		14,691	13,922	34	55
Retained earnings		370,592	297,925	145,391	77,026
Equity attributable to owners of the Company		672,131	578,568	432,273	343,802
Non-controlling interests		21,229	20,486	-	-
Total equity		693,360	599,054	432,273	343,802

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

		Group		Company	
	Note	31.12.2023 RM'000	30.9.2022 RM'000	31.12.2023 RM'000	30.9.2022 RM'000
Liabilities					
Loans and borrowings	16	16,066	31,169	11,156	17,507
Lease liabilities		120	22	-	-
Trade and other payables	17	5,396	5,613	-	-
Deferred tax liabilities	9	5,969	5,456	1,735	1,735
Total non-current liabilities		27,551	42,260	12,891	19,242
Loans and borrowings	16	109,645	99,172	62,148	18,904
Lease liabilities		31	28	-	-
Trade and other payables	17	64,183	46,840	261	685
Amounts due to subsidiaries	18	-	-	15,800	1,750
Provision for warranties	19	425	515	-	-
Contract liabilities	10	20,275	19,541	-	-
Derivative financial liabilities	13	9	-	-	-
Current tax liabilities		1,402	1,221	-	51
Total current liabilities		195,970	167,317	78,209	21,390
Total liabilities		223,521	209,577	91,100	40,632
Total equity and liabilities		916,881	808,631	523,373	384,434

The notes on pages 74 to 154 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial period from 1 October 2022 to 31 December 2023

		Group		Company	
	Note	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Revenue	20	486,144	369,980	27,260	37,835
Cost of sales		(361,677)	(257,390)	(50)	(45)
Gross profit		124,467	112,590	27,210	37,790
Change in fair value of investment properties	5	2,385	-	-	600
Change in fair value of other investments	21	24,377	-	24,377	-
Gain on disposal of other investments	21	16,209	-	16,209	-
Other income		3,466	2,016	435	-
Distribution expenses		(42,841)	(29,223)	-	-
Administrative expenses		(29,091)	(24,123)	(848)	(777)
Net (loss)/gain on impairment of financial instruments	21	(174)	316	-	-
Other expenses		(1,387)	(1,155)	(353)	(210)
Results from operating activities	21	97,411	60,421	67,030	37,403
Finance income	23	1,859	1,661	6,024	4,421
Finance costs	24	(9,153)	(5,478)	(3,953)	(1,686)
Net finance (costs)/income		(7,294)	(3,817)	2,071	2,735
Profit before tax		90,117	56,604	69,101	40,138
Tax expense	26	(14,066)	(15,496)	(736)	(895)
Profit for the financial period/year		76,051	41,108	68,365	39,243
Other comprehensive income					
Item that may be reclassified subsequently to profit or loss					
Foreign currency translation difference for foreign operations		1,149	729	-	-
Item that will not be reclassified subsequently to profit or loss					
Revaluation of property, plant and equipment		-	11,538	-	-
Total comprehensive income for the financial period/year		77,200	53,375	68,365	39,243

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial period from 1 October 2022 to 31 December 2023

	Note	Group 1.10.2022 - 31.12.2023 RM'000	Group 1.10.2021 - 30.9.2022 RM'000	Company 1.10.2022 - 31.12.2023 RM'000	Company 1.10.2021 - 30.9.2022 RM'000
Profit for the financial period/year attributable to:					
Owners of the Company		72,667	36,842	68,365	39,243
Non-controlling interests		3,384	4,266	-	-
Profit for the financial period/year		76,051	41,108	68,365	39,243
Total comprehensive income for the financial period/year attributable to:					
Owners of the Company		73,457	48,904	68,365	39,243
Non-controlling interests		3,743	4,471	-	-
Total comprehensive income for the financial period/year		77,200	53,375	68,365	39,243
Basic earnings per ordinary share (sen)	27	13.71	7.36		
Diluted earnings per ordinary share (sen)	27	13.70	7.35		

The notes on pages 74 to 154 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial period from 1 October 2022 to 31 December 2023

		Attributable to owners of the Company								
		Non-distributable					Distributable			
Group	Note	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 October 2021		268,408	(11,023)	1,805	-	1,256	271,938	532,384	27,075	559,459
Foreign currency translation differences for foreign operations		-	-	524	-	-	-	524	205	729
Revaluation of property, plant and equipment		-	-	-	11,538	-	-	11,538	-	11,538
Total other comprehensive income for the financial year		-	-	524	11,538	-	-	12,062	205	12,267
Profit for the financial year		-	-	-	-	-	36,842	36,842	4,266	41,108
Total comprehensive income for the financial year		-	-	524	11,538	-	36,842	48,904	4,471	53,375
Contributions by and (distributions to) owners of the Company:										
- Dividends to owners of the Company	28	-	-	-	-	-	(10,914)	(10,914)	-	(10,914)
- Issuance of ordinary shares pursuant to ESOS	15.1	8,194	-	-	-	-	-	8,194	-	8,194
- Transfer from share option reserve	15.1	1,142	-	-	-	(1,201)	59	-	-	-
Total transactions with owners of the Company		9,336	-	-	-	(1,201)	(10,855)	(2,720)	-	(2,720)
Dividends to non-controlling interests		-	-	-	-	-	-	-	(11,060)	(11,060)
At 30 September 2022		277,744	(11,023)	2,329	11,538	55	297,925	578,568	20,486	599,054
		Note 15.1	Note 15.2	Note 15.3	Note 15.4	Note 15.5				

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial period from 1 October 2022 to 31 December 2023

		Attributable to owners of the Company								
		Non-distributable					Distributable			
Group	Note	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 October 2022		277,744	(11,023)	2,329	11,538	55	297,925	578,568	20,486	599,054
Foreign currency translation differences for foreign operations		-	-	790	-	-	-	790	359	1,149
Total other comprehensive income for the financial period		-	-	790	-	-	-	790	359	1,149
Profit for the financial period		-	-	-	-	-	72,667	72,667	3,384	76,051
Total comprehensive income for the financial period		-	-	790	-	-	72,667	73,457	3,743	77,200
Contributions by and (distributions to) owners of the Company:										
- Issuance of ordinary shares pursuant to ESOS	15.1	153	-	-	-	-	-	153	-	153
- Transfer from share option reserve	15.1	21	-	-	-	(21)	-	-	-	-
- Own shares acquired		-	(19,484)	-	-	-	-	(19,484)	-	(19,484)
- Own shares disposed	15.1	8,930	30,507	-	-	-	-	39,437	-	39,437
Total transactions with owners of the Company		9,104	11,023	-	-	(21)	-	20,106	-	20,106
Dividends to non-controlling interests		-	-	-	-	-	-	-	(3,000)	(3,000)
At 31 December 2023		286,848	-	3,119	11,538	34	370,592	672,131	21,229	693,360
		Note 15.1	Note 15.2	Note 15.3	Note 15.4	Note 15.5				

STATEMENT OF CHANGES IN EQUITY

for the financial period from 1 October 2022 to 31 December 2023

Company	Note	Share capital RM'000	Treasury shares RM'000	Share option reserve RM'000	Retained earnings RM'000	Total equity RM'000
		Attributable to owners of the Company				
		Non-distributable			Distributable	
At 1 October 2021		268,408	(11,023)	1,256	48,638	307,279
Profit and total comprehensive income for the financial year		-	-	-	39,243	39,243
Contributions by and (distributions to) owners of the Company:						
- Dividends to owners of the Company	28	-	-	-	(10,914)	(10,914)
- Issuance of ordinary shares pursuant to ESOS	15.1	8,194	-	-	-	8,194
- Transfer from share option reserve	15.1	1,142	-	(1,201)	59	-
Total transactions with owners of the Company		9,336	-	(1,201)	(10,855)	(2,720)
At 30 September 2022 / At 1 October 2022		277,744	(11,023)	55	77,026	343,802
Profit and total comprehensive income for the financial period		-	-	-	68,365	68,365
Contributions by and (distributions to) owners of the Company:						
- Issuance of ordinary shares pursuant to ESOS	15.1	153	-	-	-	153
- Transfer from share option reserve	15.1	21	-	(21)	-	-
- Own shares acquired		-	(19,484)	-	-	(19,484)
- Own shares disposed	15.1	8,930	30,507	-	-	39,437
Total transactions with owners of the Company		9,104	11,023	(21)	-	20,106
At 31 December 2023		286,848	-	34	145,391	432,273
		Note 15.1	Note 15.2	Note 15.5		

The notes on pages 74 to 154 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the financial period from 1 October 2022 to 31 December 2023

	Note	Group		Company	
		1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Cash flows from operating activities					
Profit before tax		90,117	56,604	69,101	40,138
Adjustments for:					
Depreciation of:					
- property, plant and equipment	3	3,218	2,552	1	1
- right-of-use assets	4	42	27	-	-
Dividend income	20	(521)	-	(26,600)	(37,307)
Change in fair value of investment properties	5	(2,385)	-	-	(600)
Change in fair value of other investments	21	(24,377)	-	(24,377)	-
Gain on disposal of property, plant and equipment	21	(352)	(51)	-	-
Net loss/(gain) on impairment of financial instruments	21	174	(316)	-	-
Interest expense		8,906	5,113	3,950	1,685
Interest income	23	(1,859)	(1,661)	(6,024)	(4,421)
Inventories written back	6	(98)	(290)	-	-
Inventories written off	6	318	318	-	-
Property, plant and equipment written off	21	3	1	-	-
Provision for warranties	19	178	302	-	-
Gain on disposal of other investments	21	(16,209)	-	(16,209)	-
Gain on divestment of a subsidiary	21	-	-	(424)	-
Unrealised foreign exchange (gain)/loss (net)	21	(36)	15	-	-
Unrealised loss/(gain) on derivative financial assets/liabilities (net)	21	9	(14)	-	-
Operating profit/(loss) before changes in working capital		57,128	62,600	(582)	(504)

STATEMENTS OF CASH FLOWS

for the financial period from 1 October 2022 to 31 December 2023

		Group		Company	
	Note	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Cash flows from operating activities (cont'd)					
Operating profit/(loss) before changes in working capital (cont'd)		57,128	62,600	(582)	(504)
Changes in working capital:					
Contract assets		4,794	(4,342)	-	-
Contract liabilities		734	2,053	-	-
Contract costs		822	408	-	-
Inventories		(36,357)	1,236	-	-
Prepayments		299	(107)	18	2
Trade and other payables		17,162	(8,615)	(424)	(14)
Trade and other receivables		4,171	(20,868)	(1)	-
Cash generated from/(used in) operations		48,753	32,365	(989)	(516)
Provision for warranties utilised	19	(268)	(272)	-	-
Net tax paid		(12,736)	(15,903)	(801)	(703)
Net cash from/(used in) operating activities		35,749	16,190	(1,790)	(1,219)
Cash flows from investing activities					
Acquisition of:					
- property, plant and equipment	3	(5,108)	(1,210)	-	-
Dividends received		521	-	26,600	37,307
Interest received		1,859	1,661	6,024	4,421
Investment in quoted shares		(140,781)	-	(140,781)	-
Proceeds from disposal of quoted shares		105,780	-	105,780	-
Net advances to/(repayment from) subsidiaries		-	-	30,024	(26,950)
Net increase in investment in subsidiaries		-	-	(97,312)	-
Proceeds from disposal of property, plant and equipment		562	51	-	-
Net cash (used in)/from investing activities		(37,167)	502	(69,665)	14,778

STATEMENTS OF CASH FLOWS

for the financial period from 1 October 2022 to 31 December 2023

	Note	Group 1.10.2022 - 31.12.2023 RM'000	Group 1.10.2021 - 30.9.2022 RM'000	Company 1.10.2022 - 31.12.2023 RM'000	Company 1.10.2021 - 30.9.2022 RM'000
Cash flows from financing activities					
Dividends paid to:					
- non-controlling interests		(3,000)	(11,060)	-	-
- owners of the Company	28	-	(10,914)	-	(10,914)
(Repayment)/Drawdown of borrowings (net)	(ii)	(4,630)	(198)	36,893	10,411
Interest paid		(9,223)	(5,111)	(3,950)	(1,685)
Interest paid in relation to lease liabilities	(i)	(5)	(2)	-	-
Payment of lease liabilities	(ii)	(33)	(24)	-	-
Sales of treasury shares		39,437	-	39,437	-
Purchase of treasury shares	15.2	(19,484)	-	(19,484)	-
Proceeds from issuance of ordinary shares pursuant to ESOS	15.1	153	8,194	153	8,194
Net cash from/(used in) financing activities		3,215	(19,115)	53,049	6,006
Net increase/(decrease) in cash and cash equivalents		1,797	(2,423)	(18,406)	19,565
Effect of exchange rate fluctuation on cash held		499	312	-	-
Cash and cash equivalents at beginning of period/year		102,339	104,450	21,573	2,008
Cash and cash equivalents at end of period/year	14	104,635	102,339	3,167	21,573

(i) Cash outflows for leases as a lessee

Group	Note	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Included in net cash from operating activities:			
Payment relating to short-term leases	21	240	859
Payment relating to leases of low-value assets	21	15	12
		255	871
Included in net cash from financing activities:			
Interest paid in relation to lease liabilities		5	2
Payment of lease liabilities		33	24
Total cash outflows for leases		293	897

(ii) Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1.10.2021 RM'000	Net changes from financing cash flows RM'000	At 30.9.2022/ 1.10.2022 RM'000	Net changes from financing cash flows RM'000	Acquisition of new lease RM'000	Derecognition of a lease * RM'000	At 31.12.2023 RM'000
Group							
Term loans	58,159	(15,238)	42,921	(14,645)	-	-	28,276
Revolving credit	47,000	4,000	51,000	24,000	-	-	75,000
Bankers' acceptance	25,380	11,040	36,420	(13,985)	-	-	22,435
Lease liabilities	74	(24)	50	(33)	179	(45)	151
Total liabilities from financing activities	130,613	(222)	130,391	(4,663)	179	(45)	125,862
Company							
Term loans	26,000	(3,589)	22,411	(6,107)	-	-	16,304
Revolving credit	-	14,000	14,000	43,000	-	-	57,000
Total liabilities from financing activities	26,000	10,411	36,411	36,893	-	-	73,304

* *Derecognition of the lease liabilities during 2023 is as a result of discontinuing the current lease and entering into a new lease.*

The notes on pages 74 to 154 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Fiamma Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
Wisma Fiamma
No. 20, Jalan 7A/62A
Bandar Menjalara
52200 Kuala Lumpur

Registered office
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor

The consolidated financial statements of the Company as at 31 December 2023 and for the financial period from 1 October 2022 to 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at 31 December 2023 and for the financial period from 1 October 2022 to 31 December 2023 do not include other entities.

The Company is principally engaged in investment holding and property investment, whilst the principal activities of the subsidiaries are as stated in Note 7.

These financial statements were authorised for issue by the Board of Directors on 5 April 2024.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of Companies Act 2016 in Malaysia.

The following are amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

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*

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

The Group and the Company plan to apply the abovementioned amendments, where applicable:

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

- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

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

Material accounting policy information

The Group adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* for the first time in 2023. Although the amendments did not result in any changes to the Group's accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (30.9.2022: Significant accounting policies) in certain instances in line with the amendments.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgements (cont'd)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 - fair value of land and buildings
- Note 5 - fair value of investment properties
- Note 6 - net realisable value of finished goods and developed properties
- Note 9 - valuation of deferred tax assets
- Note 20 - revenue recognition from contracts with customers

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(ii) Business combinations (cont'd)

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting period, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia ("RM")

The assets and liabilities of operations denominated in functional currencies other than RM, including fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

(c) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial assets (cont'd)

(a) Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(k)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through profit or loss

All financial assets not measured at amortised cost as described above are measured at fair value through profit or loss. This includes derivative financial assets. On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment assessment (see Note 2(k)(i)).

