



# **FITTERS DIVERSIFIED BERHAD**

Company No: 149735-M

**(Incorporated in Malaysia)**

**Interim Financial Report**

**30 June 2016**

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

**ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2016**

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 30 June 2016.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 - unaudited**

	SECOND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING	CURRENT	PRECEDING
	QUARTER	YEAR	YEAR TO DATE	YEAR
	30-Jun-2016	30-Jun-2015	30-Jun-2016	30-Jun-2015
	RM'000	RM'000	RM'000	RM'000
Revenue	98,566	104,674	206,154	190,391
Cost of sales	(84,770)	(87,752)	(176,735)	(159,503)
<b>Gross profit</b>	<b>13,796</b>	<b>16,922</b>	<b>29,419</b>	<b>30,888</b>
Interest income	162	133	923	251
Other income	243	33	525	729
Selling and marketing expenses	(1,705)	(1,856)	(4,391)	(3,152)
Impairment loss on receivables	(338)	(40)	(1,038)	(40)
Administrative expenses	(7,407)	(7,215)	(12,999)	(13,881)
Depreciation and amortisation	(1,961)	(1,300)	(4,004)	(2,619)
Forex loss	(46)	(111)	(83)	(80)
Finance costs	(1,529)	(1,461)	(3,042)	(2,310)
<b>Profit before tax</b>	<b>1,215</b>	<b>5,105</b>	<b>5,310</b>	<b>9,786</b>
Income tax expense	(1,664)	(937)	(3,012)	(2,808)
<b>Profit for the financial period</b>	<b>(449)</b>	<b>4,168</b>	<b>2,298</b>	<b>6,978</b>
Other comprehensive income/(loss)	16	708	(3,219)	2,866
<b>Total comprehensive income/ (loss) for the financial period</b>	<b>(433)</b>	<b>4,876</b>	<b>(921)</b>	<b>9,844</b>
<b>Profit attributable to :</b>				
Owners of the Company	430	4,859	3,451	8,130
Non-controlling interests	(879)	(691)	(1,153)	(1,152)
	(449)	4,168	2,298	6,978
Earnings per share attributable to owners of the Company :				
Basic (sen)	0.09	1.01	0.72	1.69

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015 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 JUNE 2016**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Jun-2016 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	246,696	245,940
Investment properties	708	712
Intangible assets	5,684	5,684
Land use rights	4,583	5,336
Investment in an associate	7,330	7,330
Investment securities	20,904	20,905
Trade and other receivables	6,801	2,437
	292,706	288,344
<b>Current assets</b>		
Development properties	128,086	96,491
Inventories	40,347	29,640
Current tax assets	2,269	2,661
Trade and other receivables	95,761	105,878
Other current assets	43,543	79,654
Deposits, cash and bank balances	36,036	38,349
	346,042	352,673
<b>TOTAL ASSETS</b>	<b>638,748</b>	<b>641,017</b>

**FITTERS DIVERSIFIED BERHAD**

(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Jun-2016 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2015 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	88,155	64,164
Current tax liabilities	3,314	1,831
Trade and other payables	60,480	75,375
Other current liabilities	10,099	12,291
	162,048	153,661
<b>Net current assets</b>	183,994	199,012
<b>Non-current liabilities</b>		
Loans and borrowings	100,407	109,226
Deferred tax liabilities	2,150	2,097
	102,557	111,323
<b>TOTAL LIABILITIES</b>	264,605	264,984
<b>NET ASSETS</b>	374,143	376,033
<b>Equity attributable to owners of the Company</b>		
Share Capital	240,248	240,130
Treasury Shares	(1,569)	(364)
Revaluation Reserve	18,247	18,247
Capital Reserve	7,275	7,275
Exchange Reserve	7,421	10,640
Retained Earnings	94,423	90,972
	366,163	366,900
<b>Non-controlling interests</b>	7,980	9,133
<b>Total equity</b>	374,143	376,033
<b>TOTAL EQUITY AND LIABILITES</b>	638,748	641,017
Net Assets per Share (RM) **	0.7677	0.7652

\*\* 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 2015)

**FITTEES DIVERSIFIED BERHAD**

(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 - unaudited**

	[ ----- Attributable to owners of the Company ----- ]									
	[ ----- Non-distributable ----- ]					[----- Distributable -----]			Non-	Total
	Share Capital RM'000	Share Premium RM'000	Capital Reserve RM'000	Revaluation Reserve RM'000	Exchange Reserve RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Controlling Interests RM'000	Equity RM'000
<u>6 months ended 30 June 2016</u>										
Balance as at 1 January 2016	240,130	-	7,275	18,247	10,640	(364)	90,972	366,900	9,133	376,033
Shares issued during the period	118	118	-	-	-	-	-	236	-	236
Total comprehensive income	-	-	-	-	(3,219)	-	3,451	232	(1,153)	(921)
Treasury shares acquired	-	-	-	-	-	(1,205)	-	(1,205)	-	(1,205)
Balance as at 30 June 2016	<u>240,248</u>	<u>118</u>	<u>7,275</u>	<u>18,247</u>	<u>7,421</u>	<u>(1,569)</u>	<u>94,423</u>	<u>366,163</u>	<u>7,980</u>	<u>374,143</u>
<u>6 months ended 30 June 2015</u>										
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	-	-	-	-	2,866	-	8,130	10,996	(1,152)	9,844
Dividend paid	-	-	-	-	-	-	(2,882)	(2,882)	-	(2,882)
Balance as at 30 June 2015	<u>240,130</u>	<u>-</u>	<u>7,275</u>	<u>18,391</u>	<u>7,473</u>	<u>-</u>	<u>89,732</u>	<u>363,001</u>	<u>10,388</u>	<u>373,389</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 2015)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 - unaudited**

