



FITTERS DIVERSIFIED BERHAD

Company No: 149735-M

(Incorporated in Malaysia)

Interim Financial Report

30 September 2014

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2014

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 30 September 2014.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2014 - unaudited**

	THIRD QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR	PRECEDING	CURRENT	PRECEDING	
	QUARTER	YEAR	YEAR TO DATE	YEAR	
	30-Sep-2014	CORRESPONDING	30-Sep-2014	CORRESPONDING	
	RM'000	QUARTER	PERIOD	30-Sep-2013	RM'000
Revenue	63,053	131,823	282,072	312,898	
Cost of sales	(43,861)	(110,080)	(212,986)	(245,674)	
Gross profit	19,192	21,743	69,086	67,224	
Interest income	48	232	173	288	
Other income	68	1,689	468	2,313	
Selling and marketing expenses	(880)	(2,987)	(6,108)	(8,147)	
Impairment (loss)/gain of receivables	-	(57)	(506)	99	
Administrative expenses	(6,522)	(6,507)	(18,900)	(18,185)	
Depreciation and amortisation	(967)	(353)	(2,773)	(1,035)	
Forex gain/(loss)	114	39	274	67	
Finance costs	(814)	(437)	(2,403)	(1,164)	
Profit before tax	10,239	13,362	39,311	41,460	
Income tax expense	(3,172)	(3,301)	(10,624)	(10,624)	
Profit for the period	7,067	10,061	28,687	30,836	
Other comprehensive incomer/(loss)	912	939	(638)	2,489	
Total comprehensive income for the period	7,979	11,000	28,049	33,325	
Profit attributable to :					
Owners of the Company	7,315	10,086	29,117	30,881	
Non-controlling interests	(248)	(25)	(430)	(45)	
	7,067	10,061	28,687	30,836	
Earnings per share attributable to owners of the Company :					
Basic (sen)	2.42	3.48	9.62	10.66	
Fully diluted (sen)	2.42	3.48	9.62	10.66	

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31st December 2013 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 2014**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2014 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR 31-Dec-2013 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	161,863	148,459
Investment properties	512	528
Intangible assets	4,360	4,360
Land use rights	4,195	4,491
Investment securities	21,540	21,540
Trade and other receivables	1,120	1,311
	193,590	180,689
Current Assets		
Development properties	124,733	50,965
Inventories	11,856	9,992
Trade and other receivables	111,306	103,146
Other current assets	37,416	73,463
Investment securities	1	1
Income tax Recoverable	1,759	946
Deposits, cash and bank balances	30,484	45,171
	317,555	283,684
TOTAL ASSETS	511,145	464,373

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2014**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2014 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR 31-Dec-2013 RM'000
EQUITY AND LIABILITIES		
Current Liabilities		
Loans and borrowings	47,095	24,330
Trade and other payables	66,648	83,835
Other current liabilities	15,829	11,761
Income tax payable	2,367	3,860
	131,939	123,786
Net current assets	185,616	159,898
Non-current liabilities		
Loans and borrowings	52,112	55,384
Deferred tax liabilities	1,284	1,306
	53,396	56,690
TOTAL LIABILITIES	185,335	180,476
NET ASSETS	325,810	283,897
Equity attributable to owners of the Company		
Share Capital	155,929	155,929
Share Premium	8,225	2,864
Treasury Shares	-	(10,279)
Revaluation Reserves	19,375	19,375
Capital Reserves	7,275	7,275
Exchange Reserves	2,661	3,299
Retained Earnings	120,545	103,529
	314,010	281,992
Non-controlling Interests	11,800	1,905
Total equity	325,810	283,897
TOTAL EQUITY AND LIABILITES	511,145	464,373
Net Assets per Share (sen) **	104.47	96.01

** 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 2013.)

FITTERS DIVERSIFIED BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 30 SEPTEMBER 2014 - unaudited