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

(a) Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

(a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement (cont'd)

Financial liabilities (cont'd)

(a) Fair value through profit or loss (cont'd)

(b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

(c) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

(b) Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(iv) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost/valuation less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

Property, plant and equipment under the revaluation model

The Group revalues its property comprising land and building every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Property acquired after the revaluation date is stated at cost until the next revaluation interval.

Surpluses arising from revaluation are dealt with in the revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (cont'd)

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• leasehold land	99 years
• buildings	50 years
• renovation	3 - 5 years
• plant and machinery, tools and piping	3 - 15 years
• computers, office equipment, furniture and fittings	3 - 5 years
• motor vehicles	4 - 5 years
• moulds	2 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

(i) Definition of a lease (cont'd)

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue" and "other income".

(f) Investment properties

(i) Investment properties carried at fair value

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(f) Investment properties (cont'd)

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value.

(i) Land held for future development

The cost of land held for future development includes expenditure incurred in acquiring the land, development and conversion costs and other costs incurred in bringing it to its existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(ii) Development properties

Development properties comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Costs of development properties not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

(iii) Others

The cost of inventories is measured based on weighted average cost formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

The cost of developed properties includes expenditures incurred in the acquisition of land, direct cost and appropriate proportions of common cost attributable to developing the properties to completion.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance with MFRS 9, *Financial Instruments* (see Note 2(k)(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(i) Contract cost

(i) Incremental cost of obtaining a contract

The Group or the Company recognises incremental costs of obtaining contracts when the Group or the Company expects to recover these costs.

(ii) Cost to fulfil a contract

The Group or the Company recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group or the Company, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(j) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(k) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Impairment (cont'd)

(i) Financial assets (cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories, contract assets, lease receivables, deferred tax assets and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Impairment (cont'd)

(ii) Other assets (cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amounts of the assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(l) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold. The provision is based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(iii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee share options is measured using Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(o) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Revenue and other income (cont'd)

(i) Revenue from contracts with customers (cont'd)

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(iv) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(v) Government grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same period in which the expenses are recognised.

(p) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(f), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(r) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise warrants and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(t) Fair value measurements

Fair value of an asset or a liability, except for share-based payments and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Long term leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Plant and machinery, tools and piping RM'000	Computer, office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Moulds RM'000	Asset under construction RM'000	Total RM'000
Cost/Valuation										
At 1 October 2021	16,524	36,900	49,844	2,166	16,816	12,942	4,190	116	-	139,498
Additions	-	-	-	142	759	212	93	4	-	1,210
Disposals	-	-	-	-	-	(4)	(827)	-	-	(831)
Write off	-	-	-	-	-	(214)	-	-	-	(214)
Revaluation	-	8,100	-	-	-	-	-	-	-	8,100
Effect of movements in exchange rates	-	-	477	-	4	51	-	-	-	532
At 30 September 2022/1 October 2022	16,524	45,000	50,321	2,308	17,579	12,987	3,456	120	-	148,295
Additions	-	-	-	36	1,328	1,250	577	73	1,844	5,108
Disposals	-	-	-	-	-	(11)	(1,657)	-	-	(1,668)
Write off	-	-	-	(2)	-	(308)	-	(1)	-	(311)
Effect of movements in exchange rates	-	-	757	-	6	83	-	-	-	846
At 31 December 2023	16,524	45,000	51,078	2,342	18,913	14,001	2,376	192	1,844	152,270

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Long term leasehold land RM'000	Freehold land RM'000	Buildings RM'000	Renovation RM'000	Plant and machinery, tools and piping RM'000	Computer, office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Moulds RM'000	Asset under construction RM'000	Total RM'000
Depreciation										
At 1 October 2021	1,114	-	4,153	2,005	14,386	12,292	3,268	113	-	37,331
Depreciation for the financial year	207	-	1,130	68	481	318	347	1	-	2,552
Disposals	-	-	-	-	-	(4)	(827)	-	-	(831)
Write off	-	-	-	-	-	(213)	-	-	-	(213)
Revaluation	(1,180)	-	(4,410)	-	-	-	-	-	-	(5,590)
Effect of movements in exchange rates	-	-	66	-	4	48	-	-	-	118
At 30 September 2022/1 October 2022	141	-	939	2,073	14,871	12,441	2,788	114	-	33,367
Depreciation for the financial period	286	-	1,366	95	683	431	343	14	-	3,218
Disposals	-	-	-	-	-	(11)	(1,447)	-	-	(1,458)
Write off	-	-	-	(2)	-	(305)	-	(1)	-	(308)
Effect of movements in exchange rates	-	-	111	-	6	79	-	-	-	196
At 31 December 2023	427	-	2,416	2,166	15,560	12,635	1,684	127	-	35,015
Carrying amounts										
At 1 October 2021	15,410	36,900	45,691	161	2,430	650	922	3	-	102,167
At 30 September 2022/1 October 2022	16,383	45,000	49,382	235	2,708	546	668	6	-	114,928
At 31 December 2023	16,097	45,000	48,662	176	3,353	1,366	692	65	1,844	117,255

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Office equipment, furniture and fittings RM'000
Cost	
At 1 October 2021/30 September 2022/1 October 2022/31 December 2023	5
Depreciation	
At 1 October 2021	1
Depreciation for the financial year	1
At 30 September 2022/1 October 2022	2
Depreciation for the financial period	1
At 31 December 2023	3
Carrying amounts	
At 1 October 2021	4
At 30 September 2022/1 October 2022	3
At 31 December 2023	2

3.1 Security

Land and buildings of the Group totalling RM92,090,000 (30.9.2022: RM93,414,000) are charged to banks as security for credit facilities granted to subsidiaries of the Group (see Note 16).

3.2 Fair value information

Fair value of land and buildings are all categorised as Level 3.

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

Group	31.12.2023 RM'000	30.9.2022 RM'000
Opening balance	110,765	98,001
Depreciation	(1,652)	(1,337)
Change in fair value recognised in other comprehensive income	-	13,690
Effect of movements in exchange rates	646	411
Closing balance	109,759	110,765

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

3.2 Fair value information (cont'd)

Level 3 fair value (cont'd)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs underlying the estimation of the fair value used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sale comparison approach: The valuation method considers the fair value of similar properties that were listed for sale/sold within the same locality or other comparable localities, size and etc. as compared to the Group's land and buildings.	Adjustment to the historical sales transaction price of property in vicinity compared made by the valuer.	The estimated fair value would increase/(decrease) if: • the adjustments made by the valuer were higher or lower • the historical sales transaction prices were higher or lower
Investment method: The valuation method considers the capital value of the properties derived from annual rental income less outgoings, which is then capitalised at an appropriate current market yield. Annual rental income is estimated based on the market rental for which the properties can be reasonably let out. Outgoings include property taxes, repairs and maintenance, insurance and management expenses.	• Market rental and outgoing will sustain at current level • Occupancy rate of 68% (30.9.2022: 66%) • Market yield of 6.40% (30.9.2022: 6.50%)	The estimated fair value would increase/(decrease) if: • market rental were higher or lower • outgoing were lower or higher • occupancy rate was higher or lower • market yield was lower or higher

Valuation processes applied by the Group for Level 3 fair value

The Group's land and buildings were valued in 2022 by professional valuation firms, using the sales comparison method and investment method of valuation.

Assessment of the fair values of the Group's land and buildings is undertaken every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying amounts. The changes in level 3 fair values are analysed by the management based on the assessment undertaken.

4. RIGHT-OF-USE ASSETS

Group	Note	Office equipment RM'000
At 1 October 2021		72
Depreciation	21	(27)
Effect of movements in exchange rates		3
At 30 September 2022/1 October 2022		48
Addition		173
Depreciation	21	(42)
Derecognition*		(45)
Effect of movements in exchange rates		6
At 31 December 2023		140

* *Derecognition of the right-of-use asset during 2023 is as a result of discontinuing the current lease and entering into a new lease.*

The Group leases office equipment that run between 1 to 5 years.

4.1 Restriction imposed by lease

The lease contract for office equipment restricts the Group's ability to sublease the leased assets.

5. INVESTMENT PROPERTIES

		Group		Company	
	Note	31.12.2023 RM'000	30.9.2022 RM'000	31.12.2023 RM'000	30.9.2022 RM'000
At 1 October		76,906	76,906	9,000	8,400
Change in fair value recognised in profit or loss	21	2,385	-	-	600
At 31 December/30 September		79,291	76,906	9,000	9,000
Included in the above are:					
At fair value					
Leasehold land		-	-	7,650	7,650
Buildings		22,261	22,261	1,350	1,350
Freehold land and building		55,550	53,165	-	-
Leasehold land and building		1,480	1,480	-	-
		79,291	76,906	9,000	9,000

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENT PROPERTIES (CONT'D)

5.1 Investment properties under fair value model

Investment properties carried at fair value comprise commercial properties that are leased out to third parties under operating leases. The investment properties are measured at fair value obtained from external valuation firms. The fair value is determined by the external valuation firms using the sale comparison method and investment method.

Each of the leases contains an initial non-cancellable period ranging between 1 to 5 years (30.9.2022: 1 to 3 years). Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

5.2 Transactions recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group		Company	
	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Lease income	5,307	3,963	660	528
Direct operating expenses				
- income generating investment properties	(1,944)	(1,465)	(50)	(45)
- non-income generating investment properties	(89)	(50)	-	-

The operating leases payments to be received are as follows:

Group	31.12.2023 RM'000	30.9.2022 RM'000
Less than one year	3,465	3,152
One to two years	1,764	4,567
Two to three years	517	1,168
Three to five years	520	-
Total undiscounted lease payments	6,266	8,887

Company	31.12.2023 RM'000	30.9.2022 RM'000
Less than one year	528	528
Total undiscounted lease payments	528	528

5. INVESTMENT PROPERTIES (CONT'D)

5.3 Security

Investment properties of the Group totalling RM77,811,000 (30.9.2022: RM75,426,000) are charged to banks as security for credit facilities granted to subsidiaries of the Group (see Note 16).

5.4 Fair value information

Fair value of investment properties are all categorised as Level 3.

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

	Group		Company	
	31.12.2023 RM'000	**30.9.2022 RM'000**	**31.12.2023 RM'000**	**30.9.2022 RM'000**
Opening balance	76,906	76,906	9,000	8,400
Change in fair value recognised in profit or loss	2,385	-	-	600
Closing balance	79,291	76,906	9,000	9,000

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs underlying the estimation of the fair value used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sale comparison approach: The valuation method considers the fair value of similar properties that were listed for sale/sold within the same locality or other comparable localities, size and etc. as compared to the Group's and the Company's investment properties.	Adjustment to the historical sales transaction price of property in vicinity compared made by the valuer.	The estimated fair value would increase/(decrease) if: • the adjustments made by the valuer were higher or lower • the historical sales transaction prices were higher or lower
Investment method: The valuation method considers the capital value of the investment properties derived from annual rental income less outgoings, which is then capitalised at an appropriate current market yield. Annual rental income is estimated based on the market rental for which the investment properties can be reasonably let out. Outgoings include property taxes, repairs and maintenance, insurance and management expenses.	• Market rental and outgoing will sustain at current level • Occupancy rate of 68% (30.9.2022: 66%) • Market yield of 6.40% (30.9.2022: 6.50%)	The estimated fair value would increase/(decrease) if: • market rental were higher or lower • outgoing were lower or higher • occupancy rate was higher or lower • market yield was lower or higher

NOTES TO THE FINANCIAL STATEMENTS

5. INVESTMENT PROPERTIES (CONT'D)

5.4 Fair value information (cont'd)

Valuation processes applied by the Group for Level 3 fair value

The Group's and the Company's investment properties were valued during the financial period by professional valuation firms, using the sale comparison method and investment method of valuation.

Assessment of the fair values of the Group's and the Company's investment properties is undertaken annually. The changes in Level 3 fair values are analysed by the management based on the assessment undertaken.

5.5 Highest and best use

The Group's and the Company's investment properties are currently valued at their highest and best use. The investment properties are situated within sizeable populations.

6. INVENTORIES

Group	Note	31.12.2023 RM'000	30.9.2022 RM'000
Non-current			
Land held for future development	6.1	135,072	130,661
Current			
Spare parts and consumables		713	623
Finished goods		58,323	71,793
Developed properties	6.1, 6.2	97,971	193,392
Development properties	6.1	150,444	9,595
		307,451	275,403
		442,523	406,064
Recognised in profit or loss:			
- written back to net realisable value	6.3	(98)	(290)
- inventories recognised as cost of sales		346,849	242,751
- inventories written off		318	318

6. INVENTORIES (CONT'D)

6.1 Included in land held for future development, developed properties and development properties are properties of which the land titles have yet to be transferred to the Group. These properties were acquired via joint development agreements ("JDAs") with third parties and the land titles will only be transferred pursuant to the terms of the JDAs:

Group	31.12.2023 RM'000	30.9.2022 RM'000
Land held for future development	15,798	15,798
Developed properties	3,560	1,272
Development properties	-	2,262
	19,358	19,332

6.2 Included in developed properties amounting to RM50,461,000 (30.9.2022: RM58,663,000) are developed properties of which the land titles are pending issuance from the land office.

6.3 The determination of inventories written back/down to net realisable value involved high degree of judgement. The determination of net realisable value for finished goods involved estimating future demand from customers and future selling prices. In respect of developed properties, net realisable value is determined based on the valuations performed by independent professional valuation firms, using the sales comparison of valuation after considering recent transacted prices for the developed properties, volume and pricing of other development within the vicinity and also the current and future market conditions in the property development industry net of the estimated cost necessary to complete the sale.

6.4 The Group leases out its developed properties under operating leases.

The operating leases payments to be received are as follows:

Group	31.12.2023 RM'000	30.9.2022 RM'000
Less than one year	555	1,144
Between one and two years	-	410
Between two and three years	-	26
Total undiscounted lease payments	555	1,580

Each of the leases contains an initial non-cancellable period ranging 1 to 3 years (30.9.2022: 1 to 3 years). Subsequent renewals will be negotiated with the lessees. No contingent rents are charged.

6.5 Inventories of the Group totalling RM25,020,000 (30.9.2022: RM25,020,000) are charged to banks as security for credit facilities granted to the Company (see Note 16).

6.6 During the financial period, borrowing costs amounting to RM322,000 (30.9.2022: nil) are capitalised at interest rates of 4.32% to 5.57% (30.9.2022: nil) per annum as part of the cost of development properties.

6.7 During the financial period, the Group has initiated technical and administrative work prior to the commencement of physical construction and the development projects are expected to launch in 2024. Hence, the inventories amounting to RM114,862,000 have been reclassified from land held for future development to development properties in current period.

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES

Company	Note	31.12.2023 RM'000	30.9.2022 RM'000
Cost			
Unquoted ordinary shares		45,611	47,075
Unquoted Redeemable Convertible Preference Shares	7.1	270,178	170,978
		315,789	218,053

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 31.12.2023 %	30.9.2022 %
Fiamma Sdn. Bhd.	Malaysia	Distribution of electrical home appliances	100	100
Fimaco Sdn. Bhd.	Malaysia	Distribution of electrical home appliances	100	100
Active Edge Sdn. Bhd.	Malaysia	Property development	100	100
Fiamma Trading Sdn. Bhd.	Malaysia	Distribution of electrical home appliances, sanitaryware and bathroom accessories	70	70
FHB Management Sdn. Bhd.	Malaysia	Property investment and management	100	100
Dawn Land Sdn. Bhd. (formerly known as Fiamma Land Sdn. Bhd.)	Malaysia	Property development	100	100
Fiamma Development Sdn. Bhd.	Malaysia	Property development	100	100
Enex Sdn. Bhd. #	Malaysia	Dormant	-	100
Kingston Medical Supplies (Private) Limited*	Singapore	Distribution of medical devices and healthcare products	70	70
Uniphoenix Jaya Sdn. Bhd.*	Malaysia	Property development	100	100
Oaksvilla Sdn. Bhd.*	Malaysia	Property development	100	100
Affluent Crafts Sdn. Bhd.	Malaysia	Property development	100	100
Aricia Sdn. Bhd. (formerly known as Fiamma Properties Sdn. Bhd.)	Malaysia	Property development	100	100
Ebac Home Sdn. Bhd.	Malaysia	Distribution of home furniture and electrical home appliances and fittings	100	100
Ebac Home Pte. Ltd. @	Singapore	Distribution of home furniture and electrical home appliances and fittings	-	100

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 31.12.2023 %	30.9.2022 %
Sinaran Urusjuta Sdn. Bhd. * &	Malaysia	Property development	100	-
Gurney Vista Estates Sdn. Bhd. Ω	Malaysia	Property development	100	-
Subsidiary of Kingston Medical Supplies (Private) Limited				
Kinsmedic Sdn. Bhd.	Malaysia	Distribution of medical devices and healthcare products	70	70
Subsidiaries of Fiamma Sdn. Bhd.				
Fiamma Logistics Sdn. Bhd.	Malaysia	Provision of warehousing and logistics services	100	100
Exact Quality Sdn. Bhd.	Malaysia	Provision of after sales services of electrical home appliances	100	100
Subsidiary of Fiamma Trading Sdn. Bhd.				
Haustern Sdn. Bhd.*	Malaysia	Dormant	70	70
Subsidiary of Fiamma Development Sdn. Bhd.				
Pinang Sutera Sdn. Bhd.*	Malaysia	Property development	60	60

* Not audited by KPMG PLT.

