



FITTERS DIVERSIFIED BERHAD

Company No: 149735-M

(Incorporated in Malaysia)

Interim Financial Report

30 September 2013

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2013

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 30 September 2013.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2013 - unaudited**

| | THIRD QUARTER | | CUMULATIVE QUARTER | |
|--|---------------|---------------|--------------------|---------------|
| | CURRENT YEAR | PRECEDING | CURRENT | PRECEDING |
| | QUARTER | YEAR | YEAR TO DATE | YEAR |
| | 30-Sep-2013 | CORRESPONDING | 30-Sep-2013 | CORRESPONDING |
| | RM'000 | QUARTER | 30-Sep-2012 | PERIOD |
| | | 30-Sep-2012 | RM'000 | 30-Sep-2012 |
| | | RM'000 | | RM'000 |
| Revenue | 131,823 | 99,360 | 312,898 | 296,736 |
| Cost of sales | (110,080) | (83,593) | (245,674) | (248,761) |
| Gross profit | 21,743 | 15,767 | 67,224 | 47,975 |
| Interest income | 232 | 3 | 288 | 13 |
| Other income | 1,689 | 130 | 2,313 | 477 |
| Gain/(loss) on disposal of investments | - | 2 | - | 61 |
| Selling and marketing expenses | (2,987) | (2,023) | (8,147) | (5,120) |
| Impairment (loss)/gain of receivables | (57) | 74 | 99 | 566 |
| Administrative expenses | (6,507) | (6,234) | (18,185) | (17,557) |
| Depreciation and amortisation | (353) | (300) | (1,035) | (897) |
| Forex gain/(loss) | 39 | 65 | 67 | 224 |
| Finance costs | (437) | (811) | (1,164) | (2,125) |
| Share of profit/(loss) of associate, net of tax | - | (42) | - | 250 |
| Profit before tax | 13,362 | 6,631 | 41,460 | 23,867 |
| Income tax expense | (3,301) | (1,879) | (10,624) | (6,097) |
| Profit for the period | 10,061 | 4,752 | 30,836 | 17,770 |
| Other comprehensive (loss)/income | 939 | (748) | 2,489 | (785) |
| Total comprehensive income for the period | 11,000 | 4,004 | 33,325 | 16,985 |
| Profit attributable to : | | | | |
| Owners of the Company | 10,086 | 4,771 | 30,881 | 17,544 |
| Non-controlling interests | (25) | (19) | (45) | 226 |
| | 10,061 | 4,752 | 30,836 | 17,770 |
| Earnings per share attributable to owners of the Company : | | | | |
| Basic (sen) | 3.48 | 2.20 | 10.66 | 8.10 |
| Fully diluted (sen) | 3.48 | 1.91 | 10.66 | 7.03 |

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st December 2012 and the accompanying explanatory notes attached to the interim financial statements.)

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013

| | (Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2013 RM'000 | (Audited) AS AT PRECEDING FINANCIAL YEAR 31-Dec-2012 RM'000 |
|----------------------------------|---|---|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 50,960 | 43,550 |
| Investment properties | 537 | 550 |
| Intangible assets | 4,360 | 4,530 |
| Land use rights | 4,361 | 4,153 |
| Investment securities | 21,541 | 29,203 |
| Trade and other receivables | 2,936 | 2,791 |
| | 84,695 | 84,777 |
| Current Assets | | |
| Development properties | 57,475 | 41,636 |
| Inventories | 13,019 | 9,580 |
| Trade and other receivables | 153,363 | 138,288 |
| Other current assets | 27,566 | 35,482 |
| Investment securities | 1 | 1 |
| Income tax Recoverable | 1,723 | 1,608 |
| Deposits, cash and bank balances | 40,345 | 40,306 |
| | 293,492 | 266,901 |
| TOTAL ASSETS | 378,187 | 351,678 |

