



# **FITTERS DIVERSIFIED BERHAD**

Company No: 149735-M

**(Incorporated in Malaysia)**

**Interim Financial Report**

**30 September 2015**

**FITTERS DIVERSIFIED BERHAD**  
(Company No. 149735-M)

**ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2015**

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 30 September 2015.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 SEPTEMBER 2015 - unaudited**

	THIRD QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING	CURRENT	PRECEDING
	QUARTER	YEAR	YEAR TO DATE	YEAR
	30-Sep-2015	CORRESPONDING	30-Sep-2015	CORRESPONDING
	RM'000	QUARTER	30-Sep-2014	PERIOD
		30-Sep-2014	30-Sep-2015	30-Sep-2014
	RM'000	RM'000	RM'000	RM'000
Revenue	93,123	63,053	283,514	282,072
Cost of sales	(77,614)	(43,861)	(237,117)	(212,986)
<b>Gross profit</b>	<b>15,509</b>	<b>19,192</b>	<b>46,397</b>	<b>69,086</b>
Interest income	362	48	613	173
Other income	304	68	1,033	468
Selling and marketing expenses	(4,092)	(880)	(7,244)	(6,108)
Impairment loss of receivables	(9)	-	(49)	(506)
Administrative expenses	(4,673)	(6,522)	(18,554)	(18,900)
Depreciation and amortisation	(2,035)	(967)	(4,654)	(2,773)
Forex gain/(loss)	(128)	114	(208)	274
Finance costs	(1,397)	(814)	(3,707)	(2,403)
Share of profit/(loss) of associate, net of tax	(49)	-	(49)	-
<b>Profit before tax</b>	<b>3,792</b>	<b>10,239</b>	<b>13,578</b>	<b>39,311</b>
Income tax expense	(1,725)	(3,172)	(4,533)	(10,624)
<b>Profit for the period</b>	<b>2,067</b>	<b>7,067</b>	<b>9,045</b>	<b>28,687</b>
Other comprehensive income/(loss)	5,470	912	8,336	(638)
<b>Total comprehensive income for the period</b>	<b>7,537</b>	<b>7,979</b>	<b>17,381</b>	<b>28,049</b>
<b>Profit attributable to :</b>				
Owners of the Company	2,543	7,315	10,673	29,117
Non-controlling interests	(476)	(248)	(1,628)	(430)
	<b>2,067</b>	<b>7,067</b>	<b>9,045</b>	<b>28,687</b>
Earnings per share attributable to owners of the Company :				
Basic (sen)	0.53	1.66	2.22	6.62

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014 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 2015**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2015 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2014 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	248,983	218,460
Investment properties	831	740
Intangible assets	4,360	4,360
Land use rights	5,843	4,501
Investment in associates	6,597	-
Investment securities	21,404	21,540
Trade and other receivables	2,005	2,693
	290,023	252,294
<b>Current Assets</b>		
Development properties	144,091	63,449
Inventories	20,264	8,594
Trade and other receivables	107,643	108,113
Other current assets	41,169	63,028
Income tax recoverable	2,753	3,155
Deposits, cash and bank balances	35,175	43,645
	351,095	289,984
<b>TOTAL ASSETS</b>	<b>641,118</b>	<b>542,278</b>

**FITTERS DIVERSIFIED BERHAD**

(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2015**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2015 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2014 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Current Liabilities</b>		
Loans and borrowings	58,181	26,866
Trade and other payables	76,699	62,013
Other current liabilities	11,860	10,978
Income tax payable	1,224	1,748
	147,964	101,605
<b>Net current assets</b>	<b>203,131</b>	<b>188,379</b>
<b>Non-current liabilities</b>		
Loans and borrowings	111,291	71,662
Deferred tax liabilities	1,158	2,584
	112,449	74,246
<b>TOTAL LIABILITIES</b>	<b>260,413</b>	<b>175,851</b>
<b>NET ASSETS</b>	<b>380,705</b>	<b>366,427</b>
<b>Equity attributable to owners of the Company</b>		
Share Capital	240,130	240,130
Treasury Shares	(221)	-
Revaluation Reserves	18,391	18,391
Capital Reserves	7,275	7,275
Exchange Reserves	12,943	4,607
Retained Earnings	92,275	84,484
	370,793	354,887
<b>Non-controlling Interests</b>	9,912	11,540
<b>Total equity</b>	<b>380,705</b>	<b>366,427</b>
<b>TOTAL EQUITY AND LIABILITES</b>	<b>641,118</b>	<b>542,278</b>
Net Assets per Share (sen) **	77.28	73.89