\# Enex Sdn. Bhd. has been struck off from the Companies Commission of Malaysia and dissolved on 6 March 2023 following the members' voluntary liquidation pursuant to Companies Act 2016 on 7 October 2020.

@ Ebac Home Pte. Ltd. has been struck off from the Accounting and Corporate Regulatory Authority and dissolved on 4 September 2023 following the publication of the notice of striking-off on the Gazette on 4 July 2023.

& The Company had entered into a Share Sale Agreement on 23 August 2023 to acquire 100% equity interest in Sinaran Urusjuta Sdn. Bhd. ("SUSB") (see Note 33).

Ω Gurney Vista Estates Sdn. Bhd. was incorporated in Malaysia on 26 October 2023.

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

7.1 Unquoted Redeemable Convertible Preference Shares ("RCPS")

The main features of the RCPS issued by the subsidiaries of the Company are as follows:

(a) The RCPS holders shall rank equally among themselves and rank in priority to ordinary shares in the event of winding up. They do not carry the right to vote except in the following circumstances:

   (i) winding-up of the issuers; or
   (ii) reduction of share capital of the issuers; or
   (iii) amendment to the Constitution of the issuers which varies or affects the rights and privileges of the RCPS holders.

(b) Holders of RCPS are entitled to receive non-cumulative dividend at the issuers' discretion.

(c) The issuers shall have the option to redeem and/or convert the RCPS, wholly or partially, at any time. The RCPS may be transferred in accordance with the provisions of the Constitution of the issuer.

During the current financial period, Active Edge Sdn. Bhd., a subsidiary of the Company redeemed 20,000,000 of its RCPS amounting to RM20,000,000 in cash and the Company subscribed for 119,200,000 RCPS of Sinaran Urusjuta Sdn. Bhd. at the subscription price of RM1.00 per RCPS amounting to RM119,200,000.

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

7.2 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

31.12.2023	Fiamma Trading Sdn. Bhd. and its subsidiary RM'000	Kingston Medical Supplies (Private) Limited and its subsidiary RM'000	Pinang Sutera Sdn. Bhd. RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	30%	30%	40%	
Carrying amount of NCI	12,023	8,339	867	21,229
Profit/(Loss) allocated to NCI	3,109	587	(312)	3,384
Summarised financial information before intra-group elimination				
As at 31 December 2023				
Non-current assets	1,728	9,228	260	
Current assets	55,434	20,958	8,918	
Non-current liabilities	(18)	(133)	-	
Current liabilities	(17,067)	(2,256)	(7,011)	
Net assets	40,077	27,797	2,167	
Financial period from 1 October 2022 to 31 December 2023				
Revenue	104,694	20,297	(130)	
Profit/(Loss) for the financial period	10,365	1,955	(779)	
Total comprehensive income/(expenses)	10,365	1,955	(779)	
Cash flows from operating activities	11,130	3,718	1,933	
Cash flows from investing activities	224	151	-	
Cash flows used in financing activities	(8,781)	(85)	(444)	
Net increase in cash and cash equivalents	2,573	3,784	1,489	
Dividends paid to NCI	(3,000)	-	-	(3,000)

NOTES TO THE FINANCIAL STATEMENTS

7. INVESTMENTS IN SUBSIDIARIES (CONT'D)

7.2 Non-controlling interests in subsidiaries (cont'd)

30.9.2022	Fiamma Trading Sdn. Bhd. and its subsidiary RM'000	Kingston Medical Supplies (Private) Limited and its subsidiary RM'000	Pinang Sutera Sdn. Bhd. RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	30%	30%	40%	
Carrying amount of NCI	11,914	7,394	1,178	20,486
Profit allocated to NCI	3,256	625	385	4,266
Summarised financial information before intra-group elimination				
As at 30 September 2022				
Non-current assets	1,516	8,492	16	
Current assets	53,633	20,620	10,987	
Non-current liabilities	-	(32)	-	
Current liabilities	(15,437)	(4,433)	(8,058)	
Net assets	39,712	24,647	2,945	
Financial year ended 30 September 2022				
Revenue	90,546	17,011	5,421	
Profit for the financial year	10,853	2,084	964	
Total comprehensive income	10,853	2,084	964	
Cash flows from operating activities	13,290	1,246	822	
Cash flows from investing activities	677	151	-	
Cash flows used in financing activities	(30,000)	(6,889)	(562)	
Net (decrease)/increase in cash and cash equivalents	(16,033)	(5,492)	260	
Dividends paid to NCI	(9,000)	(2,060)	-	(11,060)

The non-controlling interests in Fiamma Trading Sdn. Bhd. and its subsidiary include the non-controlling interests in Fiamma Trading Sdn. Bhd. and Haustern Sdn. Bhd.

The non-controlling interests in Kingston Medical Supplies (Private) Limited and its subsidiary include the non-controlling interests in Kingston Medical Supplies (Private) Limited and Kinsmedic Sdn. Bhd.

8. AMOUNTS DUE FROM SUBSIDIARIES

Included in the amounts due from subsidiaries amounting to RM11,000 are non-trade in nature, unsecured and interest free. Remaining balances are non-trade in nature, unsecured and bear interest at 3.30% (30.9.2022: 3.00% - 3.30%) per annum. The amounts are not repayable within a year and any repayment are at the discretion of the subsidiaries except for RM61,350,000 (30.9.2022: nil) is repayable on demand.

9. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets and (liabilities)

The recognised deferred tax assets and (liabilities) before off-setting are as follows:

	Assets		Liabilities		Net	
	31.12.2023 RM'000	30.9.2022 RM'000	31.12.2023 RM'000	30.9.2022 RM'000	31.12.2023 RM'000	30.9.2022 RM'000
Group						
Property, plant and equipment	54	68	(5,412)	(5,940)	(5,358)	(5,872)
Investment properties	-	-	(1,080)	(833)	(1,080)	(833)
Inventories	2,100	3,508	-	-	2,100	3,508
Unutilised tax losses	2,778	2,688	-	-	2,778	2,688
Other items	294	337	-	-	294	337
Tax assets/ (liabilities)	5,226	6,601	(6,492)	(6,773)	(1,266)	(172)
Set off of tax	(523)	(1,317)	523	1,317	-	-
Net tax assets/ (liabilities)	4,703	5,284	(5,969)	(5,456)	(1,266)	(172)
Company						
Investment properties	-	-	(1,735)	(1,735)	(1,735)	(1,735)

Deferred tax assets and liabilities are offset when there are legally enforceable rights to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves significant judgement regarding the future financial performance of the Company, the likely timing and level of future taxable profits together with future tax planning strategies to support the basis of recognition of deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Movement in temporary differences during the financial year/period

	At 1.10.2021 RM'000	Recognised directly in equity (Note 26) RM'000	Recognised in profit or loss (Note 26) RM'000	At 30.9.2022/ 1.10.2022 RM'000	Recognised in profit or loss (Note 26) RM'000	At 31.12.2023 RM'000
Group						
Property, plant and equipment	(3,672)	(2,152)	(48)	(5,872)	514	(5,358)
Investment properties	(575)	-	(258)	(833)	(247)	(1,080)
Inventories	3,696	-	(188)	3,508	(1,408)	2,100
Unutilised tax losses	2,700	-	(12)	2,688	90	2,778
Other items	315	-	22	337	(43)	294
	2,464	(2,152)	(484)	(172)	(1,094)	(1,266)
Company						
Investment properties	(1,591)	-	(144)	(1,735)	-	(1,735)

Deferred tax expense recognised directly in equity related to tax effect of the revaluation surpluses of property, plant and equipment.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

Group	31.12.2023 RM'000	30.9.2022 RM'000
Unutilised tax losses	20,829	13,545
Inventories	8,017	8,017
	28,846	21,562

Deferred tax assets have not been recognised in respect of the tax benefits because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

Unrecognised deferred tax assets (cont'd)

Under the tax legislation of Malaysia, the unrecognised tax losses (stated at gross) will expire as follows:

Group	31.12.2023 RM'000	30.9.2022 RM'000
Unutilised tax losses expiring in:		
- YA 2028	5	5
- YA 2030	5,083	5,083
- YA 2031	5,488	5,488
- YA 2032	2,969	2,969
- YA 2033	7,284	-
	20,829	13,545

10. CONTRACT WITH CUSTOMERS

10.1 Contract assets/(liabilities)

Group	31.12.2023 RM'000	30.9.2022 RM'000
Contract assets	2,966	7,760
Contract liabilities	(20,275)	(19,541)

The contract assets primarily relate to the Group's rights to consideration for work completed on contracts to purchase properties but not yet billed at the reporting date. The amount will be billed on achievement of billing milestone as per the contract.

The contract liabilities primarily relate to the following:

(a) Consideration received in advance from customers for contracts to purchase properties, which revenue is recognised over time during the development of the properties. The contract liabilities are expected to be recognised as revenue in the next financial year; and

(b) Advance consideration received from customers for future services, which revenue is recognised over time over future service period. The contract liabilities are expected to be recognised as revenue in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

10. CONTRACT WITH CUSTOMERS (CONT'D)

10.1 Contract assets/(liabilities) (cont'd)

Significant changes to contract assets and contract liabilities balances during the period/year are as follows:

Group	31.12.2023 RM'000	30.9.2022 RM'000
Contract liabilities at the beginning of the period/year recognised as revenue	17,316	16,694
Contract liabilities at the beginning of the period/year not recognised as revenue due to change in time frame	2,225	794

Included in contract liabilities are discounts and rebates payable to customers amounting to RM20,275,000 (30.9.2022: RM19,541,000). The discounts and rebates payable are variable considerations relating to revenue recognition, which are deducted against revenue.

10.2 Contract costs

Group	31.12.2023 RM'000	30.9.2022 RM'000
Cost to obtain a contract	-	778
Cost to fulfil a contract	-	44
	-	822

Cost to obtain a contract

Cost to obtain a contract primarily comprises incremental commission fees paid to intermediaries as a result of obtaining contracts and they are recoverable.

Capitalised commission fees are amortised when the related revenues are recognised. In 2023, the amount of amortisation was RM164,000 (30.9.2022: RM77,000).

Cost to fulfil a contract

Cost to fulfil a contract primarily comprises cost not recognised in profit or loss in respect of development properties related to contracts with customers. In 2023, the amount of amortisation was RM6,981,000 (30.9.2022: RM6,425,000).

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.12.2023 RM'000	**30.9.2022 RM'000**	**31.12.2023 RM'000**	**30.9.2022 RM'000**
Trade				
Trade receivables from contracts with customers	85,110	89,305	-	-
Non-trade				
Other receivables	1,289	1,700	-	-
Deposit	1,415	1,140	13	12
	2,704	2,840	13	12
	87,814	92,145	13	12

12. OTHER INVESTMENTS

Group and Company	**Quoted shares RM'000**
31.12.2023	
Fair value through profit or loss	75,587

During the financial period, the Company invested in quoted shares in Bursa Malaysia.

The following table shows the movement of investment in quoted shares during the period.

	31.12.2023 RM'000
Opening balance	-
Acquisition	140,781
Disposals	(89,571)
Fair value change	24,377
Closing balance	75,587

During the period, the Company disposed of shares with a carrying amount of RM89,571,000 and recognised a gain on disposal of quoted shares amounting to RM16,209,000.

As at 31 December 2023, the Company recognised an unrealised fair value gain of quoted shares amounting to RM24,377,000 based on the market value of quoted shares as of period end.

Subsequent to financial period end up to 31 March 2024, the Company disposed of some of the shares held as of period end with a carrying amount of RM42,617,000 resulting in a reversal of fair value of RM15,519,000 and a realised loss on disposal of quoted share amounting to RM6,505,000. The remaining shares held as of period end with a carrying amount of RM32,970,000 recorded a fair value gain of RM2,675,000.

NOTES TO THE FINANCIAL STATEMENTS

12. OTHER INVESTMENTS (CONT'D)

In accordance with MFRS 110, *Events after the Reporting Period*, the unrealised gain recorded as at 31 December 2023 will not be adjusted to account for changes in fair value and the realised loss incurred thereafter, as the subsequent fair value changes and realised loss are considered a non-adjusting event as it provides information about conditions that arose after the reporting period and does not impact the financial position as at 31 December 2023.

Therefore, the unrealised gain recorded as at 31 December 2023 remains unchanged, and the subsequent fair value changes and realised loss from the disposal of the other investments will be recorded in the following financial year.

13. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	31.12.2023			30.9.2022		
Group	**Nominal value RM'000**	**Assets RM'000**	**Liabilities RM'000**	**Nominal value RM'000**	**Assets RM'000**	**Liabilities RM'000**
Derivatives at fair value through profit or loss						
- Forward exchange contracts	2,333	-	(9)	878	14	-

Forward exchange contracts are used to manage the foreign currency exposure arising from the Group's payables denominated in currencies other than the functional currency of the Group. Most forward exchange contracts have maturities of less than 1 year after the end of the reporting period. Where necessary, the forward contracts are rolled over at maturity.

14. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.12.2023 RM'000	**30.9.2022 RM'000**	**31.12.2023 RM'000**	**30.9.2022 RM'000**
Deposits placed with licensed banks	194	21,095	-	16,529
Cash and bank balances	104,441	81,244	3,167	5,044
Cash and cash equivalents in the statements of financial position/statements of cash flows	104,635	102,339	3,167	21,573

Included in cash and bank balances of the Group is RM508,000 (30.9.2022: RM814,000) held under Housing Development Account, the utilisation of which is subject to the Housing Developers (Housing Development Account) (Amendment) Regulations 2015.

15. CAPITAL AND RESERVES

15.1 Share capital

	Group and Company			
	Amount 31.12.2023 RM'000	Number of shares 31.12.2023 '000	Amount 30.9.2022 RM'000	Number of shares 30.9.2022 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
Opening balance	277,744	529,953	268,408	515,321
Exercise of ESOS	153	273	8,194	14,632
Transfer from share option reserve	21	-	1,142	-
Own shares disposed	8,930	-	-	-
Closing balance	286,848	530,226	277,744	529,953

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group (see Note 15.2), all rights are suspended until those shares are reissued.

During the financial period, the Company issued 273,000 (30.9.2022: 14,632,000) new ordinary shares pursuant to the Company's ESOS at an option price of RM0.56 per ordinary share. These new ordinary shares issued rank *pari passu* in all respect with the existing ordinary shares of the Company.