	[----- Attributable to Owners of the Company -----]								Non	Total
	[----- Non-Distributable -----]				Distributable				Controlling	Equity
	Share Capital	Share Premium	Treasury Shares	Capital Reserve	Revaluatio n Reserve	Exchange Reserve	Reserve Retained Earnings	Total	Interests	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<u>9 months ended 30 September 2014</u>										
Balance as at 01 January 2014	155,929	2,864	(10,279)	7,275	19,375	3,299	103,529	281,992	1,905	283,897
Total comprehensive income	-	-	-	-	-	(638)	29,117	28,479	(430)	28,049
Treasury shares sold	-	5,361	10,279	-	-	-	-	15,640	-	15,640
Share subscription by Minority										
Shareholder during the year	-	-	-	-	-	-	-	-	10,325	10,325
Dividend paid	-	-	-	-	-	-	(12,101)	(12,101)		(12,101)
Proposed dividend payable	-	-	-	-	-	-	-	-	-	-
Balance as at 30 September 2014	<u>155,929</u>	<u>8,225</u>	<u>-</u>	<u>7,275</u>	<u>19,375</u>	<u>2,661</u>	<u>120,545</u>	<u>314,010</u>	<u>11,800</u>	<u>325,810</u>
<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>533</u>	<u>2,588</u>	<u>95,170</u>	<u>254,334</u>	<u>1,432</u>	<u>255,766</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 2013.)

FITTERS DIVERSIFIED BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2014 - unaudited

	(Unaudited) 9 months ended 30-Sep-2014 RM'000	(Unaudited) 9 months ended 30-Sep-2013 RM'000
Net Profit before tax	39,311	41,460
Adjustment for non-cash items:		
Operating items	3,032	878
Investing items	2,420	1,023
Operating profit before changes in working capital	<u>44,763</u>	<u>43,361</u>
Changes in Working Capital:		
Inventories	(1,864)	(3,356)
Receivables	(8,584)	(13,364)
Payables	(17,187)	(26,943)
Property development	(73,768)	(23,893)
Construction contracts	40,115	11,265
Cash generated from operating activities	<u>(16,525)</u>	<u>(12,930)</u>
Net tax refunded/(paid)	(12,952)	(7,728)
Interest paid	(2,403)	(1,164)
Net cash generated from operating activities	<u>(31,880)</u>	<u>(21,822)</u>
Cash Flow from investing activities		
Interest received	173	288
Proceed from disposal of investment	-	6,361
Proceeds from disposal of property, plant & equipment	86	49
Purchase of property, plant & equipment	(15,313)	(6,658)
	<u>(15,054)</u>	<u>40</u>
Cash Flow from financing activities		
Proceed from disposal/(Purchase) of treasury shares	15,640	(1,629)
Share subscription by Minority Shareholder	10,325	-
Dividend paid	(12,101)	-
HP & Lease repayment	(1,137)	(114)
Proceeds from bank borrowings	22,600	36,554
Repayment of bank borrowings	(4,627)	(14,141)
	<u>30,700</u>	<u>20,670</u>
Net Change in Cash & Cash Equivalents	(16,234)	(1,112)
Cash & Cash Equivalents at beginning of year	43,383	37,411
Cash & Cash Equivalents at end of period	<u>27,149</u>	<u>36,299</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31st December 2013.)

FITTERS DIVERSIFIED BERHAD

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014 - 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 2013.

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 2013.

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 and the Company which are Transitioning Entities have chosen to defer the adoption of the MFRSs Framework. The Group and the Company will prepare its first MFRSs financial statements using the MFRSs Framework is mandated by the MASB.

3. Auditors' Report on Preceding Annual Financial Statements

The report of the Auditors for the preceding financial year ended 31 December 2013 was not subject to any qualification.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2014 - unaudited

4. Segmental Information

Analysis of the Group's results by business segments:

	Third Quarter		Cumulative Quarter	
	30/09/2014	30/09/2013	30/09/2014	30/09/2013
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Fire Services Division	33,450	40,855	103,808	108,468
Property Development & Construction	41,583	94,138	158,991	254,523
Renewable & Waste-To-Energy	26,339	41,881	104,167	70,369
Investment holding and others	-	-	1	-
Total revenue including inter-segment sales	101,372	176,874	366,967	433,360
Elimination of inter-segment sales	(38,319)	(45,051)	(84,895)	(120,462)
Total	63,053	131,823	282,072	312,898
Segment Result				
Fire Services Division	3,009	2,922	8,764	8,279
Property Development & Construction	8,780	9,544	31,215	32,701
Renewable & Waste-To-Energy	(409)	1,550	2,137	1,208
Investment holding and others	(1,176)	(481)	(2,700)	(791)
Total result including inter-segment profit	10,204	13,535	39,416	41,397
Elimination of unrealised inter-segment profit	35	(173)	(105)	63
Total	10,239	13,362	39,311	41,460

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 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.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014 - unaudited****8. Dividends Paid**

On 24 February 2014, the Board of Directors of the Company has approved an interim dividend of 4% (RM0.02 per share) in respect of the financial year ending 31 December 2013. The dividend was paid on 4 April 2014.