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2013 (continued)

| | (Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2013 RM'000 | (Audited) AS AT PRECEDING FINANCIAL YEAR 31-Dec-2012 RM'000 |
|---|---|---|
| EQUITY AND LIABILITIES | | |
| Current Liabilities | | |
| Loans and borrowings | 32,399 | 31,758 |
| Trade and other payables | 54,121 | 81,065 |
| Other current liabilities | 6,511 | 11,216 |
| Income tax payable | 6,211 | 3,194 |
| | 99,242 | 127,233 |
| Net current assets | 194,250 | 139,668 |
| Non-current liabilities | | |
| Loans and borrowings | 22,869 | 60 |
| Deferred tax liabilities | 310 | 315 |
| | 23,179 | 375 |
| TOTAL LIABILITIES | 122,421 | 127,608 |
| NET ASSETS | 255,766 | 224,070 |
| Equity attributable to owners of the Company | | |
| Share Capital | 155,929 | 155,929 |
| Share Premium | 2,864 | 2,864 |
| Treasury Shares | (10,025) | (14,452) |
| Revaluation Reserves | 533 | 533 |
| Capital Reserves | 7,275 | 7,275 |
| Exchange Reserves | 2,588 | 99 |
| Retained Earnings | 95,170 | 70,345 |
| | 254,334 | 222,593 |
| Non-controlling Interests | 1,432 | 1,477 |
| Total equity | 255,766 | 224,070 |
| TOTAL EQUITY AND LIABILITIES | 378,187 | 351,678 |
| Net Assets per Share (sen) ** | 89.27 | 77.52 |

** Net assets per share is calculated based on Total Assets (including intangibles) minus Total Liabilities divided by the total number of ordinary shares/less treasury share.

(The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Report 31st December 2012.)

FITTEES DIVERSIFIED BERHAD

(Company No. 149735-M)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2013 - unaudited

| | [----- Attributable to Owners of the Company -----] | | | | | | | | Non Controlling Interests | Total Equity | |
|---|---|------------------|--------------------|---------------------|--------------------|-------------------------|----------------------|---|---------------------------------|-----------------|----------------|
| | [----- Non-Distributable -----] | | | | | | | Distributable Reserves Retained Earnings | | | Total |
| | Share Capital | Share Premium | Treasury Shares | Capital Reserves | Warrant Reserve | Revaluation Reserves | Exchange Reserves | | RM'000 | RM'000 | |
| <u>9 months ended 30 September 2013</u> | | | | | | | | | | | |
| Balance as at 01 January 2013 | 155,929 | 2,864 | (14,452) | 7,275 | - | 533 | 99 | 70,345 | 222,593 | 1,477 | 224,070 |
| Total comprehensive income | - | - | - | - | - | - | 2,489 | 30,881 | 33,370 | (45) | 33,325 |
| Treasury shares purchased | - | - | (1,629) | - | - | - | - | - | (1,629) | - | (1,629) |
| Dividend paid in specie | - | - | 6,056 | - | - | - | - | (6,056) | - | - | - |
| Balance as at 30 September 2013 | <u>155,929</u> | <u>2,864</u> | <u>(10,025)</u> | <u>7,275</u> | <u>-</u> | <u>533</u> | <u>2,588</u> | <u>95,170</u> | <u>254,334</u> | <u>1,432</u> | <u>255,766</u> |
| <u>9 months ended 30 September 2012</u> | | | | | | | | | | | |
| Balance as at 01 January 2012 | 108,208 | - | - | 1,360 | 5,915 | 533 | 646 | 42,446 | 159,108 | 1,313 | 160,421 |
| Issue of shares | 2,651 | 159 | - | - | - | - | - | - | 2,810 | - | 2,810 |
| Total comprehensive income | - | - | - | - | - | - | (785) | 17,544 | 16,759 | 226 | 16,985 |
| Balance as at 30 September 2012 | <u>110,859</u> | <u>159</u> | <u>-</u> | <u>1,360</u> | <u>5,915</u> | <u>533</u> | <u>(139)</u> | <u>59,990</u> | <u>178,677</u> | <u>1,539</u> | <u>180,216</u> |

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31st December 2012.)

FITTERS DIVERSIFIED BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2013 - unaudited**