15.2 Treasury shares

	Group and Company			
	Amount 31.12.2023 RM'000	Number of shares 31.12.2023 '000	Amount 30.9.2022 RM'000	Number of shares 30.9.2022 '000
Ordinary shares				
Opening balance	11,023	21,624	11,023	21,624
Own shares acquired	19,484	20,000	-	-
Own shares disposed	(30,507)	(41,624)	-	-
Closing balance	-	-	11,023	21,624

NOTES TO THE FINANCIAL STATEMENTS

15. CAPITAL AND RESERVES (CONT'D)

15.2 Treasury shares (cont'd)

During the financial period, the Company repurchased 20,000,000 of its issued shares from the open market at an average price of RM0.97 per share including transaction cost and the total consideration paid was RM19,484,000. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

The Company subsequently resold 41,624,000 treasury shares with a carrying amount of RM30,507,000 at an average cost of RM0.73 per ordinary share during the financial period.

As at 31 December 2023, the Company did not hold any treasury shares.

15.3 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

15.4 Revaluation reserve

The revaluation reserve relates to revaluation of property, plant and equipment at interval of 5 years. The previous revaluation was carried out in September 2022, which is a shorter interval as the fair value of the revalued assets differs materially from their carrying amounts.

15.5 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share option expires, the amount from the share option reserve is transferred to retained earnings.

Group and Company	RM'000
At 1 October 2021	1,256
Transfer to share capital	(1,142)
Transfer to retained earnings	(59)
At 30 September 2022/1 October 2022	55
Transfer to share capital	(21)
At 31 December 2023	34

16. LOANS AND BORROWINGS

	Note	Group 31.12.2023 RM'000	Group 30.9.2022 RM'000	Company 31.12.2023 RM'000	Company 30.9.2022 RM'000
Non-current					
Term loans - secured	16.1	16,066	31,169	11,156	17,507
Current					
Bankers' acceptances - unsecured		22,435	36,420	-	-
Revolving credits - secured	16.1	75,000	51,000	57,000	14,000
Term loans - secured	16.1	12,210	11,752	5,148	4,904
		109,645	99,172	62,148	18,904
		125,711	130,341	73,304	36,411

16.1 Security

The loans and borrowings are secured over:

(i) land and buildings in property, plant and equipment (see Note 3.1);
(ii) investment properties (see Note 5.3); and
(iii) inventories (see Note 6.5).

17. TRADE AND OTHER PAYABLES

	Note	Group 31.12.2023 RM'000	Group 30.9.2022 RM'000	Company 31.12.2023 RM'000	Company 30.9.2022 RM'000
Non-current					
Trade					
Trade payables	17.1	5,396	5,613	-	-
Current					
Trade					
Trade payables	17.1	44,437	26,503	-	-
Non-trade					
Other payables		5,158	6,981	7	3
Deposit received		4,792	2,455	-	-
Accrued expenses		9,796	10,901	254	682
		19,746	20,337	261	685
		64,183	46,840	261	685
		69,579	52,453	261	685

NOTES TO THE FINANCIAL STATEMENTS

17. TRADE AND OTHER PAYABLES (CONT'D)

17.1 Included in non-current and current trade payables are the remaining consideration payable for the acquisition of 2 plots of leasehold land amounting to RM5,396,000 (30.9.2022: RM5,613,000) and RM5,875,000 (30.9.2022: RM5,657,000) respectively, with a discount rate of 5.49% (30.9.2022: 4.61%) and interest payable on late payment amounting to RM2,254,000 (30.9.2022: nil).

18. AMOUNTS DUE TO SUBSIDIARIES

The amounts due to subsidiaries are non-trade in nature, unsecured, bear interest at 3.30% (30.9.2022: nil) per annum and are repayable on demand.

19. PROVISION FOR WARRANTIES

Group	Note	31.12.2023 RM'000	30.9.2022 RM'000
Opening balance		515	485
Provisions made during the financial period/year	21	178	302
Provisions used during the financial period/year		(268)	(272)
Closing balance		425	515

The provision for warranties relates to electrical home appliances sold by the Group. The provision is based on estimates made from historical warranty data associated with similar products and services. The Group expects to incur most of the liabilities over the next financial year.

20. REVENUE

	Group		Company	
	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Revenue from contracts with customers	480,361	366,051	-	-
Other revenue				
- Rental income from investment properties	5,262	3,929	660	528
- Dividend income	521	-	26,600	37,307
Total revenue	486,144	369,980	27,260	37,835

20. REVENUE (CONT'D)

20.1 Disaggregation of revenue from contracts with customers

	Group	
	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Major products and services		
Sales of goods	348,834	339,759
Sales of development properties	8,115	8,499
Sales of developed properties	123,412	17,793
	480,361	366,051
Timing and recognition		
At a point in time	453,832	352,149
Over time	26,529	13,902
	480,361	366,051

20. REVENUE (CONT'D)

20.2 Nature of goods and services

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Sales of goods (at a point in time)	Revenue is recognised at point in time when the goods are delivered and accepted by the customers at their premises.	Credit period of 60 days from invoice date.	Discounts and rebates are given to customers where the customers meet sales target and pay within 60 days from invoice date.	The Group allows returns for exchange with new goods.	Assurance warranties of 1 to 5 years are given to customers.
Sales of goods (over time)	Revenue is recognised over time using the cost incurred method. Home appliances and furniture and fittings are supplied and installed in the properties of the customers.	Credit period of 60 days from invoice date.	Not applicable.	Not applicable.	The Group is required to fulfil warranty obligation over the defect liability period of 2 years from the date of completion.
Sales of development properties	Revenue is recognised over time using the cost incurred method. Development properties sold to customers typically do not have alternative use and the Group has rights to payment for work performed.	Based on milestone progress billings submitted to customers which are approved by accredited architect, and are subjected to a credit period of 30 days.	Not applicable.	Not applicable.	The Group is required to fulfil warranty obligation over defect liability period of 2 years from the handover of properties to the customers.
Sales of developed properties	Revenue is recognised when right to pledge the developed properties is given to the customer.	Based on progress billings with 10% payable upon signing of contract and remaining 90% payable 3 months from date of contract.	Not applicable.	Not applicable.	The Group is required to fulfil warranty obligation over defect liability period of 2 years from the certificate of completion and compliance date.

20. REVENUE (CONT'D)

20.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

Group	2024 RM'000
31.12.2023	
Sales of goods (over time)	9,560

	2023 RM'000
30.9.2022	
Sales of goods (over time)	16,485
Sales of development properties	2,874
	19,359

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

20.4 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For revenue recognised over time using the cost incurred method, the Group measured the performance of work done by comparing the actual costs incurred with the estimated total costs required to complete the work. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates and also on past experience of completed contracts. A change in the estimates will directly affect the revenue to be recognised.
- For revenue recognised in respect of contracts with customers who are not supported by end-financiers from sales of development properties and developed properties, the Group has assessed and determined that collectability of the consideration from these customers is probable. In making this judgement, the Group has considered the trend of collections from these customers and the general background of these customers.

NOTES TO THE FINANCIAL STATEMENTS

21. RESULTS FROM OPERATING ACTIVITIES

	Note	Group 1.10.2022 - 31.12.2023 RM'000	Group 1.10.2021 - 30.9.2022 RM'000	Company 1.10.2022 - 31.12.2023 RM'000	Company 1.10.2021 - 30.9.2022 RM'000
Results from operating activities are arrived at after charging/(crediting):					
Auditors' remuneration					
Audit fees					
- KPMG PLT		428	366	87	68
- other auditors		65	55	-	-
Non-audit fees					
- KPMG PLT		13	17	10	10
Material (income)/expenses					
Bad debt recovery		(43)	-	-	-
Depreciation of:					
- property, plant and equipment	3	3,218	2,552	1	1
- right-of-use assets	4	42	27	-	-
Change in fair value of investment properties recognised in profit or loss	5	(2,385)	-	-	(600)
Change in fair value of other investments		(24,377)	-	(24,377)	-
Gain on disposal of other investments		(16,209)	-	(16,209)	-
Gain on disposal of property, plant and equipment		(352)	(51)	-	-
Gain on divestment of a subsidiary		-	-	(424)	-
Gains on foreign exchange:					
- realised		(468)	(252)	(11)	-
- unrealised		(36)	-	-	-
Losses/(Gains) on derivative financial instruments:					
- realised		14	13	-	-
- unrealised		9	(14)	-	-
Losses on foreign exchange:					
- realised		113	2	-	-
- unrealised		-	15	-	-

21. RESULTS FROM OPERATING ACTIVITIES (CONT'D)

	Note	Group 1.10.2022 - 31.12.2023 RM'000	Group 1.10.2021 - 30.9.2022 RM'000	Company 1.10.2022 - 31.12.2023 RM'000	Company 1.10.2021 - 30.9.2022 RM'000
Results from operating activities are arrived at after charging/(crediting) (cont'd):					
Material (income)/expenses (cont'd)					
Personnel expenses (including key management personnel):					
- contributions to Employees Provident Fund		4,780	4,180	-	-
- wages, salaries and others		35,480	32,301	-	-
Property, plant and equipment written off		3	1	-	-
Loss in other investments		-	40	-	-
Provision for warranties	19	178	302	-	-
Expenses arising from leases					
Expenses relating to short-term leases	a	240	859	-	-
Expenses relating to leases of low-value assets	a	15	12	-	-
Net loss/(gain) on impairment of financial instruments					
Financial assets at amortised cost		174	(316)	-	-

Note a

The Group leases storage space and equipment with contract term of 1 year or less. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS

22. EMPLOYEE BENEFITS

Share-based payments

Share option programme (equity settled)

The Company's ESOS is governed by the By-Laws which was approved by the shareholders at the Extraordinary General Meeting held on 23 February 2016 and became effective from the first grant date, 12 May 2016.

All options are to be settled by physical delivery of shares and the salient features of the ESOS are, *inter alia*, as follows:

i) Employees of the Group who have been confirmed in service and must serve the Group on a continuous full time basis for a period of not less than six (6) months prior to the Date of Offer and is on the payroll of any company within the Group, or be a Director, who has been appointed to the board of directors of any member of the Group;

ii) The maximum number of new shares to be allocated and issued pursuant to the exercise of the options that may be granted under the scheme consist of:

(a) the options exercised by all grantees;
(b) the remaining options exercisable by all grantees; and
(c) the unexpired offers pending acceptance by all eligible employees;

iii) The scheme shall be in force for a period of five (5) years from the first grant date and it can be extended for up to a further five (5) years;

iv) The option price shall not be a discount of more than 10% from the 5-day weighted average market price of the shares of the Company preceding the date of offer and shall in no event be less than the par value of the shares of the Company of RM0.50;

v) An option holder may, in a particular year, exercise up to such maximum number of shares as determined by the ESOS committee; and

vi) The options granted to eligible employees and Directors will lapse when they are no longer in employment with the Group or resign as Directors.

The options offered to take up unissued ordinary shares and the exercise prices are as follows:

		Number of options over ordinary shares			
Date of offer	Exercise price RM	At 1.10.2022	Exercised	Forfeited	At 31.12.2023
12 May 2016	0.56	663,000	(273,000)	-	390,000
15 May 2017	0.56	30,000	-	-	30,000
		693,000	(273,000)	-	420,000

22. EMPLOYEE BENEFITS (CONT'D)

Share-based payments (cont'd)

Share option programme (equity settled) (cont'd)

The number and exercise prices of share options are as follows:

	2023		2022	
	Exercise price RM	Number of options '000	Exercise price RM	Number of options '000
Outstanding at 1 October	0.56	693	0.56	16,085
Forfeited	-	-	0.56	(760)
Exercised	0.56	(273)	0.56	(14,632)
Outstanding at 31 December/30 September	0.56	420	0.56	693
Exercisable at 31 December/30 September	0.56	420	0.56	693

The options outstanding at 31 December 2023 have an exercise price of RM0.56 (30.9.2022: RM0.56).

The ESOS which expired on 11 May 2021 had been extended for another five (5) years until 11 May 2026 in accordance with the terms of the ESOS By-Laws.

During the financial period, 273,000 (30.9.2022: 14,632,000) share options were exercised. The fair values at the date of exercise for the financial period were RM0.905 – RM1.260 (30.9.2022: RM0.595 – RM1.140) per ordinary share.

23. FINANCE INCOME

	Group		Company	
	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Recognised in profit or loss				
Interest income of financial assets calculated using the effective interest method that are at amortised cost	1,859	1,661	6,024	4,421

NOTES TO THE FINANCIAL STATEMENTS

24. FINANCE COSTS

	Group		Company	
	1.10.2022 - 31.12.2023 RM'000	**1.10.2021 - 30.9.2022 RM'000**	**1.10.2022 - 31.12.2023 RM'000**	**1.10.2021 - 30.9.2022 RM'000**
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Amount due to subsidiaries	-	-	1,076	7
- Bankers' acceptance	1,238	973	-	-
- Revolving credits	3,570	2,218	1,678	743
- Term loan	2,161	1,920	1,196	935
- Interest payable to landowner	2,254	-	-	-
	9,223	5,111	3,950	1,685
Interest expense on lease liabilities	5	2	-	-
Total interest expense	9,228	5,113	3,950	1,685
Other finance costs	247	365	3	1
	9,475	5,478	3,953	1,686
Recognised in profit or loss	9,153	5,478	3,953	1,686
Capitalised on qualifying assets				
- inventories	322	-	-	-
	9,475	5,478	3,953	1,686

25. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

The remuneration of key management personnel during the financial period/year was as follows:

	Group		Company	
	1.10.2022 - 31.12.2023 RM'000	**1.10.2021 - 30.9.2022 RM'000**	**1.10.2022 - 31.12.2023 RM'000**	**1.10.2021 - 30.9.2022 RM'000**
Directors of the Company				
Executive:				
- Fees	153	268	153	148
- Remuneration	977	1,945	9	9
- Defined contribution plan	116	310	-	-
- Gratuity	30	50	30	50
- Estimated monetary value of benefits-in-kind	27	52	-	-
	1,303	2,625	192	207
Non-Executive:				
- Fees	447	479	447	359
- Remuneration	35	25	35	25
- Gratuity	60	100	60	100
	542	604	542	484
	1,845	3,229	734	691
Other key management personnel				
Remuneration	3,615	2,356	-	-
Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	491	871	-	-
	4,106	3,227	-	-
	5,951	6,456	734	691

NOTES TO THE FINANCIAL STATEMENTS

26. TAX EXPENSE

	Group		Company	
	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Recognised in profit or loss				
Tax expense	14,066	15,496	736	895
Major components of income tax expense include:				
Income tax expense				
Malaysian				
- Current period/year	12,924	14,924	736	751
- Over provision in prior year	(1)	(82)	-	-
Overseas				
- Current period/year	48	170	-	-
- Under provision in prior year	1	-	-	-
Total income tax recognised in profit or loss	12,972	15,012	736	751
Deferred tax expense (Note 9)				
Origination and reversal of temporary differences	1,365	531	-	144
Over provision in prior year	(271)	(47)	-	-
Total deferred tax recognised in profit or loss	1,094	484	-	144
Total tax expense	14,066	15,496	736	895
Reconciliation of tax expense				
Profit before tax	90,117	56,604	69,101	40,138
Income tax using Malaysian tax rate of 24%	21,628	13,585	16,584	9,633
Effect of tax rates in foreign jurisdiction *	(36)	(78)	-	-
Non-deductible expenses	1,255	1,046	381	72
Current period/year losses for which no deferred tax assets was recognised	1,748	1,127	-	-
Tax exempt income	(9,924)	(55)	(16,229)	(8,954)
Effect of change in fair value of investment properties	(334)	-	-	144
	14,337	15,625	736	895
Over provision in prior year	(271)	(129)	-	-
	14,066	15,496	736	895
Income tax recognised directly in equity				
Revaluation of property, plant and equipment	-	2,152	-	-

* Some subsidiaries operate in a tax jurisdiction with lower tax rate.

27. EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December/30 September was based on the profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding, calculated as follows:

Group	2023	2022
RM'000		
Profit for the financial period/year attributable to owners of the Company	72,667	36,842
'000		
Weighted average number of ordinary shares at 31 December/30 September	530,206	500,734
Sen		
Basic earnings per ordinary share	13.71	7.36

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share is based on profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Group	2023	2022
'000		
Weighted average number of ordinary shares at 31 December/30 September (basic)	530,206	500,734
Effect of share options on issue	179	270
Weighted average number of ordinary shares at 31 December/30 September (diluted)	530,385	501,004
Sen		
Diluted earnings per ordinary share	13.70	7.35

NOTES TO THE FINANCIAL STATEMENTS

28. DIVIDENDS

Dividends recognised by the Company:

	Sen per share	Total amount RM'000	Date of payment
30.9.2022			
Final 2021 ordinary	2.20	10,914	8 April 2022

The Directors do not recommend any final dividend to be paid for the financial period from 1 October 2022 to 31 December 2023.

29. OPERATING SEGMENTS

The Group has three reportable segments, as described below, 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 Chief Executive Officer (the chief operating decision maker) reviews internal management reports on a monthly basis.

The following summary describes the operations in each of the Group's 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

Performance is measured based on segment profit before tax, interest and depreciation ("segment profit") as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment total assets are used to measure the return of assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Chief Executive Officer. Segment total liabilities are used to measure the gearing of each segment.

29. OPERATING SEGMENTS (CONT'D)

	Trading and services		Property development		Investment holding and property investment		Total	
	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Segment profit	41,873	52,690	7,778	6,893	73,509	40,568	123,160	100,151
Included in the measure of segment profit are:								
Revenue from external customers	348,835	339,759	131,527	26,292	5,782	3,929	486,144	369,980
Inter-segment revenue	-	-	-	-	28,467	39,216	28,467	39,216
Inventories written down and written off	(220)	(28)	-	-	-	-	(220)	(28)
Not included in the measure of segment profit but provided to Chief Executive Officer:								
Depreciation								
- property, plant and equipment	(2,306)	(1,796)	(7)	(23)	(28)	(54)	(2,341)	(1,873)
- right-of-use assets	(42)	(27)	-	-	-	-	(42)	(27)
Interest expense	(1,809)	(1,499)	(7,566)	(6,269)	(5,513)	(2,975)	(14,888)	(10,743)
Interest income	5,473	3,853	530	96	4,361	3,342	10,364	7,291
Segment assets	389,621	391,928	436,109	370,422	574,953	455,954	1,400,683	1,218,304
Included in the measure of segment assets are:								
Deferred tax assets	84	330	4,620	4,954	-	-	4,704	5,284
Current tax assets	878	658	400	656	34	53	1,312	1,367
Segment liabilities	(87,718)	(103,952)	(187,349)	(208,421)	(127,331)	(77,579)	(402,398)	(389,952)

NOTES TO THE FINANCIAL STATEMENTS

29. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenues, profit or loss, assets and other material items

Profit or loss	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Total profit or loss for reportable segments	123,160	100,151
Elimination of inter-segment profits	(22,736)	(37,516)
Depreciation	(3,260)	(2,579)
Interest expense	(8,906)	(5,113)
Interest income	1,859	1,661
Consolidated profit before tax	90,117	56,604

	External revenue RM'000	Depreciation RM'000	Interest expense RM'000	Interest income RM'000	Segment assets RM'000	Segment liabilities RM'000
31.12.2023						
Total reportable segments	486,144	(2,383)	(14,888)	10,364	1,400,683	(402,398)
Elimination of inter-segment transactions and balances	-	(877)	5,982	(8,505)	(483,802)	178,877
Consolidated total	486,144	(3,260)	(8,906)	1,859	916,881	(223,521)
30.9.2022						
Total reportable segments	369,980	(1,900)	(10,743)	7,291	1,218,304	(389,952)
Elimination of inter-segment transactions and balances	-	(679)	5,630	(5,630)	(409,673)	180,375
Consolidated total	369,980	(2,579)	(5,113)	1,661	808,631	(209,577)

Geographical segments

The Group operates primarily in Malaysia and as such, no geographical segment disclosures are made.

Major customers

The Group does not have any major customer with revenue equal or more than 10% of the Group's total revenue.

30. FINANCIAL INSTRUMENTS

30.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Fair value through profit or loss ("FVTPL")
- Mandatorily required by MFRS 9
- Designated upon initial recognition ("DUIR")

(b) Amortised cost ("AC")

31.12.2023	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000	FVTPL - DUIR RM'000
Group				
Financial assets				
Trade and other receivables	87,814	87,814	-	-
Cash and cash equivalents	104,635	104,635	-	-
Other investments	75,587	-	-	75,587
	268,036	192,449	-	75,587
Financial liabilities				
Loans and borrowings	(125,711)	(125,711)	-	-
Trade and other payables	(69,579)	(69,579)	-	-
Derivative financial liabilities	(9)	-	(9)	-
	(195,299)	(195,290)	(9)	-
Company				
Financial assets				
Amount due from subsidiaries	119,801	119,801	-	-
Trade and other receivables	13	13	-	-
Cash and cash equivalents	3,167	3,167	-	-
Other investments	75,587	-	-	75,587
	198,568	122,981	-	75,587
Financial liabilities				
Loans and borrowings	(73,304)	(73,304)	-	-
Trade and other payables	(261)	(261)	-	-
Amount due to subsidiaries	(15,800)	(15,800)	-	-
	(89,365)	(89,365)	-	-

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONT'D)

30.1 Categories of financial instruments (cont'd)

30.9.2022	Carrying amount RM'000	AC RM'000	Mandatorily at FVTPL RM'000
Group			
Financial assets			
Trade and other receivables	92,145	92,145	-
Cash and cash equivalents	102,339	102,339	-
Derivative financial assets	14	-	14
	194,498	194,484	14
Financial liabilities			
Loans and borrowings	(130,341)	(130,341)	-
Trade and other payables	(52,453)	(52,453)	-
	(182,794)	(182,794)	-
Company			
Financial assets			
Amount due from subsidiaries	135,775	135,775	-
Trade and other receivables	12	12	-
Cash and cash equivalents	21,573	21,573	-
	157,360	157,360	-
Financial liabilities			
Loans and borrowings	(36,411)	(36,411)	-
Trade and other payables	(685)	(685)	-
Amounts due to subsidiaries	(1,750)	(1,750)	-
	(38,846)	(38,846)	-

30. FINANCIAL INSTRUMENTS (CONT'D)

30.2 Net gains and losses arising from financial instruments

	Group		Company	
	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000	1.10.2022 - 31.12.2023 RM'000	1.10.2021 - 30.9.2022 RM'000
Net (losses)/gains on:				
Financial assets/(liabilities) at fair value through profit or loss:				
- Mandatorily required by MFRS 9	(23)	1	-	-
- Designated upon initial recognition	40,586	-	40,586	-
Financial assets at amortised cost	1,728	1,937	6,024	4,421
Financial liabilities at amortised cost	(8,832)	(4,876)	(3,939)	(1,685)
	33,459	(2,938)	42,671	2,736

30.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

30.4 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade receivables from customers. The Company's exposure to credit risk arises principally from amount due from subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to previous year.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

For trading and services segment, normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

For property development segment, purchasers are normally supported by the end-financiers which are reputable banks in Malaysia. For self-financed purchasers, the Group extends credit based upon evaluation of the purchasers' financial condition and credit history. Trade receivables are monitored on an ongoing basis by the Group's sales and administrative department.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Risk management objectives, policies and processes for managing the risk (cont'd)

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of trade receivables for trading and services segment are regular customers that have been transacting with the Group whilst significant portion of trade receivables for property development segment are purchasers that are backed by financiers. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any trade receivables having significant balances past due more than 90 days or not backed by financier, in the case of trade receivables from property development segment, which are deemed to have higher credit risk, are monitored individually.

For the trading and services segment, the Group receives financial guarantees given by banks, shareholders or directors of customers in managing exposure to credit risks. At the end of the reporting period, trade receivables amounting to RM42,535,000 (30.9.2022: RM51,598,000) are supported by financial guarantees given by banks, shareholders or directors of the customers. The remaining balance of trade receivables are not secured by any collateral or supported by any other credit enhancements.

For property development segment, the trade receivables are not secured by any collateral or supported by any other credit enhancements. However, the Group mitigates its credit risk by maintaining its name as the registered owner of the properties until full settlement of the purchase consideration or upon undertaking of end-financing by the purchasers' end-financier.

Concentration of credit risk

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period arise domestically.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss

Trading and services segment

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 60 to 90 days. The Group's debt recovery process is as follows:

a) Above 90 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales management team; and

b) Above 180 days past due, the Group will commence a legal proceeding against the customer.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables for trading and services segment. Consistent with the debt recovery process, invoices which are past due 180 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 180 days past due.

Loss rates are based on actual credit loss experience over the past two years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the period.

Property development segment

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 to 90 days. The Group's debt recovery process is as follows:

a) Above 90 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales and administrative department; and

b) If the customer did not abide by the agreed debt restructuring arrangement, the Group will issue notice of termination to commence termination of contract and recovery of the properties sold in order to reduce the credit risk exposure.

The Group measures ECL of trade receivables individually. Consistent with the debt recovery process, invoices of which customers have defaulted on debt recovery arrangements are generally considered as credit impaired.

Loss rates are determined for each individual purchasers using past payment trends and other external information relating to the purchasers that are publicly available. In determining the loss rates for each individual purchasers, the Group also considers the value of properties sold that could be recovered upon termination of contract which will reduce credit loss arising from the trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
31.12.2023			
Not past due	67,156	-	67,156
Past due 1 - 60 days	16,291	(16)	16,275
Past due 61 - 90 days	886	-	886
Past due more than 90 days	3,850	(91)	3,759
	88,183	(107)	88,076
Credit impaired			
Individually impaired	1,964	(1,964)	-
	90,147	(2,071)	88,076
Trade receivables	87,181	(2,071)	85,110
Contract assets	2,966	-	2,966
	90,147	(2,071)	88,076
30.9.2022			
Not past due	74,847	-	74,847
Past due 1 - 60 days	18,341	-	18,341
Past due 61 - 90 days	777	(74)	703
Past due more than 90 days	3,296	(122)	3,174
	97,261	(196)	97,065
Credit impaired			
Individually impaired	1,721	(1,721)	-
	98,982	(1,917)	97,065
Trade receivables	91,222	(1,917)	89,305
Contract assets	7,760	-	7,760
	98,982	(1,917)	97,065

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment loss (cont'd)

The movements in the allowance for impairment of trade receivables during the financial year/period are shown below:

Group	Trade receivables Lifetime ECL RM'000	 Credit impaired RM'000	 Total RM'000
Balance at 1 October 2021	210	3,175	3,385
Amounts written off	-	(1,203)	(1,203)
Net remeasurement of loss allowance	(14)	(301)	(315)
Effect of movements in exchange rates	-	50	50
Balance at 30 September 2022/1 October 2022	196	1,721	1,917
Amounts written off	-	(19)	(19)
Net remeasurement of loss allowance	(89)	262	173
Balance at 31 December 2023	107	1,964	2,071

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the trade receivables directly.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from rental receivables. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The Group assessed the risk of loss of each rental receivable individually based on their financial information, past trend of payments and external credit ratings, where applicable.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Other receivables (cont'd)

The following table provides information about the exposure to credit risk and ECLs for other receivables.

Group	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
31.12.2023			
Low credit risk	1,289	-	1,289
Credit impaired	16	(16)	-
	1,305	(16)	1,289
30.9.2022			
Low credit risk	1,700	-	1,700
Credit impaired	18	(18)	-
	1,718	(18)	1,700

The movement in the allowance for impairment losses of other receivables during the financial year/period is shown below:

Group	RM'000
Balance at 1 October 2021	137
Amounts written off	(118)
Net remeasurement of loss allowance	(1)
Balance at 30 September 2022/1 October 2022	18
Amounts written off	(3)
Net remeasurement of loss allowance	1
Balance at 31 December 2023	16

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company also provides financial support to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Financial guarantees (cont'd)

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM39,408,000 (30.9.2022: RM61,929,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, the probability of default by the subsidiaries is low and no allowance of impairment is recognised.

The financial guarantees of the Company have not been recognised since the fair value on initial recognition was not material.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances are only provided to subsidiaries of the Company.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONT'D)

30.4 Credit risk (cont'd)

Inter-company loans and advances (cont'd)

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary's loan or advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances.

Company	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
31.12.2023			
Low credit risk	119,801	-	119,801
30.9.2022			
Low credit risk	135,775	-	135,775

As at the end of the reporting period, the probability of default of these loans and advances to subsidiaries are low and no allowance of impairment is recognised. The Company does not specifically monitor the ageing of loan and advances provided to subsidiaries.

30.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their trade and other payables and loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Liquidity risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

Group	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000
31.12.2023					
Non-derivative financial liabilities					
Revolving credit - secured	75,000	4.32 - 5.57	75,000	75,000	-
Bankers' acceptances - unsecured	22,435	3.45 - 4.85	22,435	22,435	-
Term loans - secured	28,276	4.25 - 5.47	29,818	13,108	16,710
Lease liabilities	151	3.00	163	31	132
Trade and other payables					
- land acquisition consideration payable	11,271	5.49	12,749	5,875	6,874
- interest payable on late payment	2,254	-	2,254	2,254	-
- others	56,054	-	56,054	56,054	-
	195,441		198,473	174,757	23,716
Derivative financial liabilities					
Forward exchange contracts (gross settled):					
Inflow	-	-	(2,324)	(2,324)	-
Outflow	9	-	2,333	2,333	-
	195,450		198,482	174,766	23,716

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Group	Carrying amount RM'000	Contractual interest rate/ Discount rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000
30.9.2022					
Non-derivative financial liabilities					
Revolving credit - secured	51,000	3.58 - 4.61	51,000	51,000	-
Bankers' acceptances - unsecured	36,420	2.60 - 3.65	36,420	36,420	-
Term loans - secured	42,921	3.69 - 4.61	46,439	13,347	33,092
Lease liabilities	50	3.00	51	29	22
Trade and other payables					
- land acquisition consideration payable	11,270	4.61	12,750	5,875	6,875
- others	41,183	-	41,183	41,183	-
	182,844		187,843	147,854	39,989
Derivative financial liabilities					
Forward exchange contracts (gross settled):					
Inflow	(14)	-	(892)	(892)	-
Outflow	-	-	878	878	-
	182,830		187,829	147,840	39,989

30. FINANCIAL INSTRUMENTS (CONT'D)

30.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

Company	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 5 years RM'000
31.12.2023					
Non-derivative financial liabilities					
Term loans - secured	16,304	4.27 - 5.57	17,662	5,884	11,778
Revolving credit - secured	57,000	4.32 - 5.46	57,000	57,000	-
Financial guarantee	-	-	39,408	39,408	-
Trade and other payables	261	-	261	261	-
Amount due to subsidiaries	15,800	3.30	15,800	15,800	-
	89,365		130,131	118,353	11,778
30.9.2022					
Non-derivative financial liabilities					
Term loans - secured	22,411	3.69 - 4.19	24,547	5,766	18,781
Revolving credit - secured	14,000	3.58 - 4.36	14,000	14,000	-
Financial guarantee	-	-	61,929	61,929	-
Trade and other payables	685	-	685	685	-
Amount due to subsidiaries	1,750	-	1,750	1,750	-
	38,846		102,911	84,130	18,781

30.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's and the Company's financial position or cash flows.

30.6.1 Currency risk

The Group is exposed to foreign currency risk on purchases that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD") and Chinese Yuan ("CNY").

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONT'D)

30.6 Market risk (cont'd)

30.6.1 Currency risk (cont'd)

Risk management objectives, policies and processes for managing the risk

The Group's exposure to foreign currency risk is monitored on an ongoing basis and the Group will use forward exchange contracts to hedge its foreign currency risk when necessary. Forward exchange contracts, if any, would have maturities of less than one year. Where necessary, the forward exchange contracts are rolled over at maturity.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period are as follows:

	31.12.2023 *Denominated in*		**30.9.2022** *Denominated in*	
	USD RM'000	**CNY RM'000**	**USD RM'000**	**CNY RM'000**
Group				
Balances recognised in the statement of financial position				
Trade payables	528	7,650	1,442	3,525
Foreign exchange contracts	3	6	(2)	(12)
Net exposure	531	7,656	1,440	3,513

Currency risk sensitivity analysis

Group entities which have a Ringgit Malaysia ("RM") functional currency are exposed to foreign currency risk in respect of purchases that are denominated in a currency other than RM.