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

(The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Report for the financial year ended 31 December 2014)

**FITTEES DIVERSIFIED BERHAD**

(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE PERIOD ENDED 30 SEPTEMBER 2015 - unaudited**

	[ ----- Attributable to Owners of the Company ----- ]								Non Controlling Interests	Total Equity
	[ ----- Non-Distributable ----- ]				Distributable					Total
	Share Capital RM'000	Share Premium RM'000	Treasury Shares RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
<b>9 months ended 30 September 2015</b>										
Balance as at 1 January 2015	240,130	-	-	7,275	18,391	4,607	84,484	354,887	11,540	366,427
Total comprehensive income	-	-	-	-	-	8,336	10,673	19,009	(1,628)	17,381
Treasury shares acquired	-	-	(221)	-	-	-	-	(221)	-	(221)
Dividend paid	-	-	-	-	-	-	(2,882)	(2,882)	-	(2,882)
Balance as at 30 September 2015	<u>240,130</u>	<u>-</u>	<u>(221)</u>	<u>7,275</u>	<u>18,391</u>	<u>12,943</u>	<u>92,275</u>	<u>370,793</u>	<u>9,912</u>	<u>380,705</u>
<b>9 months ended 30 September 2014</b>										
Balance as at 1 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 period	-	-	-	-	-	-	-	-	10,325	10,325
Dividend paid	-	-	-	-	-	-	(12,101)	(12,101)	-	(12,101)
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>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

**FITTERS DIVERSIFIED BERHAD**  
(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2015 - unaudited**

	(Unaudited) 9 months ended 30-Sep-2015 RM'000	(Unaudited) 9 months ended 30-Sep-2014 RM'000
Profit before tax	13,578	39,311
Adjustment for non-cash items:		
Operating items	5,161	3,032
Investing items	3,364	2,420
Operating profit before changes in working capital	<u>22,103</u>	<u>44,763</u>
Changes in Working Capital:		
Inventories	(11,670)	(1,864)
Receivables	1,493	(8,584)
Payables	14,686	(17,187)
Property development	(80,643)	(73,768)
Construction contracts	17,964	40,115
Cash generated from operating activities	<u>(36,067)</u>	<u>(16,525)</u>
Net tax paid	(6,081)	(12,952)
Interest paid	(3,707)	(2,403)
Net cash generated from operating activities	<u>(45,855)</u>	<u>(31,880)</u>
Cash Flow from investing activities		
Interest received	613	173
Investment in associated company	(6,646)	-
Proceeds from disposal of property, plant & equipment	22	86
Proceed from disposal of other investment	28	-
Purchase of property, plant & equipment	(23,818)	(15,313)
	<u>(29,801)</u>	<u>(15,054)</u>
Cash Flow from financing activities		
Proceed from disposal/(Purchase) of treasury shares	(221)	15,640
Share subscription by Minority Shareholder	-	10,325
Dividend paid	(2,882)	(12,101)
Hire Purchase & Lease repayment	(1,297)	(1,137)
Net drawdown of bank borrowings	71,200	17,973
	<u>66,800</u>	<u>30,700</u>
Net Change in Cash & Cash Equivalents	(8,856)	(16,234)
Cash & Cash Equivalents at beginning of period	41,946	43,383
Cash & Cash Equivalents at end of period	<u>33,090</u>	<u>27,149</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2014)

**FITTERS DIVERSIFIED BERHAD**

(Company No. 149735-M)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2015 - 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 2014.

**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 2014.

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 issued a new MASB approved accounting standards, MFRSs ("MFRSs Framework") for application in the annual periods beginning on or after 1 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 include 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 their first MFRSs financial statements using the MFRSs Framework when 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 2014 was not subject to any qualification.

## FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

### EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2015 - unaudited

#### 4. Segmental Information

Analysis of the Group's results by business segments:

	Third Quarter		Cumulative Quarter	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Fire Services	33,166	33,450	113,320	103,808
Property Development & Construction	35,991	41,583	98,724	158,991
Renewable & Waste-To-Energy	41,346	26,339	124,956	104,167
HYPRO PVC-O Pipes Manufacturing & Distribution	422	-	2,503	-
Investment holding and others	-	-	-	1
Total revenue including inter-segment sales	110,925	101,372	339,503	366,967
Elimination of inter-segment sales	(17,802)	(38,319)	(55,989)	(84,895)
<b>Total</b>	<b>93,123</b>	<b>63,053</b>	<b>283,514</b>	<b>282,072</b>
<b>Segment Result</b>				
Fire Services	3,056	3,009	9,425	8,764
Property Development & Construction	3,482	8,780	13,521	31,215
Renewable & Waste-To-Energy	(598)	(409)	(2,901)	2,137
HYPRO PVC-O Pipes Manufacturing & Distribution	(1,200)	(552)	(4,375)	(1,241)
Investment holding and others	(832)	(624)	(2,019)	(1,459)
Total result including inter-segment profit	3,908	10,204	13,651	39,416
Elimination of unrealised inter-segment profit	(67)	35	(24)	(105)
Share of loss of associate, net of tax	(49)	-	(49)	-
<b>Total</b>	<b>3,792</b>	<b>10,239</b>	<b>13,578</b>	<b>39,311</b>

#### 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.



## **FITTERS DIVERSIFIED BERHAD**

(Company No. 149735-M)

### **EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2015 - unaudited**

#### **8. Dividends Paid**

On 5 May 2015, the Board of Directors of the Company has approved a Second Interim Single-Tier Dividend of 0.6 sen per ordinary share in respect of the financial year ended 31 December 2014. The dividend was paid on 19 June 2015.

#### **9. Carrying Amount of Revalued Assets**

The valuation of properties, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 December 2014.

#### **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 as disclosed below:-

##### **(i) Treasury Shares**

During the quarter under review, the Company repurchased 479,000 units of its issued ordinary shares from the open market at an average price of RM0.46 per share. The total consideration paid for the repurchase including transaction costs was RM220,862. The shares repurchased are being held as Treasury Shares in accordance with Section 67A of the Companies Act, 1965.

#### **11. Subsequent Event**

There was no material event subsequent to the financial quarter ended 30 September 2015.

#### **12. Changes in Composition of the Group**

There was no change in the composition of the Group during the financial period under review other than the following:-

##### **Acquisition of associated company**

On 22 July 2015, Future NRG Sdn Bhd, a wholly-owned subsidiary of FITTERS, entered into a Subscription Agreement and Share Purchase Agreements to acquire 40% shareholding of A.H.T. Syngas Technology N.V. ("AHT Syngas"), a company incorporated in Netherlands with its operations based in Germany, for a cash consideration of Euro 1,598,863.50 (RM6.6 million).

AHT Syngas has a wholly-owned subsidiary namely AHT Services GmbH ("AHT Services"). AHT Services is a specialist in the business of engineering and production of biomass and coal-co-generation systems for the production of electricity and heat.

**FITTERS DIVERSIFIED BERHAD**

(Company No. 149735-M)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 SEPTEMBER 2015 - unaudited****13. 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 2015 is as follows:

	<b>RM'000</b>
Approved and contracted for :	
Property, plant and equipment	<u>55,064</u>

**14. Contingent Liabilities**

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

	<b>RM'000</b>
Banks and financial institutions credit facilities granted to subsidiary companies	311,001
Corporations for trade credit facilities to subsidiary companies	16,910
Corporations for performance project by subsidiary companies	<u>134,000</u>
	<u>461,911</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 RM296.576 million.

There are no further contingent liabilities save for that disclosed above.

## FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

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

#### 1. Performance Review

For the quarter ended 30 September 2015, the revenue of the Group increased by 47.7% to RM93.1 million from RM63.1 million and the profit before taxation of the Group declined by 63.0% to RM3.8 million from RM10.2 million as compared to the previous corresponding quarter ended 30 September 2014.

For the 9 months under review, the revenue of the Group increased by 0.5% to RM283.5 million from RM282.1 million and the profit before taxation declined by 65.5% to RM13.6 million from RM39.3 million in the preceding financial period ended 30 September 2014.