| | (Unaudited) 9 months ended 30-Sep-2013 RM'000 | (Unaudited) 9 months ended 30-Sep-2012 RM'000 |
|---|--|--|
| Net Profit before tax | 41,460 | 23,867 |
| Adjustment for non-cash items: | | |
| Operating items | 878 | 456 |
| Investing items | 1,023 | 2,088 |
| Operating profit before changes in working capital | <u>43,361</u> | <u>26,411</u> |
| Changes in Working Capital: | | |
| Inventories | (3,356) | (4,669) |
| Receivables | (13,364) | 8,944 |
| Payables | (26,943) | (19,522) |
| Property developments | (23,893) | 15,640 |
| Construction contracts | 11,265 | (15,160) |
| Cash generated from operation | <u>(12,930)</u> | <u>11,644</u> |
| Net tax refunded/(paid) | (7,728) | (7,520) |
| Interest paid | (1,164) | (2,125) |
| Net cash generated from operating activities | <u>(21,822)</u> | <u>1,999</u> |
| Cash Flow from investing activities | | |
| Proceed from disposal of investment | 6,361 | 352 |
| Interest received | 288 | 13 |
| Investment in associated company | - | (30) |
| Dividend received from associated company | - | 550 |
| Proceeds from disposal of property, plant & equipment | 49 | 5 |
| Purchase of property, plant & equipment | (6,658) | (4,493) |
| Other Investments | - | (1,587) |
| | <u>40</u> | <u>(5,190)</u> |
| Cash Flow from financing activities | | |
| Proceed from disposal/(Purchase) of treasury shares | (1,629) | - |
| HP & Lease repayment | (114) | (216) |
| Proceeds from bank borrowings | 36,554 | 23,750 |
| Repayment of bank borrowings | (14,141) | (12) |
| | <u>20,670</u> | <u>26,332</u> |
| Net Change in Cash & Cash Equivalents | (1,112) | 23,141 |
| Cash & Cash Equivalents at beginning of year | 37,411 | 5,810 |
| Cash & Cash Equivalents at end of period | <u>36,299</u> | <u>28,951</u> |

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2012.)

FITTERS DIVERSIFIED BERHAD
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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2013 - unaudited

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for revaluation of certain freehold land and building included within property, plant and equipment and the following assets and liabilities that are stated at fair value: available-for-sale financial assets and investment properties.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2012.

2. Changes in Accounting Policies

The significant accounting policies, methods of computation and basis of consolidation adopted are consistent with those of the audited financial statements for the year ended 31 December 2012.

In conjunction with the planned convergence of FRSs with International Financial Reporting Standards as issued by the International Accounting Standards Board on 1 January 2012, the MASB had on 19 November 2011 issue a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1st January 2012.

The MFRSs Framework is mandatory for adoption by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities subject to the application of MFRS 141 Agriculture and/or IC Int 15 Agreements for the Construction of Real Estate ("Transitioning Entities"). The Transitioning Entities also includes those entities that consolidate or equity account or proportionately consolidate another entity that has chosen to continue to apply the FRSs framework for annual periods beginning on or after 1 January 2012.

Accordingly, certain subsidiaries in the Group which are Transitioning Entities have chosen to defer the adoption of the MFRSs Framework for an additional one year. The Group and the Company will prepare its first MFRSs financial statements using the MFRSs Framework for the financial year ending 31 December 2014.

3. Auditors' Report on Preceding Annual Financial Statements

The report of the Auditors for the preceding financial year ended 31 December 2012 was not subject to any qualification.

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4. Segmental Information

Analysis of the Group's results by business segments:

| | Third Quarter | | Cumulative Quarter | |
|--|----------------|---------------|--------------------|----------------|
| | 30/09/2013 | 30/09/2012 | 30/09/2013 | 30/09/2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Segment Revenue | | | | |
| Fire Services Division | 40,855 | 35,020 | 108,468 | 114,464 |
| Property Development & Construction | 94,138 | 28,207 | 254,523 | 89,795 |
| Renewable & Waste-To-Energy | 41,881 | 52,896 | 70,369 | 143,660 |
| Investment holding and others | - | 8 | - | 8 |
| Total revenue including inter-segment sales | 176,874 | 116,131 | 433,360 | 347,927 |
| Elimination of inter-segment sales | (45,051) | (16,771) | (120,462) | (51,191) |
| Total | 131,823 | 99,360 | 312,898 | 296,736 |
| Segment Result | | | | |
| Fire Services Division | 2,921 | 1,473 | 8,279 | 11,470 |
| Property Development & Construction | 9,545 | 6,077 | 32,701 | 12,330 |
| Renewable & Waste-To-Energy | 1,550 | (744) | 1,208 | (931) |
| Investment holding and others | (481) | (103) | (791) | (198) |
| Total result including inter-segment profit | 13,535 | 6,703 | 41,397 | 22,671 |
| Elimination of unrealised inter-segment profit | (173) | (30) | 63 | 946 |
| Share of loss of associate, net of tax | - | (42) | - | 250 |
| Total | 13,362 | 6,631 | 41,460 | 23,867 |

5. Exceptional or Unusual Items

During the financial quarter, there was no item of exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the group.