A 10% (30.9.2022: 10%) weakening of the RM against the following currencies at the end of the reporting period would have decreased post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.6 Market risk (cont'd)

30.6.1 Currency risk (cont'd)

Currency risk sensitivity analysis (cont'd)

Group	Profit or loss 31.12.2023 RM'000	Profit or loss 30.9.2022 RM'000
USD	40	109
CNY	582	267
	622	376

A 10% (30.9.2022: 10%) strengthening of the RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

30.6.2 Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and loans and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's floating rate loans and borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group adopts a practice to continuously seek alternative banking facilities which provide competitive interest rates to finance and/or refinance its working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONT'D)

30.6 Market risk (cont'd)

30.6.2 Interest rate risk (cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	31.12.2023 RM'000	30.9.2022 RM'000	31.12.2023 RM'000	30.9.2022 RM'000
Fixed rate instruments				
Financial assets	194	21,095	-	16,529
Financial liabilities	(22,586)	(36,470)	-	-
	(22,392)	(15,375)	-	16,529
Floating rate instruments				
Financial assets	-	-	119,801	135,775
Financial liabilities	(103,276)	(93,921)	(89,104)	(36,411)
	(103,276)	(93,921)	30,697	99,364

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Company	
	31.12.2023 RM'000	30.9.2022 RM'000	31.12.2023 RM'000	30.9.2022 RM'000
Floating rate instruments				
100 bp increase	(785)	(714)	233	755
100 bp decrease	785	714	(233)	(755)

30. FINANCIAL INSTRUMENTS (CONT'D)

30.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term loans and borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments				Carrying
Group	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**amount RM'000**
31.12.2023					
Financial assets					
Financial instruments carried at fair value					
Other investments	75,587	-	-	75,587	75,587
Financial liabilities					
Financial instruments carried at fair value					
Forward exchange contracts	-	(9)	-	(9)	(9)
Financial instruments not carried at fair value					
Trade payables - non-current	-	-	(5,396)	(5,396)	(5,396)
Term loans	-	-	(28,276)	(28,276)	(28,276)
	-	-	(33,672)	(33,672)	(33,672)
30.9.2022					
Financial assets					
Financial instruments carried at fair value					
Forward exchange contracts	-	14	-	14	14
Financial liabilities					
Financial instruments not carried at fair value					
Trade payables - non-current	-	-	(5,613)	(5,613)	(5,613)
Term loans	-	-	(42,921)	(42,921)	(42,921)
	-	-	(48,534)	(48,534)	(48,534)

NOTES TO THE FINANCIAL STATEMENTS

30. FINANCIAL INSTRUMENTS (CONT'D)

30.7 Fair value information (cont'd)

Company	Fair value of financial instruments Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
31.12.2023					
Financial assets					
Financial instruments carried at fair value					
Other investments	75,587	-	-	75,587	75,587
Financial instruments not carried at fair value					
Amount due from subsidiaries	-	-	119,801	119,801	119,801
Financial liabilities					
Financial instruments not carried at fair value					
Term loans	-	-	(16,304)	(16,304)	(16,304)
30.9.2022					
Financial assets					
Financial instruments not carried at fair value					
Amount due from subsidiaries	-	-	135,775	135,775	135,775
Financial liabilities					
Financial instruments not carried at fair value					
Term loans	-	-	(22,411)	(22,411)	(22,411)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

30. FINANCIAL INSTRUMENTS (CONT'D)

30.7 Fair value information (cont'd)

Level 2 fair value

Derivatives

The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds).

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial period and previous year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Fair values within Level 3 are determined using the discounted cash flows valuation technique based on the current market rate of borrowings of the respective Group entities at the reporting date. The carrying amount of floating rate term loans approximate fair value as their effective interest rate changes according to movements in the market interest rate.

NOTES TO THE FINANCIAL STATEMENTS

31. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor the adequacy of capital on an on-going basis and are determined to maintain an optimal gearing ratio that complies with debt covenants and regulatory requirements.

During the financial period, the Group's strategy, which was unchanged from 2022, was to maintain the gearing ratio of below 1. The gearing ratios at 31 December 2023 and 30 September 2022 were as follows:

Group	31.12.2023 RM'000	30.9.2022 RM'000
Total loans and borrowings (Note 16)	125,711	130,341
Lease liabilities	151	50
Less: Cash and cash equivalents (Note 14)	(104,635)	(102,339)
Net debt	21,227	28,052
Total equity attributable to owners of the Company	672,131	578,568
Gearing ratio (times)	0.03	0.05

There was no change in the Group's approach to capital management during the financial period.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

Certain subsidiaries are required to maintain gearing ratios to comply with bank covenants, failing which, the banks may call an event of default. These subsidiaries have complied with these covenants at the end of the reporting period.

32. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group and certain members of senior management of the Group.

The Group has related party relationship with its subsidiaries, key management personnel, companies with common shareholders and directors and an associate.

32. RELATED PARTIES (CONT'D)

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 8 and Note 18.

	Group		Company	
	1.10.2022 - 31.12.2023 RM'000	**1.10.2021 - 30.9.2022 RM'000**	**1.10.2022 - 31.12.2023 RM'000**	**1.10.2021 - 30.9.2022 RM'000**
A. Companies with common shareholders and directors				
Purchases	(10)	-	-	-
Sales	2,201	-	-	-
B. Associate				
Purchases	(5,197)	(4,552)	-	-
C. Subsidiaries				
Dividend received	-	-	26,080	37,307
Rental received	-	-	660	528
Interest received	-	-	5,949	4,279
Interest paid	-	-	(1,076)	(7)
Subscription of redeemable convertible preference shares	-	-	(119,200)	-
Redemption of redeemable convertible preference shares from a subsidiary	-	-	20,000	-
Net advances given/(received)	-	-	30,024	(26,950)

Key management personnel compensation is disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

33. SIGNIFICANT EVENT

Acquisition of an asset

On 23 August 2023, the Company has entered into a Share Sale Agreement to acquire 100% equity interest in Sinaran Urusjuta Sdn. Bhd. ("SUSB") for a total cash consideration of RM500,000.

SUSB is principally involved in the business of real estate activities. It has been granted Alienation Land Approval by Pejabat Pengarah Tanah dan Galian Wilayah Persekutuan pursuant to a letter dated 17 June 2021 to develop a piece of leasehold land in Kuala Lumpur measuring approximately 7,613 square meters (1.88 acres) in area upon the payment of land premium of RM109,648,000 ("Land Premium"). The Land Premium has been paid by the Company on behalf of SUSB on 7 September 2023.

The completion of agreement is subject to the issuance and registration of the land title under the name of SUSB and the Company agreed to pay an incentives of RM9,500,000 to the sellers if the land title is registered under the name of SUSB.

The land title was subsequently registered under the name of SUSB on 19 September 2023 and the payment of purchase consideration and incentives were made on 26 September 2023. Hence, the effective completion date is deemed on 26 September 2023 upon the registration of the land title in the name of SUSB.

Acquisition of an asset: Net assets acquired

	31.12.2023 RM'000
Inventories – Land held for future development	119,648
Net identifiable assets	119,648
Total consideration	119,648
Cash	119,648
Total consideration	119,648

The Company considers this acquisition to represent an acquisition of an asset. Cash consideration paid for acquisition of an asset is disclosed separately below.

Net cash outflow arising from acquisition of an asset

	31.12.2023 RM'000
Consideration settled in cash and cash equivalents	119,648

34. SUBSEQUENT EVENTS

(a) Other investments – non-adjusting event after the reporting period

Subsequent to financial period end up to 31 March 2024, the Company disposed of some of the shares held as of period end with a carrying amount of RM42,617,000 resulting in a reversal of fair value of RM15,519,000 and a realised loss on disposal of quoted share amounting to RM6,505,000. The remaining shares held as of period end with a carrying amount of RM32,970,000 recorded a fair value gain of RM2,675,000.

In accordance with MFRS 110, *Events after the Reporting Period*, the unrealised gain recorded as at 31 December 2023 will not be adjusted to account for changes in fair value and the realised loss incurred thereafter, as the subsequent fair value changes and realised loss are considered a non-adjusting event as it provides information about conditions that arose after the reporting period and does not impact the financial position as at 31 December 2023.

Therefore, the unrealised gain recorded as at 31 December 2023 remains unchanged, and the subsequent fair value changes and realised loss from the disposal of the other investments as well as the fair value gain on remaining shares will be recorded in the following financial year.

(b) Proposed joint ventures with related party

On 29 February 2024, the Company and its wholly-owned subsidiaries, Dawn Land Sdn. Bhd. (formerly known as Fiamma Land Sdn. Bhd.) ("DLSB") and Aricia Sdn. Bhd. (formerly known as Fiamma Properties Sdn. Bhd.) ("ASB"), entered into Shareholders Agreements ("SHA") with BKG Development Sdn. Bhd. ("BKGD"), a wholly-owned subsidiary of Chin Hin Group Property Berhad ("CHGP"), respectively.

Pursuant to the SHA, BKGD shall subscribe for 1,166,667 new ordinary shares in DLSB and 5,833,334 new ordinary shares in ASB, representing 70% of the enlarged issued ordinary shares of DLSB and ASB, respectively, for subscription considerations of RM1,166,667 and RM5,833,334, respectively, to be satisfied via cash.

Following BKGD's subscription of shares in DLSB and ASB, the Company's equity interest in DLSB and ASB will reduce to 30%. As compensations for the dilution of the Company's equity interests in DLSB and ASB, the Company had on even date entered into Subscription Agreements with BKGD to subscribe for 12,000,000 Redeemable Preference Shares ("RPS") in BKGD for a nominal subscription price of RM2.00.

BKGD shall redeem the RPS via two tranches as specified below: -

i. First tranche: to redeem 50% of the RPS at any time within 60 months from the receipt of subscription consideration of RM2.00 from the Company at a redemption price of RM6.0 million; and

ii. Second tranche: to redeem 50% of RPS at any time within 12 months from the date of the first redemption at a redemption price of RM6.0 million.

In addition, BKGD retains the discretion to redeem the RPS earlier than the specified timelines.

The SHA regulates the rights and obligations of the Company (30%) and BKGD (70%) as shareholders of DLSB and ASB in the joint ventures for the development of freehold lands owned by DLSB and ASB ("Proposed Joint Ventures").

NOTES TO THE FINANCIAL STATEMENTS

34. SUBSEQUENT EVENTS (CONT'D)

(b) Proposed joint ventures with related party (cont'd)

Pursuant to Paragraph 10.08 of the Bursa Malaysia Securities Berhad's Listing Requirements, the Proposed Joint Ventures are deemed as related party transactions by virtue of the interests of the following interested parties: -

(a) Datuk Seri Chiau Beng Teik, JP, is the Non-Independent Non-Executive Chairman and a major shareholder of the Company and CHGP. He is the father of Chiau Haw Choon and Shelly Chiau Yee Wern;

(b) Chiau Haw Choon is the Executive Director and a major shareholder of the Company and CHGP. He is the son of Datuk Seri Chiau Beng Teik, JP, and brother of Shelly Chiau Yee Wern; and

(c) Shelly Chiau Yee Wern is a Director of DLSB and ASB and an Executive Director of CHGP. She is the daughter of Datuk Seri Chiau Beng Teik, JP, and sister of Chiau Haw Choon.

Upon completion of the Shares Subscription, BKGD shall hold 70% of the ordinary shares of DLSB and ASB, respectively, while the Company shall hold the remaining 30%. Arising from the above, the Company is effectively diluting 70% of its equity interest in DLSB and ASB, respectively to BKGD. The Shares Subscription of DLSB and ASB is expected to be completed by second half of 2024, respectively.

35. COMPARATIVE FIGURES

During the financial period, the Group and the Company changed its financial year end from 30 September to 31 December. Accordingly, the comparatives for the statements of profit or loss and other comprehensive income, changes in equity and cash flows as well as the comparatives in the notes to the financial statements relating to the statements of profit or loss and other comprehensive income for the year ended 30 September 2022 are not comparable to the results for the current financial period ended 31 December 2023.

STATEMENT BY DIRECTORS
pursuant to Section 251(2) of the Companies Act 2016

In the opinion of the Directors, the financial statements set out on pages 63 to 154 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

....
Chiau Haw Choon
Director

....
Tan Chee Wee
Director

Kuala Lumpur

Date: 5 April 2024

STATUTORY DECLARATION
pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Chow Chiew Chin**, the Officer primarily responsible for the financial management of Fiamma Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 63 to 154 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Chow Chiew Chin, MIA: CA 15198, at Kuala Lumpur in the Federal Territory on 5 April 2024.

....
Chow Chiew Chin

Before me:

KAPT (B) JASNI BIN YUSOFF

Registered No.: W 465
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To The Members of Fiamma Holdings Berhad
(Registration No. 198201008992 (88716-W))
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Fiamma Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 63 to 154.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the period then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><td colspan="2">Group level
Revenue recognition on sales of goods and developed properties
Refer to Note 2(o)(i) - Material accounting policy: Revenue and Note 20 - Revenue.</td></tr>
<tr><td>**The key audit matter**</td><td>**How the matter was addressed in our audit**</td></tr>
<tr><td>The Group recorded revenue from contracts with customers amounting to RM480.4 million.

Revenue recognition from contracts with customers is identified as a key audit matter because significant judgements were applied in revenue recognition, amongst others include:

• Complex and multiple revenue streams;
• Probability of collection of consideration from customers; and
• Timing of revenue recognition.</td><td>We performed the following audit procedures, amongst others:
• Reviewed contracts with customers and relevant supporting documents such as sales and purchase agreements, purchase orders and letter of awards and assessed the appropriateness of revenue recognition under MFRS 15;
• Reviewed the Group's assessment relating to the probability of collection of consideration from customers, in particular for developed properties to customers who are not supported by end-financiers;
• Evaluated the effectiveness of the Group's internal controls over revenue recognition for sales of goods on a sampling basis;
• Inspected evidence for delivery of goods and sales invoices in respect of samples selected from sales of goods transacted immediately before and after the end of the reporting period to assess whether the revenue were recorded in the correct financial period;
• Inspected samples of credit notes issued by the Group subsequent to period end to ascertain whether they relate to return of goods or sales cancellation in respect of revenue recognised before the period end; and
• Obtained written confirmations from customers of the Group on a sampling basis to test that revenue recognised close to the period end in respect of those customers were recorded in the correct financial period.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

To The Members of Fiamma Holdings Berhad
(Registration No. 198201008992 (88716-W))
(Incorporated in Malaysia)

Key Audit Matters (cont'd)

Group level
Valuation of developed properties
Refer to Note 2(g) - Material accounting policy: Inventories and Note 6 - Inventories.

The key audit matter	How the matter was addressed in our audit
Included in inventories of the Group as at 31 December 2023 are unsold completed properties amounting to RM98.0 million. Developed properties are measured at lower of cost and net realisable value. The determination of the estimated net realisable value for these developed properties depends on the Group's expectation of future selling prices. Valuation of developed properties is identified as a key audit matter because these developed properties were available for sales since the launch of the property development projects in previous years and the challenges faced by the Group in selling these developed properties may indicate that the Group's expectation of future selling prices may not be attainable which increases the uncertainty over the valuation of these developed properties.	We performed the following audit procedures, amongst others: • Checked the valuation of developed properties by comparing the carrying amounts of developed properties against the selling prices of similar developed properties sold subsequent to period end or selling prices of similar developed properties sold within the same development project to identify indications whether the net realisable value of developed properties are below their carrying amounts; • Where there are no similar developed properties sold subsequent to period end, the net realisable values of developed properties were compared with the fair values of the developed properties determined based on valuation performed by the external property valuers engaged by the Group; • Evaluated the qualifications and competence of the external valuers; • Evaluated the valuation methodology as stipulated in the valuation report against industry practice and the Malaysian Valuation Standards; • Evaluated the reliability and accuracy of significant source data used in deriving the fair value of the developed properties by inspecting the valuation report and enquiring the external property valuers with regards to the origin of significant source data; and • Enquired the external property valuers to assess the impact to the fair value of developed properties in respect of any limitation or restriction of use as stipulated in the valuation report.