On 21 May 2014, the Board of Directors of the Company has approved an interim dividend of 4% (RM0.02 per share) in respect of the financial year ending 31 December 2014. The dividend was paid on 2 July 2014.

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 2013.

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 period under review, the Company resale all of its Treasury Shares of 16,161,536 units via the open market at an average price of RM0.96 per share. The total shares proceeds for the disposal net of transaction costs was RM15,640,176 with a total gain of RM5,361,389.

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 20 January 2014 and 22 August 2014 respectively, the Company subscribed for an additional 12,675,000 and 6,500,000 ordinary shares of RM1.00 each in Molecor (SEA) Sdn Bhd (formerly known as FITTERS Industries Sdn Bhd) ("MSSB"), fully paid for a total cash consideration of RM12,675,000 and RM6,500,000 respectively. Consequent upon the above subscription, the resultant shareholdings of the Company in MSSB are 19,500,000 shares, representing 65% of the total equity of MSSB.

MSSB has not commenced business activities for the financial period ended 30 September 2014.

- (ii) On 6 March 2014, the Company had subscribed for one (1) share of S\$1.00 in Future NRG Pte Ltd ("FNPL"), a private company limited by shares incorporated in Singapore on 6 March 2014. The issued and paid-up capital of FNPL is S\$1.00 only comprising on (1) ordinary share of S\$1.00.

FNPL remained dormant as at financial period ended 30 September 2014.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2014 - unaudited****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 2014 is as follows:

	RM'000
Approved and contracted for : Property, plant and equipment	<u>115,235</u>

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	153,694
Corporations for trade credit facilities to subsidiary companies	16,910
Corporations for performance project by subsidiary companies	<u>134,000</u>
	<u>304,604</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 RM138.269 million.

There are no further contingent liabilities save for that disclosed above as at 30 September 2014.

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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 2014, the revenue of the Group decreased by 52.2% to RM63.053 million from RM131.823 million and the profit before taxation decreased by 23.4% to RM10.239 million from RM13.362 million as compared to the preceding corresponding financial quarter ended 30 September 2013.

Basic earning per share computed based on adjusted weighted average number of ordinary shares decreased from 3.48 sen to 2.42 sen for the period.

For the 9 months under review, the revenue of the Group decreased by 9.8% to RM282.072 million from RM312.898 million and the profit before taxation decreased by 5.2% to RM39.311 million from RM41.460 million in the preceding corresponding financial quarter ended 30 September 2013.

Basic earning per share decreased from 10.66 sen to 9.62 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		
	30/09/2014	30/09/2013	Changes (%)	30/09/2014	30/09/2013	Changes (%)
Revenue	33,450	40,855	-18.1%	103,808	108,468	-4.3%
Profit before tax	3,009	2,922	3.0%	8,764	8,279	5.9%

Revenue reduced by 18.1% and 4.3% respectively for the current and cumulative quarter. The decrease was mainly due to slow-down in the work progress of certain M&E projects.

However, profit before tax increased slightly by 3.0% and 5.9% respectively for the current and cumulative quarter as compared to previous year. The increase in profit is mainly due to recognition of profit from project variation upon finalisation of a few projects.

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

	Third Quarter			Cumulative Quarter		
	30/09/2014	30/09/2013	Changes (%)	30/09/2014	30/09/2013	Changes (%)
Revenue	41,583	94,138	-55.8%	158,991	254,523	-37.5%
Profit before tax	8,780	9,544	-8.0%	31,215	32,701	-4.5%

Revenue reduced by 55.8% for the current quarter and 37.5% for the cumulative quarter. Revenue was only generated from progress of work done for "LOFT" apartment, which is 94% completed; and "ZetaDeSkye" apartment project.