6. Changes in Estimates

There were no significant changes in estimates that have a material effect in the current quarter.

7. Comment about Seasonal or Cyclical Factors

The business operations of the Group for the quarter are not materially affected by any seasonal or cyclical factor.

8. Dividends Paid

On 27 May 2013, the Board of Directors of the Company has approved an interim dividend for FY 2013 in specie by way of distribution of treasury shares of RM0.50 each to shareholders of FITTERS on the basis of one (1) treasury share for every thirty (30) existing ordinary shares held. The dividend in specie has been distributed on 12 July 2013.

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9. Carrying Amount of Revalued Assets

The valuations of properties, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2012.

10. Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, shares buy-back, shares cancellation, shares held as treasury shares and resale of treasury shares during the financial period to-date except for the following:

- (i) During the 1st quarter, 2nd quarter and 3rd quarter of the year under review, the Company repurchased 1,990,000 units, 100,000 units and 461,000 units respectively, a total of 2,551,000 of its issued ordinary shares from the open market at an average price of RM0.63 per share. The total consideration paid for the repurchase including transaction costs was RM1,629,532. The shares repurchased are being held as treasury shares in accordance with Section 67A of the Companies Act.

11. Changes in Composition of the Group

There were no changes to the composition of the Group for the financial period under review.

Acquisition of subsidiary companies

- (i) On 16 July 2013, the Company through its wholly-owned subsidiary, FITTERS Property Development Sdn Bhd acquired 1,000,000 ordinary share of RM1.00 each of Rasa Anggun Development Sdn Bhd ("RADSB"), a company incorporated in Malaysia for RM1,000,000. This represent 100% equity interest in RADSB.

RADSB remained dormant as at financial period ended 30 September 2013.

- (ii) On 16 July 2013, the Company through its wholly-owned subsidiary, FITTERS Property Development Sdn Bhd acquired 1,000,000 ordinary share of RM1.00 each of Superior Villa Sdn Bhd ("SVSB"), a company incorporated in Malaysia for RM1,000,000. This represent 100% equity interest in SVSB.

SVSB remained dormant as at financial period ended 30 September 2013.

12. Capital Commitments

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2013 is as follows:

| | |
|-----------------------------|-------------------------|
| Approved and contracted for | RM'000 <u>26,292</u> |
|-----------------------------|-------------------------|

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13. Changes in Contingent Liabilities

Corporate guarantees were given by the Company in respect of the following:

| | RM'000 |
|--|----------------|
| Banks and financial institutions credit facilities granted to subsidiary companies | 140,694 |
| Corporations for trade credit facilities to subsidiary companies | 16,910 |
| Corporations for performance project by subsidiary companies | <u>134,000</u> |
| | <u>291,604</u> |

Corporate guarantees given to certain banks and financial institutions as required, have remained unchanged although the banking facilities extended to the subsidiary companies have been reduced. To-date, the limits of banking facilities extended to subsidiary companies has been reduced to RM129.069million.

There are no further contingent liabilities save for that disclosed above as at 30 September 2013.

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ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. Performance Review

For the third quarter ended 30 September 2013, the revenue of the Group increased by 32.7% to RM131.823 million from RM99.360 million and the profit before taxation increased by 101.5% to RM13.362 million from RM6.631 million in the preceding corresponding financial quarter ended 30 September 2012.

Basic earning per share were up from 2.20 sen to 3.48 sen for the period.

For the 9 months under review, the revenue of the Group increased by 5.5% to RM312.898 million from RM296.736 million and the profit before taxation increased by 73.7% to RM41.460 million from RM23.867 million in the preceding corresponding financial quarter ended 30 September 2012.

Basic earning per share were up from 8.10 sen to 10.66 sen for the cumulative period.