INDEPENDENT AUDITORS' REPORT

To The Members of Fiamma Holdings Berhad
(Registration No. 198201008992 (88716-W))
(Incorporated in Malaysia)

Key Audit Matters (cont'd)

Group and Company level
Investment in quoted shares
Refer to Note 2(c) - Material accounting policy: Financial instruments and Note 12 - Other investments and Note 34 – Subsequent events.

The key audit matter	How the matter was addressed in our audit
The Group's portfolio of listed investments makes up 8% of total assets and the gain on investment in quoted shares represents more than 45% of the Group's profit before tax and is considered to be a key driver of performance results. Authority was granted to a person to solely operate a securities trading account. The authority granting the approval did not state any investment objectives, which normally include targets of returns, risk tolerance, limit of authority or having any other committees providing an oversight before entering into the investment. The absence of a formal investment policy would expose the Group to volatility risk pertaining to the movements of quoted shares prices on Bursa Malaysia. The gain on investments in quoted shares of RM40.6 million during the period comprise realised gains of RM16.2 million and unrealised gains of RM24.4 million. This is further disclosed in Note 12 and Note 34.	We performed the following audit procedures, amongst others: • Reviewed Board minutes on approval of opening and maintaining a securities trading account; • Enquired of management on their policy and procedures relating to the Group's investment policies thereon; • Checked the monthly investment account statement and bank statement on the acquisition of shares during the period; • Checked the monthly investment account statement and bank statement on the disposal of shares during the period; • Performed recomputation on the fair value gain recognised by the Group based on market value of share price as at 31 December 2023; • Performed subsequent review and checked the monthly investment account statement and bank statement on the disposal of shares subsequent to the financial period; • Checked the tax legal opinion to assess tax implications arising from the Group's investment in quoted shares; and • Checked proper disclosures are made in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

To The Members of Fiamma Holdings Berhad
(Registration No. 198201008992 (88716-W))
(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

To The Members of Fiamma Holdings Berhad
(Registration No. 198201008992 (88716-W))
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chew Beng Hong
Approval Number: 02920/02/2026 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 5 April 2024

LIST OF PROPERTIES OWNED BY THE GROUP

as at 31 December 2023

	Location	Description/ Existing Use	Tenure	Date of Acquisition	Age of Building	Date of Last Revaluation	Approximate Land/ Built-Up Area	Net Book Value (RM'000)
1.	**Fiamma Holdings Berhad** Lot 13, Jalan E1/5 Taman Usaha Ehsan 52100 Kepong Selangor Darul Ehsan	Office cum service centre	Leasehold (99 years, expiring on 09/07/2078)	20/06/1983	39 years 3 months	30/09/2022	19,849 sq. ft.	8,720
2.	**Affluent Crafts Sdn Bhd** HS (D) 490919 PTB 22059 Bandar Johor Bahru Johor	Land held for development**	Leasehold (99 years, expiring on 20/12/2109)	21/09/2012	-	-	198,809 sq. ft.	15,799
3.	**FHB Management Sdn Bhd** No. 20, Jalan 7A/62A Bandar Menjalara 52200 Kuala Lumpur	11 storey office building with 301 car park bays	Leasehold (99 years, expiring on 13/06/2118)	16/03/2015*	19 years 1 month	30/09/2022	155,786 sq. ft.	45,079
4.	360, Jalan Tuanku Abdul Rahman, 50100 Kuala Lumpur	15 units office suite and 3 retail lots with 383 car park bays	Freehold	26/04/2013 & 14/08/2013	8 years 10 months	31/12/2023	61,891 sq. ft.	55,550
5.	**Kingston Medical Supplies (Private) Limited** 35, Tannery Road #11-01/02, Tannery Block Ruby Industrial Complex 347740 Singapore	Office and warehouse	Freehold	21/07/2014	41 years 1 month	30/09/2021	4,886 sq. ft.	8,950
6.	**Fiamma Logistics Sdn Bhd** No. 16, Jalan Astana 1/KU2 Bandar Bukit Raja 41050 Klang Selangor Darul Ehsan	Warehouse	Freehold	16/05/2014	8 years 3 months	30/09/2022	273,567 sq. ft.	69,271
7.	**Fiamma Trading Sdn Bhd** No. 23, Jalan TTR 6A/1 Taman Tasik Residensi Rawang, 48000 Selangor Darul Ehsan	Landed residential property	Leasehold (99 years, expiring on 11/10/2108)	04/04/2018	7 years 3 months	30/09/2021	1,650 sq. ft.	720

LIST OF PROPERTIES OWNED BY THE GROUP

as at 31 December 2023

	Location	Description/ Existing Use	Tenure	Date of Acquisition	Age of Building	Date of Last Revaluation	Approximate Land/ Built-Up Area	Net Book Value (RM'000)
8.	No. PS-G-1 Block Pelangi Sentral Pelangi Damansara Persiaran Surian 47800 Petaling Jaya Selangor Darul Ehsan	Stratified Ground Floor Shop	Leasehold (99 years, expiring on 03/12/2102)	04/04/2018	13 years 3 months	30/09/2021	1,582 sq. ft.	760
	Sinaran Urusjuta Sdn Bhd							
9.	HS (D) 123392, PT 50000 Seksyen 44 Bandar Kuala Lumpur District of Kuala Lumpur	Land held for development	Leasehold (99 years, expiring on 18/09/2122)	19/09/2023	-	-	81,946 sq. ft.	119,700

* Previously acquired by Fiamma Holdings Berhad on 26/06/1996

** Title has not been transferred to Affluent Crafts Sdn Bhd

ANALYSIS OF SHAREHOLDINGS

as at 29 March 2024

Issued Share Capital : 530,226,884 ordinary shares (including shares held as treasury shares, if any)
Class of Shares : Ordinary Shares
Voting Rights : One vote per share

Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
Less than 100 shares	151	5.38	3,024	0.00
100 to 1,000 shares	292	10.40	136,830	0.03
1,001 to 10,000 shares	1,424	50.73	7,056,567	1.33
10,001 to 100,000 shares	715	25.47	24,204,280	4.56
100,001 to 26,511,343 shares (*)	221	7.88	302,336,283	57.02
26,511,344 shares and above (**)	4	0.14	196,489,900	37.06
Total	**2,807**	**100.00**	**530,226,884**	**100.00**

Notes:
* - Less than 5% of issued shares
** - 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS AS AT 29 MARCH 2024

	Direct Interest		Indirect Interest	
Name	**No. of Shares Held**	**%**	**No. of Shares Held**	**%**
Signature International Berhad	120,000,000	22.63	-	-
Casa Holdings Limited	74,889,900	14.12	-	-
Divine Inventions Sdn. Bhd.	30,000,000	5.66	120,000,000@	22.63
Perdana Padu Sdn. Bhd.	28,615,440	5.40	-	-
Lim Soo Kong (Lim Soo Chong)	14,793,300	2.79	74,889,900#	14.12
PP Chin Hin Realty Sdn. Bhd.	-	-	150,000,000^	28.29
Datuk Seri Chiau Beng Teik, JP	-	-	150,000,000^	28.29
Chiau Haw Choon	-	-	150,000,000^	28.29
Chin Hin Group Berhad	-	-	120,000,000@	22.63
Hu Zhong Huai	-	-	74,889,900#	14.12

Notes:
@ Deemed interested by virtue of their interests in Signature International Berhad.
# Deemed interested by virtue of their interests in Casa Holdings Limited.
^ Deemed interested by virtue of their interests in Signature International Berhad and Divine Inventions Sdn. Bhd.

DIRECTORS' SHAREHOLDINGS AS AT 29 MARCH 2024

	Direct Interest		Indirect Interest	
Name	**No. of Shares Held**	**%***	**No. of Shares Held**	**%***
Datuk Seri Chiau Beng Teik, JP	-	-	150,000,000	28.29^
Chiau Haw Choon	-	-	150,000,000	28.29^
Tan Chee Wee	-	-	-	-
Stefan Matthieu Lim Shing Yuan	-	-	-	-
Dato' Yong Lei Choo	-	-	-	-
Khor Hun Nee	-	-	-	-
Nordin Bin Ahmad	-	-	-	-

Notes:
^ Deemed interested by virtue of their interests in Divine Inventions Sdn. Bhd. and Signature International Berhad.

ANALYSIS OF SHAREHOLDINGS

as at 29 March 2024

THIRTY LARGEST SHAREHOLDERS AS AT 29 MARCH 2024

No.	Name	Holdings No. of Shares	%
1	M & A Nominee (Tempatan) Sdn Bhd (Al Rajhi Banking & Investment Corporation (Malaysia) Bhd – Pledged Securities Account for Signature International Berhad)	90,000,000	16.97
2	Casa Holdings Limited	48,489,900	9.15
3	AMSEC Nominees (Tempatan) Sdn Bhd (Pledged Securities Account – AmBank Islamic Berhad for Signature International Berhad)	30,000,000	5.66
4	Public Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Perdana Padu Sdn Bhd)	28,000,000	5.28
5	CGS International Nominees Malaysia (Asing) Sdn. Bhd. (Exempt AN for CGS International Securities Singapore Pte. Ltd.)	26,457,000	4.99
6	Lim Choo Hong	18,606,068	3.51
7	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. (Pledge Securities Account for Divine Inventions Sdn. Bhd.)	17,000,000	3.21
8	MayBank Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Desiran Realiti Sdn Bhd)	15,710,000	2.96
9	Lim Soo Kong (Lim Soo Chong)	14,793,300	2.79
10	AMSEC Nominees (Tempatan) Sdn Bhd (Pledged Securities Account – AmBank (M) Berhad for Divine Inventions Sdn. Bhd.)	13,000,000	2.45
11	Corak Kukuh Sdn Bhd	12,383,280	2.34
12	MIDF Amanah Investment Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Frazel Group Sdn Bhd)	8,100,000	1.53
13	HSBC Nominees (Asing) Sdn Bhd (Societe Generale Paris)	7,463,900	1.41
14	Phillip Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Frazel Group Sdn Bhd)	5,729,900	1.08
15	AMSEC Nominees (Tempatan) Sdn Bhd (AmBank (M) Berhad)	5,160,000	0.97
16	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Khor Kai Fu)	5,000,000	0.94
17	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Por Teong Eng)	4,687,100	0.88
18	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Hai Peng)	4,333,500	0.82
19	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. (Pledged Securities Account for Tan Hwa Sing)	4,000,000	0.75
20	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Rajenthiran A/L Koru)	3,418,000	0.64
21	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Keh Chuan Seng)	3,400,000	0.64
22	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Lee Hai Peng)	3,353,800	0.63
23	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. (Pledged Securities Account for Ong Kah Hoe)	3,300,000	0.62
24	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Chua Boon Hong)	3,054,600	0.58
25	RHB Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Ng Beng Hoo)	3,001,800	0.57
26	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. (Pledged Securities Account for Lee Hai Peng)	3,000,000	0.57
27	Phillip Nominees (Tempatan) Sdn Bhd (Exempt AN for Phillip Capital Management Sdn Bhd)	2,973,000	0.56
28	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. (Pledged Securities Account for Lim Sor Yee)	2,800,000	0.53
29	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. (Pledged Securities Account for YBG Yap Consolidated Sdn. Bhd.)	2,530,000	0.48
30	AllianceGroup Nominees (Tempatan) Sdn Bhd (Pledged Securities Account for Khor Ken Yeon)	2,519,700	0.47
	TOTAL	**392,264,848**	**73.98**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-First Annual General Meeting of the Company will be conducted on a virtual basis through live streaming from the Broadcast Venue at the Main Board Room, Level 10, Wisma Fiamma, No. 20, Jalan 7A/62A, Bandar Menjalara, 52200 Kuala Lumpur on Wednesday, 26 June 2024 at 9.30 a.m. for the following purposes: -

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial period ended 31 December 2023 together with the Reports of the Directors and the Auditors thereon. **(Please refer to Note 11)**

2. To approve the Directors' fees and benefits payable to Directors of the Company and its subsidiaries up to an aggregate amount of RM650,000.00 only for the period from 27 June 2024 and up to the date of the next Annual General Meeting ("**AGM**") of the Company, to be paid monthly in arrears. **Ordinary Resolution 1**

3. To re-elect the following Directors who are retiring pursuant to Clause 95 of the Constitution of the Company and, being eligible, have offered themselves for re-election:-

   (i) Datuk Seri Chiau Beng Teik, JP **Ordinary Resolution 2**
   (ii) Mr Stefan Matthieu Lim Shing Yuan **Ordinary Resolution 3**

4. To re-elect Mr Tan Chee Wee who is retiring pursuant to Clause 102 of the Constitution of the Company and, being eligible, has offered himself for re-election. **Ordinary Resolution 4**

5. To appoint Messrs UHY as Auditors of the Company in place of the retiring Auditors, Messrs KPMG PLT and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

To consider and, if thought fit, to pass the following resolutions:-

6. **Authority under Section 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares**

   "THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance.

   THAT in connection with the above, pursuant to Section 85 of the Act and Clause 10 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of offered shares in proportion of their holding at such price and at such terms to be offered arising from issuance of new shares pursuant to this mandate by the Company.

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new shares." **Ordinary Resolution 6**

7. **Proposed Renewal of Authority to the Company to Purchase its own Ordinary Shares ("Proposed Renewal of Share Buy-Back Authority")**

"THAT subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to utilise an amount not exceeding the audited retained profits of the Company to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:-

(a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s);

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company at the time of purchase; and

(c) the authority conferred by this resolution shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:-

NOTICE OF ANNUAL GENERAL MEETING

(a) distribute the shares as share dividends to the shareholders; and/or

(b) resell the shares or any of the shares on Bursa Securities; and/or

(c) transfer the shares or any of the shares for the purposes of or under an employees' shares scheme; and/or

(d) transfer the shares or any of the shares as purchase consideration; and/or

(e) cancel all the ordinary shares so purchased; and/or

(f) sell, transfer or otherwise use the shares for such other purposes as allowed by the Act.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the said Directors may deem fit and expedient in the best interests of the Company." **Ordinary Resolution 7**

8. To transact any other business for which due notice shall have been given.

BY ORDER OF THE BOARD

CHOW CHIEW CHIN (MIA 15198)
TAI YIT CHAN (MAICSA 7009143)
TAN AI NING (MAICSA 7015852)
LIM SENG KOON (MAICSA 7073229)

Company Secretaries

Selangor Darul Ehsan

Date: 26 April 2024

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The Forty-First AGM will be conducted on a virtual basis through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities which are available on Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Guide of Forty-First AGM for Shareholders on the procedures to register, participate and vote remotely via the RPV facilities.

2. The Broadcast Venue of the Forty-First AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting. No shareholders/proxies/corporate representatives will be allowed to attend the Forty-First AGM at the Broadcast Venue.

3. Members may submit questions to the Board of Directors prior to the Forty-First AGM via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to login and submit questions electronically no later than 9.30 a.m. on Monday, 24 June 2024 or to use the query box to transmit questions to Board of Directors via RPV facilities during live streaming.

4. A member of the Company is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

5. A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

7. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

8. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre of Tricor at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Alternatively, the instrument appointing proxy may be electronically submitted to Tricor via TIIH Online at https://tiih.online. Please refer to the Administrative Guide for further information on electronic submission of Proxy Forms.

9. Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll.

10. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 19 June 2024 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.