The Fire Services Division has performed satisfactorily during the period ended 30 September 2015. However, the Property Development & Construction Division has recorded a decline in pre-tax profit of RM3.5 million for the quarter and RM13.5 million for the 9 months mainly due to the completion of ZetaPark project and no new project launched during the period under review. In addition, the Renewable & Waste-to-Energy Division recorded loss before tax of RM0.6 million for the quarter and RM2.9 million for the cumulative quarter while the Group's newly set-up pipe manufacturing business recorded loss before tax of RM1.2 million for the current quarter and RM4.4 million for the cumulative quarter.

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

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

	Third Quarter			Cumulative Quarter		
	30/9/2015	30/9/2014	Changes (%)	30/9/2015	30/9/2014	Changes (%)
Revenue	33,166	33,450	-0.8%	113,320	103,808	9.2%
Profit before tax	3,056	3,009	1.6%	9,425	8,764	7.5%

For Fire Services Division, pre-tax profit increased by 1.6% despite a decline in revenue by 0.8% during the current quarter. The increase in pre-tax profit was mainly due to recognition of profit from project variation order upon finalisation of a few projects.

For the cumulative quarter, revenue and pre-tax profit increased by 9.2% and 7.5% respectively. The increase was mainly due to higher sales demand from customers, during the first quarter, prior to GST implementation.

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

	Third Quarter			Cumulative Quarter		
	30/9/2015	30/9/2014	Changes (%)	30/9/2015	30/9/2014	Changes (%)
Revenue	35,991	41,583	-13.4%	98,724	158,991	-37.9%
Profit before tax	3,482	8,780	-60.3%	13,521	31,215	-56.7%

Revenue and pre-tax profit of Property Development & Construction Division declined by 13.4% and 60.3% respectively during the current quarter under review and declined by 37.9% and 56.7% respectively for the cumulative quarter.

The only property project under development currently is ZetaDeSkye as compared to previous corresponding period where revenue and profit contribution was from ZetaPark and ZetaDeSkye.

## FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

### 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		
	30/9/2015	30/9/2014	Changes (%)	30/9/2015	30/9/2014	Changes (%)
Revenue	41,346	26,339	57.0%	124,956	104,167	20.0%
Profit/(Loss) before tax	(598)	(409)	46.2%	(2,901)	2,137	N/A

The Renewable & Waste-to-Energy Division recorded an increase in revenue by RM15.0 million and a loss before tax of RM0.6 million during the quarter under review. For the cumulative quarter, the division recorded an increase in revenue by RM20.8 million and a loss before tax of RM2.9 million.

The decrease in pre-tax profit was mainly due to the lower oil extraction rate trend in Kedah, where our mill is located.

##### (iv) Business segment: HYPRO PVC-O Pipes Manufacturing & Distribution (RM'000)

	Third Quarter			Cumulative Quarter		
	30/9/2015	30/9/2014	Changes (%)	30/9/2015	30/9/2014	Changes (%)
Revenue	422	-	100.0%	2,503	-	100.0%
Loss before tax	(1,200)	(552)	117.4%	(4,375)	(1,241)	252.5%

HYPRO PVC-O Pipes Manufacturing & Distribution Division commenced its production during the first quarter of 2015. The Division recorded a revenue of RM0.4 million and a loss before tax of RM1.2 million for the quarter under review and revenue of RM2.5 million and a loss before tax of RM4.4 million for the cumulative quarter.

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

The profit before taxation declined by 25.7% against the immediate preceding quarter mainly due to the lower contribution from the Fire Services Division and Property Development & Construction Division.

#### 3. Commentary of Prospects

The outlook on the Malaysian economy remains challenging with the lower crude oil prices and the weakening of Ringgit Malaysia. Despite the challenging business environment and market conditions, the Group will continue with its efforts to enhance the performance of its existing businesses of fire services, property development & construction and renewable & waste-to-energy while its new HYPRO PVC-O pipes manufacturing & distribution business focuses on business development initiatives. The Group plans to redevelop the newly acquired Plaza Pekeliling, which is strategically located in a prime location along Jalan Tun Razak, Kuala Lumpur, into high-end work suites for on-sale to the market and is progressing as planned.

Given the above scenario and based on the prevailing challenging market conditions, the Board of Directors expects a lower but still profitable results for the financial year ending 31 December 2015.