The detailed analysis and explanation for the variances for each business segment are as followed:

(i) Business segment: Fire Services Division (RM'000)

| | Third Quarter | | | Cumulative Quarter | | |
|-------------------|---------------|------------|-------------|--------------------|------------|-------------|
| | 30/09/2013 | 30/09/2012 | Changes (%) | 30/09/2013 | 30/09/2012 | Changes (%) |
| Revenue | 40,855 | 35,020 | 16.7% | 108,468 | 114,464 | -5.2% |
| Profit before tax | 2,921 | 1,473 | 98.3% | 8,279 | 11,470 | -27.8% |

For the current quarter, revenue increased by 16.7% mainly from higher revenue from trading sales. Profit before tax increased by 98.3% as compared to previous year mainly due to additional profit recognised from the project variation from KL Sentral project.

For the cumulative period, both revenue and profit before tax reduced by 5.2% and 27.8% respectively. This was mainly due to slower progress of work done for the M&E Engineering project resulting in lower recognition of profit.

(ii) Business segment: Property Development & Construction (RM'000)

| | Third Quarter | | | Cumulative Quarter | | |
|-------------------|---------------|------------|-------------|--------------------|------------|-------------|
| | 30/09/2013 | 30/09/2012 | Changes (%) | 30/09/2013 | 30/09/2012 | Changes (%) |
| Revenue | 94,138 | 28,207 | 233.7% | 254,523 | 89,795 | 183.4% |
| Profit before tax | 9,545 | 6,077 | 57.1% | 32,701 | 12,330 | 165.2% |

For the current quarter under review, the increase in revenue and profit before tax by 233.7% and 57.1% respectively are due to the increase of sales units for ZetaPark's "LOFT" service apartment. The incremental revenue is also due to increase on the work done for construction in progress.

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(iii) Business segment: Renewable & Waste-To-Energy (RM'000)

| | Third Quarter | | | Cumulative Quarter | | |
|----------------------|---------------|------------|-------------|--------------------|------------|-------------|
| | 30/09/2013 | 30/09/2012 | Changes (%) | 30/09/2013 | 30/09/2012 | Changes (%) |
| Revenue | 41,881 | 52,896 | -20.8% | 70,369 | 143,660 | -51.0% |
| Profit/(Loss) before | 1,550 | (744) | 308.3% | 1,208 | (931) | 229.8% |

The reduction in revenue is due to the temporary cessation for the palm oil mill production in the first quarter to enable upgrading and expansion work to be carried out. The increase for the profit before tax is mainly due to saving on the lease rental expenses.

The production operations recommenced in mid April 2013.

2. Comment on Material Changes in Profit Before Taxation Against Preceding Quarter

The increase in profit before taxation in comparison to the corresponding period in the preceding year was mainly due to increased of sales from ZetaParks "LOFT" service apartment, and increased in progress work done during the quarter.

3. Commentary of Prospects

Barring any unforeseen circumstances, the Board of Directors are optimistic of improving overall financial and operational performance for the year ending 31 December 2013 as compared to the current year under review.

The Board of Directors do not foresee any significant changes pertaining to material costs and selling prices which will affect the Fire Services Division, Property Development & Construction and Renewable & Waste-To-Energy segments.

For the year ending 31 December 2013, the Group will continue its new business direction in property development and palm oil extraction. The Board of Directors foresee that these business segments will continue to contribute a major percentage of the Group's revenue and profit.

4. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

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5. Income Tax Expense

| | Third Quarter | | Cumulative Quarter | |
|--------------------------|---------------|------------|--------------------|------------|
| | 30/09/2013 | 30/09/2012 | 30/09/2013 | 30/09/2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax | | | | |
| - Current year | 3,156 | 1,964 | 10,473 | 6,192 |
| - Prior year | 156 | (82) | 156 | (82) |
| | 3,312 | 1,882 | 10,629 | 6,110 |
| Deferred tax | (11) | (3) | (5) | (13) |
| Total income tax expense | 3,301 | 1,879 | 10,624 | 6,097 |

The effective tax rate for the Group is 25.6% for the cumulative period ended 30/09/2013 as compare to 25.5% for the previous year ended 30/09/2012. The tax rate was slightly higher than the statutory rate due to the losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries and certain expenses which are not deductible for tax purposes.

6. Corporate Proposals

(1) Status of Corporate Proposals

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

On 15 April 2013, the Company announced the proposal to establish a Long Term Incentive Plan ("Proposed LTIP") of up to 15% of the issued and paid-up share capital of the Company at any time during the duration of the Proposed LTIP, for the eligible employees and Executive Directors of the FITTERS Group.