11. The Audited Financial Statements in Agenda 1 is meant for discussion only as approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Act. Hence, this Agenda is not put forward for voting by shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING

12. Explanatory Notes: -

(i) **Ordinary Resolution 1 on Directors' fees and benefits payable to Directors**

Payment of Directors' fees and benefits under Section 230(1) of the Act provides amongst others, that the Directors' fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting.

Details of the Directors' fees for the financial period ended 31 December 2023 is disclosed in the Corporate Governance Report 2023.

The proposed Directors' fees and benefits payable to the Directors of the Company and its subsidiaries for the period from 27 June 2024 and up to the date of next AGM are as follows:-

	Amount (RM)
Directors' fees	550,000
Benefits payable to the Directors	100,000
	650,000

In determining the estimated Directors' fees and benefits payable to the Directors of the Company, the Board has considered various factors including the number of scheduled meetings for the Board and Board Committees, current Board size and provisional sum as a contingency for future appointment of Directors on the Board.

Payment of Directors' fees will be made by the Company on a monthly basis, whereas the benefits will be paid as and when incurred. The Board is of the view that it is just and equitable for the Directors' fees to be paid on monthly basis when the Directors have discharged their responsibilities and rendered their services to the Company.

(ii) **Ordinary Resolutions 2, 3 and 4 on Re-election of Directors**

The profiles of the Directors who are standing for re-election as per Ordinary Resolutions 2, 3 and 4 are set out in the Board of Directors' profile of the Annual Report 2023.

The performance, contribution and effectiveness of the retiring Directors, namely Datuk Seri Chiau Beng Teik, JP, Mr Stefan Matthieu Lim Shing Yuan and Mr Tan Chee Wee (collectively "**Retiring Directors**") have been assessed by the Nomination Committee ("**NC**"). In addition, the NC has also conducted an assessment on the fitness and propriety of the Retiring Directors including the review of their fit and proper declarations and results of their background checks in accordance with the Fit & Proper Policy. The Retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election.

Based on the recommendation of NC, the Board endorsed the same, having been satisfied with performance as well as fitness and propriety of the Retiring Directors.

(iii) **Ordinary Resolution 5 – Appointment of Messrs UHY as the Auditors of the Company**

The Board of Directors is proposing to shareholders that Messrs UHY be appointed as the Auditors of the Company for the financial year ending 31 December 2024, in place of the retiring Auditors, Messrs KPMG PLT.

The Board of Directors would like to thank Messrs KPMG PLT for their diligence and dedications.

(iv) **Ordinary Resolution 6 – Authority pursuant to Section 76 of the Act for the Directors to Allot and Issue Shares**

The Company had, at the Fortieth AGM held on 23 February 2023, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act. As at the date of this notice, the Company had not issued any new shares pursuant to that mandate obtained.

The Ordinary Resolution 6 proposed under item 6 of the Agenda is a renewal of the general mandate for issuance of shares by the Company under Section 76 of the Act. The Ordinary Resolution 6, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for purpose of working capital or provide funding for future investments or undertakings. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 10 of the Company's Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to the issuance of new shares in the Company under the general mandate.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make an announcement in respect thereof.

(v) **Ordinary Resolution 7 – Proposed Renewal of Authority to the Company to Purchase its own Ordinary Shares**

The explanatory notes on Ordinary Resolution 7 are set out in the Statement to Shareholders dated 26 April 2024.

Personal data privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADMINISTRATIVE GUIDE

for the Forty-First Annual General Meeting ("41st AGM")

Date	: Wednesday, 26 June 2024
Time	: 9.30 a.m.
Broadcast Venue	: Main Board Room Level 10, Wisma Fiamma No. 20, Jalan 7A/62A, Bandar Menjalara 52200 Kuala Lumpur Malaysia
Online Meeting Platform	: TIIH Online website at https://tiih.online

MODE OF MEETING

The Forty-First Annual General Meeting ("41st AGM") will be conducted on **a virtual basis through live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities from the Broadcast Venue.**

Shareholder(s) or proxy(ies) or attorney(s) or authorised representative(s) **WILL NOT BE ALLOWED** to physically attend the 41st AGM at the Broadcast Venue.

Kindly note that the quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection. Hence, you are advised to ensure that the internet connectivity throughout the duration of 41st AGM is maintained.

REMOTE PARTICIPATION AND VOTING FACILITIES

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 41st AGM using RPV facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**Tricor**") via its **TIIH Online** website at https://tiih.online. Please refer to Procedure for RPV facilities.

Shareholders who have appointed proxy(ies) or attorney(s) or authorised representative(s) to participate in the 41st AGM via RPV facilities shall request the proxy(ies) or attorney or authorised representative to register himself/herself for RPV facilities at TIIH Online website at https://tiih.online. Please refer to Procedure for RPV facilities.

As the 41st AGM is a virtual AGM, shareholders who are unable to participate in the 41st AGM may appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the proxy form.

PROCEDURES FOR RPV FACILITIES

Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) who wish to participate in the 41st AGM remotely using the RPV facilities are to follow the requirements and procedures as summarised below:

ADMINISTRATIVE GUIDE

for the Forty-First Annual General Meeting ("41st AGM")

Procedure		Action
BEFORE THE 41ST AGM DAY		
(a)	Register as user with TIIH Online	• Visit https://tiih.online to register as a user under the "e-Services". Refer to the tutorial guide on the homepage for assistance. You will be prompted to fill in your details and to upload a copy of your MyKad (front and back) or passport. • This is a ONE-TIME Registration. If you are already a user with TIIH Online, you are not required to register again. • Registration as user will be approved within one working day and an email notification will be sent to you that the remote participation is available for registration at TIIH Online.
(b)	Submit your registration for RPV facilities	• Registration is open from Friday, 26 April 2024 until the day of 41st AGM on Wednesday, 26 June 2024. • Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance to ascertain their eligibility to participate in the 41st AGM via the RPV facilities. • Login with your user ID and password and select the corporate event: "**(REGISTRATION) FIAMMA 41ST AGM**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • You will receive an email notification that your registration for remote participation has been received and is pending verification. • After the verification of your registration against the General Meeting Record of Depositors ("**ROD**") dated 19 June 2024, an email notification will be sent to you after 24 June 2024 approving your registration for remote participation and the procedures to use the RPV facilities are detailed therein. In the event your registration is not approved, you will also be notified accordingly via email. *(Note: Please allow additional time for the approval as new user of TIIH Online and registration for RPV facilities.)*
ON THE DAY OF THE 41ST AGM		
(c)	Login to TIIH Online	• Login with your user ID and password for the remote participation at the 41st AGM from 8.30 a.m. i.e. one (1) hour before the commencement of the 41st AGM on Wednesday, 26 June 2024 at 9.30 a.m.
(d)	Participate through Live Streaming	• Select the corporate event: "**(LIVE STREAM MEETING) FIAMMA 41ST AGM**" to participate in the proceedings of the 41st AGM remotely. • Shareholders that wish to pose question(s) to the Board of Directors (the "Board") may use the query box to transmit his/her question(s). The Board will endeavour to respond to the questions submitted during the 41st AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible after the meeting.
(e)	Online Remote Voting	• Voting session commences from 9.30 a.m. on Wednesday, 26 June 2024 until a time when the Chairman announces the end of the session. Select the corporate event: "**(REMOTE VOTING) FIAMMA 41ST AGM**" or if you are on the live stream meeting page, you may select "**GO TO REMOTE VOTING PAGE**" button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Cast your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f)	End of remote participation	• The live streaming will end upon the announcement by the Chairman on the closure of the 41st AGM.

ADMINISTRATIVE GUIDE

for the Forty-First Annual General Meeting ("41st AGM")

Note to users of the RPV facilities:

1. Should your registration for RPV facilities be approved, the Company will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues related to log-in, connection to the live streamed meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

GENERAL MEETING RECORD OF DEPOSITORS

Only depositor whose name appears on the ROD as at 19 June 2024 shall be entitled to attend the 41st AGM or appoint proxy(ies) to attend and/or vote on his/her behalf.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate via RPV facilities at the 41st AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor not later than **Monday, 24 June 2024** at **9.30 a.m.**

The appointment of proxy(ies) may be made in a hard copy form or by electronic means in the following manner:

(i) In hard copy form

The proxy form shall be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic means

The proxy form may be electronically lodged with the Share Registrar of the Company via TIIH Online at https://tiih.online. Kindly refer to the Procedure for Electronic Submission of Proxy Form as below.

Please complete ALL the fields in the proxy form, sign and date the form.

Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor's office no later than **Monday, 24 June 2024** at **9.30 a.m.** to participate in the 41st AGM via RPV facilities. A copy of the power of attorney may be accepted provided that it is notarised in compliance with the legal or regulatory provisions of the respective jurisdiction in which it is executed.

For corporate member who has appointed representative, the **ORIGINAL** certificate of appointment shall be deposited with Tricor's office to participate via RPV facilities in the 41st AGM. The certificate of appointment shall be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment shall be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment shall be affixed with the rubber stamp of the corporate member and executed by:
   (a) at least two (2) authorised officers, of whom at least one must be a director; or
   (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

PROCEDURE FOR ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to submit proxy form electronically via Tricor's **TIIH Online** website are summarised below:

Procedure		Action
1.	**Steps for individual shareholders**	
(a)	Register as User with TIIH Online website	• Visit https://tiih.online to register as user under the "e-Services". Please refer to the tutorial guide on the homepage for assistance. • If you are already a user of TIIH Online, you are not required to register again.
(b)	Proceed with submission of Proxy Form	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: "**FIAMMA 41ST AGM - Submission of Proxy Form**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairperson as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy holder shall vote at his sole and absolute discretion. • Review and confirm your proxy(ies) appointment. • Print the proxy form for record purpose.
2.	**Steps for corporate or institutional shareholders**	
(a)	Register as User with TIIH Online website	• Visit https://tiih.online. • Under e-Services, the authorised or nominated representative of the corporate or institutional shareholder to select "**Create Account by Representative of Corporate Holder**". • Complete the registration form and upload the requisite documents. • You will be notified by email within one (1) to two (2) working days after your registration has been verified. • Proceed to activate your account with the temporary password and re-set your own password. Note: The representative of corporate or institutional shareholder must register as user before he is allowed to submit proxy form by electronic means. Please contact our Share Registrar if you need clarifications on the user registration.
(b)	Proceed with submission of Proxy Form	• Login to TIIH Online website at https://tiih.online. • Select the corporate event: "**FIAMMA 41ST AGM - Submission of Proxy Form**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Download the file "Submission of Proxy Form" by following the steps in the Guidance Note. • Complete ALL the mandatory fields in the proxy appointment file. • Upload and submit the duly completed proxy appointment file. • Print the confirmation report of your submission for record purpose.

ADMINISTRATIVE GUIDE
for the Forty-First Annual General Meeting ("41st AGM")

POLL VOTING

The voting at the 41st AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).

Shareholders or proxy(ies) or corporate representative(s) or attorney(s) may proceed to vote on the resolutions at any time from **9.30 a.m.** on **Wednesday, 26 June 2024** but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to item (e) of Procedures for RPV facilities for guidance on the Online Remote Voting via TIIH Online website at https://tiih.online.

Upon the completion of the voting session of 41st AGM, the Scrutineers will verify the poll results followed by the Chairman's announcement whether the resolutions are duly passed.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions to the Board in advance of the 41st AGM via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to login, pose and submit questions electronically not later than **Monday, 24 June 2024 at 9.30 a.m.**. The Board will endeavour to answer the questions received at the 41st AGM.

DOOR GIFT/FOOD VOUCHER

There will be no door gifts nor food vouchers for attending the 41st AGM.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography of the proceedings of 41st AGM are strictly prohibited.

ENQUIRY

If you have any enquiries, please contact Tricor during office hours from 9.00 a.m. to 5.30 p.m. Mondays to Fridays (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.
General Line : +603-2783 9299
Fax Number : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com

PROXY FORM

CDS account no. of authorised nominee

FIAMMA HOLDINGS BERHAD
(REGISTRATION NO.: 198201008992 (88716-W))
(INCORPORATED IN MALAYSIA)

I/We* ____
(name of shareholder as per NRIC, in capital letters)

IC No./ID No./Company No.* ____________________ of ____________________
(full address)

being a member(s) of the Company, hereby appoint ____________________
(name of proxy as per NRIC, in capital letters)

IC No. ____________________ of ____________________
(full address)

and/or* failing him/her*, ____________________
(name of proxy as per NRIC, in capital letters)

IC No. ____________________ of ____________________
(full address)

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Forty-First Annual General Meeting ("**AGM**") of the Company to be conducted on a virtual basis through live streaming from the Broadcast Venue at the Main Board Room, Level 10, Wisma Fiamma, No. 20, Jalan 7A/62A, Bandar Menjalara, 52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia on Wednesday, 26 June 2024 at 9.30 a.m. and at each and every adjournment thereof.

My/our* proxy is to vote as indicated below.

	RESOLUTION		FOR	AGAINST
1.	To approve the Directors' fees and benefits payable to Directors of the Company and its subsidiaries up to an aggregate amount of RM650,000.00 only for the financial period from 27 June 2024 and up to the date of the next AGM of the Company, to be paid monthly in arrears	**Ordinary Resolution 1**		
2.	Re-election of Datuk Seri Chiau Beng Teik, JP as Director	**Ordinary Resolution 2**		
3.	Re-election of Mr Stefan Matthieu Lim Shing Yuan as Director	**Ordinary Resolution 3**		
4.	Re-election of Mr Tan Chee Wee as Director	**Ordinary Resolution 4**		
5.	To appoint Messrs UHY as Auditors of the Company in place of the retiring Auditors, Messrs KPMG PLT and to authorise the Directors to fix their remuneration	**Ordinary Resolution 5**		
6.	Authority under Section 76 of the Companies Act 2016 ("**Act**") for the Directors to allot and issue shares	**Ordinary Resolution 6**		
7.	Proposed Renewal of Authority to the Company to Purchase its own Ordinary Shares	**Ordinary Resolution 7**		

* Strike out whichever is not desired.

(Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

____
Signature/Common Seal

Number of shares held : ____________________

Date : ____________________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

Notes:

1. *The Forty-First AGM will be conducted on a virtual basis through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities which are available on Tricor's TIIH Online website at https://tiih.online. Please refer to the Administrative Guide of Forty-First AGM for Shareholders on the procedures to register, participate and vote remotely via the RPV facilities.*
2. *The Broadcast Venue of the Forty-First AGM is strictly for the purpose of complying with Section 327(2) of the Act which requires the Chairman of the meeting to be present at the main venue of the meeting. No shareholders/proxies/corporate representatives will be allowed to attend the Forty-First AGM at the Broadcast Venue.*
3. *Members may submit questions to the Board of Directors prior to the Forty-First AGM via Tricor's TIIH Online website at https://tiih.online by selecting "e-Services" to login and submit questions electronically no later than 9.30 a.m. on Monday, 24 June 2024, or to use the query box to transmit questions to Board of Directors via RPV facilities during live streaming.*
4. *A member of the Company is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*
5. *A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
7. *The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.*
8. *The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre of Tricor at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time appointed for holding the meeting or adjourned meeting. Alternatively, the instrument appointing proxy may be electronically submitted to Tricor via TIIH Online at https://tiih.online. Please refer to the Administrative Guide for further information on electronic submission of Proxy Forms.*
9. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll.*
10. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 19 June 2024 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend, speak and vote at this meeting and entitled to appoint proxy or proxies.*

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 26 April 2024.

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AFFIX
STAMP

The Share Registrar
Fiamma Holdings Berhad
Registration No.: 198201008992 (88716-W)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Malaysia

1st fold here

FIAMMA HOLDINGS BERHAD

Registration No.: 198201008992 (88716-W)
Wisma Fiamma, No. 20, Jalan 7A/62A, Bandar Manjalara, 52200 Kuala Lumpur.
Tel : 03 62798888 Fax: 03 62798933

www.fiamma.com.my