**FITTERS DIVERSIFIED BERHAD**  
(Company No. 149735-M)

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

**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.

**5. Income Tax Expense**

	Third Quarter		Cumulative Quarter	
	30/9/2015	30/9/2014	30/9/2015	30/9/2014
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	1,613	3,139	5,746	10,774
- Prior year	175	26	175	(129)
	1,788	3,165	5,921	10,645
Deferred tax	(63)	7	(1,388)	(21)
Total income tax expense	1,725	3,172	4,533	10,624

The effective tax rate for the Group is 33.4% for the period ended 30 September 2015 as compared to 27.0% for the previous corresponding period ended 30 September 2014. 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**

**(a) Status of Corporate Proposals Announced But Not Completed**

Save as disclosed below, there was no corporate proposal announced but not completed as at 20 November 2015, being the latest practicable date:

**(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.

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

**6. Corporate Proposals (continued)**

**(a) Status of Corporate Proposals Announced But Not Completed (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 Catalist, 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.

**(b) Status of Utilisation of Proceeds Raised from Corporate Proposal**

There was no corporate proposal involving fund raising.

**7. Group Borrowings**

The total Group borrowings are as follows:

	<b>As at 30/9/2015 RM'000</b>	<b>As at 30/9/2014 RM'000</b>
<b>Short term borrowings</b>		
Secured		
Term Loans	17,250	5,476
Finance lease obligations	1,154	1,661
Bank overdrafts	1,725	-
Revolving credits	15,800	10,000
Unsecured		
Bank overdrafts	360	3,335
Bankers acceptance	21,892	8,523
Revolving credits	-	18,100
	<b>58,181</b>	<b>47,095</b>
<b>Long term borrowings</b>		
Secured		
Term Loans	110,084	50,363
Finance lease obligations	1,207	1,749
	<b>111,291</b>	<b>52,112</b>

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

**7. Group Borrowings (continued)**

The above include borrowings denominated in foreign currency as follows:

	<b>As at 30/9/2015 RM'000</b>	<b>As at 30/9/2014 RM'000</b>
Euro	6,203	-

**8. Material Litigation**

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

**9. Dividend Payable**

On 5 May 2015, the Board of Directors of the Company has approved a Second Interim Single-Tier Dividend of 0.6 sen per ordinary share in respect of the financial year ended 31 December 2014. The dividend was paid on 19 June 2015.

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 30 September 2015.

**10. Earnings Per Share**

**(a) Basic Earnings Per Share**

Basic earnings per share are calculated by dividing profit for the 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.

	<b>Third Quarter</b>		<b>Cumulative Quarter</b>	
	<b>30/9/2015 RM'000</b>	<b>30/9/2014 RM'000 (restated)</b>	<b>30/9/2015 RM'000</b>	<b>30/9/2014 RM'000 (restated)</b>
Profit attributable to ordinary equity holders of the Company	2,543	7,315	10,673	29,117
Adjusted weighted average number of ordinary shares in issue 480,217,642 (2014: 440,025,642) ('000)	480,218	440,026	480,218	440,026
Basic earnings per share (sen)	0.53	1.66	2.22	6.62

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS  
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**10. Earnings Per Share (continued)**

**(b) Diluted Earnings Per Share**

The Company has potential ordinary shares in the form of warrants. The effect on the basic earnings per share for the current quarter from the assumed conversion of warrants is anti-dilutive. Accordingly, the diluted earnings per share for the current quarter is not presented.

**11. Disclosure of Realised and Unrealised Profits/Losses**

The breakdown of the retained earnings of the Group as at 30 September 2015 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 Malaysian Institute of Accountants.

	<b>Current financial period ended 30/9/2015 RM'000</b>	<b>As at end of last financial year 31/12/2014 RM'000</b>
Total retained profits of FITTERS Diversified Berhad and its subsidiaries:		
- Realised	91,266	80,027
- Unrealised	985	4,395
	<hr/> 92,251	<hr/> 84,422
Total share of retained earnings from associates - realised	<hr/> -	<hr/> -
	92,251	84,422
Add: Consolidation adjustments	24	62
Total retained profits	<hr/> <b>92,275</b>	<hr/> <b>84,484</b>

**12. Authorisation for Issue**

The interim financial statements for the period ended 30 September 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 27 November 2015.

**FITTERS DIVERSIFIED BERHAD**

**DATO' WONG SWEE YEE**  
**MANAGING DIRECTOR**  
**Kuala Lumpur**  
**27 November 2015**