The Listing application of the Proposed LTIP had been submitted to Bursa Malaysia Securities Berhad on 30 April 2013 and was approved vide its letter dated 15 May 2013.

The effective date of implementation of the LTIP will be on 11 November 2013 and will be in force for a period of 5 years and may be extended for up to another 5 years immediately from the expiry of the first 5 years, but will not in aggregate exceed 10 years from the Effective Date.

(2) Status of Utilisation of Proceeds

Both the proceeds from the issuance of Warrants exercised on 21 November 2007 and issuance of shares from the warrants conversion in FYE 2012 were utilised as working capital for the Group.

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7. Group Borrowings

The total Group borrowings as at 30 September 2013 are as follows:

| | As at 30/09/2013 RM'000 | As at 30/09/2012 RM'000 |
|------------------------------|-------------------------------|-------------------------------|
| Short term borrowings | | |
| Secured | | |
| Finance lease obligations | 86 | 172 |
| Unsecured | | |
| Bank overdrafts | 4,046 | 3,404 |
| Revolving credits | 11,700 | 16,300 |
| Bankers acceptance | 16,567 | 20,080 |
| | <u>32,399</u> | <u>39,956</u> |
| Long term borrowings | | |
| Secured | | |
| Term Loans | 22,869 | 27,984 |
| Finance lease obligations | - | 87 |
| | <u>22,869</u> | <u>28,071</u> |

8. Material Litigation

The Group does not have any material litigation for the financial period under review.

9. Dividend Payable

On 27 May 2013, the Board of Directors of the Company has approved an interim dividend for FY 2013 in specie by way of distribution of treasury shares of RM0.50 each to shareholders of FITTERS on the basis of one (1) treasury share for every thirty (30) existing ordinary shares held. The dividend in specie has been distributed on 12 July 2013.

10. Basic earnings per share

(a) **Basic**

Basic earnings per share are calculated by dividing profits for the net period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company.

| | Third Quarter | | Cumulative Quarter | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30/09/2013 RM'000 | 30/09/2012 RM'000 | 30/09/2013 RM'000 | 30/09/2012 RM'000 |
| Profit attributable to ordinary equity holders of the Company | 10,086 | 4,771 | 30,881 | 17,544 |
| Adjusted weighted average number of ordinary shares in issue and issuable 289,757,748 (2012: 216,415,988) ('000) | 289,758 | 216,474 | 289,758 | 216,474 |
| Basic earnings per share (sen) | <u>3.48</u> | <u>2.20</u> | <u>10.66</u> | <u>8.10</u> |

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(b) **Diluted**

Diluted earnings per share are calculated by dividing the net profits for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

| | Third Quarter | | Cumulative Quarter | |
|---|----------------------|-------------|---------------------------|-------------|
| | 30/09/2013 | 30/09/2012 | 30/09/2013 | 30/09/2012 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Adjusted weighted average number of ordinary shares in issue and issuable 289,757,748 (2012: 249,449,984)('000) | 289,758 | 249,450 | 289,758 | 249,450 |
| Diluted earnings per share (sen) | <u>3.48</u> | <u>1.91</u> | <u>10.66</u> | <u>7.03</u> |

11. Disclosure of Realised and Unrealised Profits/Losses

The breakdown of the retained earnings of the Group as at 30 September 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysia Institute of Accountants.

| | Current | As at end |
|--|-------------------------|-------------------------------|
| | financial period | of last financial year |
| | 30/09/2013 | 31/12/2012 |
| | RM'000 | RM'000 |
| Total retained profits of FITTERS Diversified Berhad and its subsidiaries: | | |
| - Realised | 94,955 | 69,131 |
| - Unrealised | <u>405</u> | <u>229</u> |
| | 95,360 | 69,360 |
| Total share of retained earnings from associates - realised | <u>-</u> | <u>913</u> |
| | 95,360 | 70,273 |
| Add/(Less): Consolidation adjustments | (190) | 72 |
| Total retained profits | <u>95,170</u> | <u>70,345</u> |

FITTERS DIVERSIFIED BERHAD
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12. Authorisation for issue

The interim financial statements for the period ended 30 September 2013 were authorised for issue in accordance with a resolution of the Board of Directors on 27 November 2013.

FITTERS DIVERSIFIED BERHAD

DATO' WONG SWEE YEE
MANAGING DIRECTOR
Selangor Darul Ehsan
Date: 27-November-2013