Compared with the high decrease in revenue, profit before tax only reduced marginally by 8.0% for the current quarter and 4.5% for the cumulative quarter. This was due to savings in project cost and profit recognition in second quarter from a Variation Order of the "Festival Mall" project which was completed previously.

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

1. Performance Review (continued)

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

	Third Quarter			Cumulative Quarter		
	30/09/2014	30/09/2013	Changes (%)	30/09/2014	30/09/2013	Changes (%)
Revenue	26,339	41,881	-37.1%	104,167	70,369	48.0%
Profit/(Loss) before tax	(409)	1,550	-126.4%	2,137	1,208	76.9%

Both the revenue and profit before tax for the current quarter decreased by 37.1% and 126.4% due to the very low supply of fresh fruit bunches (FFB) and the decline in the selling price of CPO for the palm oil mill..

However, for the cumulative quarter, revenue increased by 48.0% while profit before tax increased by 76.9%. The lower performance recorded in previous year was due to a temporary cessation of production in first quarter of FYE2013 for upgrading and expansion work.

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

The profit before taxation decreased by 23.4% against the preceding quarter mainly due to lower income generated from the Property Development & Construction segment as most of the construction work for the ZetaPark project was completed in first and second quarter of FY2014. The construction work for the new "ZetaDeSkye" apartment project commenced in 2014 and currently at 21% completion.

3. Commentary of Prospects

Based on the prevailing market and industry condition, the Board of Directors are cautiously optimistic of sustaining overall financial and operational performance for the year ending 31 December 2014.

For the year ending 31 December 2014, the Group will continue with its efforts to further enhance its existing businesses in its fire services division, property development & construction, palm oil extraction and renewable energy. The "HYPRO" PVC-O pipe plant is expected to commence production in December 2014 and we anticipate that the off-take for the products is encouraging. The Board is also confident that the existing projects in the property development segment will continue to contribute positively to its 2015 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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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD**

5. Income Tax Expense

	Third Quarter		Cumulative Quarter	
	30/09/2014 RM'000	30/09/2013 RM'000	30/09/2014 RM'000	30/09/2013 RM'000
Income tax				
- Current year	3,139	3,156	10,774	10,473
- Prior year	26	156	(129)	156
	3,165	3,312	10,645	10,629
Deferred tax	7	(11)	(21)	(5)
Total income tax expense	3,172	3,301	10,624	10,624

The effective tax rate for the Group is 27.0% for the cumulative period ended 30/09/2014 as compared to 25.6% for the previous year ended 30/09/2013. The tax rate was 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) Long Term Incentive Plan ("LTIP")

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 is 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.

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

6. Corporate Proposals (continued)

(1) Status of Corporate Proposals (continued)

(ii) Proposed Listing of Subsidiary

On 10 January 2014, the Company announced the proposed listing of its wholly-owned subsidiary, namely Future NRG Sdn Bhd ("FNRG") on Catalyst, the Sponsor-Supervised Board of the Singapore Exchange Securities Trading Limited.

FNRG has appointed PrimePartners Corporate Finance Pte Ltd in Singapore as the Full Sponsor in relation to the Proposed Listing and the Continuing Sponsor, and UOB Kay Hian Private Limited in Singapore as the Arranger, Underwriter and Placement Agent.

FITTERS has appointed TA Securities Holdings Berhad as the Adviser to FITTERS for the Proposed Listing in relation to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Proposed Listing is subject to, inter alia, approvals or clearance being obtained from the relevant authorities in Malaysia and Singapore, where applicable, as well as from the shareholders of FITTERS at an extraordinary general meeting to be convened, if necessary.

(ii) Proposed Private Placement, Proposed Bonus Issue and Proposed Free Warrant Issue

On 21 July 2014, the Company announced the proposal to undertake the following :

- (a) Private placement of up to ten percent (10%) of the issued and paid-up share capital of FITTERS (excluding treasury shares);
- (b) Bonus issue of up to 137,217,604 new ordinary shares of RM0.50 each of FITTERS on the basis of two (2) Bonus Shares for every five (5) existing FITTERS shares held at an entitlement date to be determined later; and
- (c) Issue of up to 137,217,604 free warrants in FITTERS on the basis of two (2) Warrants for every five (5) existing FITTERS shares held at the same entitlement date as the Proposed Bonus Issue.

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

6. Corporate Proposals (continued)

(1) Status of Corporate Proposals (continued)

**(ii) Proposed Private Placement, Proposed Bonus Issue and Proposed Free Warrant Issue
(continued)**

On 12 August 2014, the listing application had been submitted to Bursa Malaysia Securities Berhad ("Bursa") for the Proposals and obtained its approval via its letter dated 21 August 2014 subject to, inter-alia, the following conditions:

- (a) to fully comply with the relevant provisions under the Main Market Listing Requirements pertaining to the implementation of the Proposals;
- (b) to inform Bursa upon the completion of the Proposals;
- (c) to make the relevant announcements pursuant to Paragraph 6.35(2)(a)&(b) and 6.35(4) of the Listing Requirements for the Proposed Bonus Issue; and
- (d) to furnish Bursa on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of the Warrants as at the end of each quarter together with a detailed computation of listing fees payable to the Proposed Free Warrants Issue.

On 23 September 2014, the Company announced the issue price for the Private Placement Shares at RM1.23 per share. On 02 October 2014, 31,185,800 new ordinary shares of RM0.50 each, representing 10% of the issued and paid-up share capital of FITTERS were issued and listed on the Main Market of Bursa on 03 October 2014.

On 23 September 2014, the Company also announced the exercise price for the Warrants at RM1.00 per Warrant, representing a premium of approximately 3.09% to the theoretical ex-all price of FITTERS shares based on the five (5)-day VWAP.

Bonus issue of 137,217,604 new FITTERS' ordinary shares of RM0.50 each was completed on 13 October 2014 together with 137,217,604 free warrants and listed on the Main Market of Bursa on 14 October 2014 and 21 October 2014 respectively.

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

7. Group Borrowings

The total Group borrowings as at 30 September 2014 are as follows:

	As at 30/09/2014 RM'000	As at 30/09/2013 RM'000
Short term borrowings		
Secured		
Term Loans	5,476	-
Finance lease obligations	1,661	86
Unsecured		
Bank overdrafts	3,335	4,046
Revolving credits	28,100	11,700
Bankers acceptance	8,523	16,567
	<u>47,095</u>	<u>32,399</u>
Long term borrowings		
Secured		
Term Loans	50,363	22,869
Finance lease obligations	1,749	-
	<u>52,112</u>	<u>22,869</u>

8. Material Litigation

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

9. Dividend Payable

On 24 February 2014, the Board of Directors of the Company has approved an interim dividend of 4% (RM0.02 per share) in respect of the financial year ending 31 December 2013. The dividend was paid on 4 April 2014.

On 21 May 2014, the Board of Directors of the Company has approved an interim dividend of 4% (RM0.02 per share) in respect of the financial year ending 31 December 2014. The dividend was paid on 2 July 2014.

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

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

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	
	30/09/2014 RM'000	30/09/2013 RM'000	30/09/2014 RM'000	30/09/2013 RM'000
Profit attributable to ordinary equity holders of the Company	7,315	10,086	29,117	30,881
Adjusted weighted average number of ordinary shares in issue and issuable 302,808,693 (2013: 289,757,748) ('000)	302,809	289,758	302,809	289,758
Basic earnings per share (sen)	2.42	3.48	9.62	10.66

(b) **Diluted**

The Company has no potential dilution of earnings per share during the financial period under review.

11. Disclosure of Realised and Unrealised Profits/Losses

The breakdown of the retained earnings of the Group as at 30 September 2014 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 financial period 30/09/2014 RM'000	As at end of last financial year 31/12/2013 RM'000
Total retained profits of FITTERS Diversified Berhad and its subsidiaries:		
- Realised	119,203	101,905
- Unrealised	1,410	1,541
	120,613	103,446
Total share of retained earnings from associates - realised	-	-
	120,613	103,446
Add/(Less): Consolidation adjustments	(68)	83
Total retained profits	120,545	103,529

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

12. Authorisation for issue

The interim financial statements for the period ended 30 September 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 26 November 2014.

FITTERS DIVERSIFIED BERHAD

DATO' WONG SWEE YEE
MANAGING DIRECTOR
Kuala Lumpur
Date: 26-November-2014