	(Unaudited) 6 months ended 30-Jun-2016 RM'000	(Unaudited) 6 months ended 30-Jun-2015 RM'000
Profit before tax	5,310	9,786
Adjustment for non-cash items:		
Operating items	4,959	3,450
Investing items	2,259	2,196
Operating profit before changes in working capital	<u>12,528</u>	<u>15,432</u>
Changes in Working Capital:		
Inventories	(10,707)	(10,834)
Receivables	4,448	(9,421)
Payables	(14,894)	11,416
Property development	(31,594)	(53,209)
Construction contracts	33,919	26,308
Cash generated from operating activities	<u>(6,300)</u>	<u>(20,308)</u>
Net tax paid	(1,085)	(3,314)
Interest paid	(3,042)	(2,310)
Net cash generated from operating activities	<u>(10,427)</u>	<u>(25,932)</u>
Cash Flow from investing activities		
Interest received	923	251
Proceeds from disposal of property, plant & equipment	-	32
Proceed from disposal of other investment	-	28
Purchase of property, plant & equipment	(7,012)	(12,704)
	<u>(6,089)</u>	<u>(12,393)</u>
Cash Flow from financing activities		
Purchase of treasury shares	(1,206)	-
Proceed from issuance of shares	236	-
Dividend paid	-	(2,882)
Hire Purchase & Lease repayment	(623)	(914)
Net drawdown of bank borrowings	14,676	39,420
	<u>13,083</u>	<u>35,624</u>
Net Change in Cash & Cash Equivalents	(3,433)	(2,701)
Cash & Cash Equivalents at beginning of period	35,872	41,946
Cash & Cash Equivalents at end of period	<u>32,439</u>	<u>39,245</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2015)

## **FITTERS DIVERSIFIED BERHAD**

(Company No. 149735-M)

### **EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 - 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 2015.

#### **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 2015.

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 2015 was not subject to any qualification.

## FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

### EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 - unaudited

#### 4. Segmental Information

Analysis of the Group's results by business segments:

	Second Quarter		Cumulative Quarter	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Fire Services	44,865	38,321	92,623	80,154
Property Development & Construction	21,748	30,228	43,601	62,733
Renewable & Waste-To-Energy	42,070	50,796	84,235	83,610
HYPRO PVC-O Pipes Manufacturing & Distribution	1,242	1,635	8,771	2,081
Investment holding and others	-	-	-	-
Total revenue including inter-segment sales	109,925	120,980	229,230	228,578
Elimination of inter-segment sales	(11,359)	(16,306)	(23,076)	(38,187)
<b>Total</b>	<b>98,566</b>	<b>104,674</b>	<b>206,154</b>	<b>190,391</b>
<b>Segment Result</b>				
Fire Services	3,387	3,626	7,356	6,369
Property Development & Construction	1,600	4,743	3,794	10,039
Renewable & Waste-To-Energy	(485)	(798)	(1,598)	(2,303)
HYPRO PVC-O Pipes Manufacturing & Distribution	(2,786)	(1,920)	(3,541)	(3,175)
Investment holding and others	(364)	(738)	(630)	(1,187)
Total result including inter-segment profit	1,352	4,913	5,381	9,743
Elimination of inter-segment profit	(137)	192	(71)	43
Share of profit of associate, net of tax	-	-	-	-
<b>Total</b>	<b>1,215</b>	<b>5,105</b>	<b>5,310</b>	<b>9,786</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 FINANCIAL PERIOD ENDED 30 JUNE 2016 - unaudited**

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

On 6 April 2016, the Board of Directors of the Company has proposed a First and Final Single-Tier Dividend of 0.6 sen per ordinary share in respect of the financial year ended 31 December 2015 and was approved by the shareholders during the Annual General Meeting of FITTERS on 15 June 2016. The dividend will be payable on 9 September 2016.

#### **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 2015.

#### **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 period ended 30 June 2016, the Company repurchased its issued ordinary shares from the open market of 1,833,500 units at an average price of RM0.449 per share during the first quarter and 891,400 units at an average price of RM0.420 during the second quarter . The total consideration paid for the repurchase including transaction costs was RM1,205,582. The shares repurchased are being held as Treasury Shares in accordance with Section 67A of the Companies Act, 1965.

The Company held a total of 3,512,900 units of Treasury Shares as at 30 June 2016 at a value of RM1,569,296.

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

On 20 June 2016, 236,200 units of FITTERS Warrants were being exercised and converted into 236,200 units of ordinary shares at an issue price of RM1.00 per share. The said shares were listed on the Main Market of Bursa on 20 June 2016.

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

There was no material event subsequent to the financial quarter ended 30 June 2016.

**FITTERS DIVERSIFIED BERHAD**

(Company No. 149735-M)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016 - unaudited**

**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 subsidiary company**

On 22 February 2016, FITTERS had announced the incorporation of its wholly owned subsidiary, FITTERS-Nrg Limited, with an issued capital of 100 shares of AUD1.00 each on 17 February 2016. FITTERS-Nrg Limited is a public company limited by shares. The company is registered under the Corporation Act 2001 and is taken to be registered in Queensland, Australia.

**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 June 2016 is as follows:

	<b>RM'000</b>
Approved and contracted for : Property, plant and equipment	<u>21,928</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	310,001
Corporations for trade credit facilities granted to subsidiary companies	<u>150,910</u>
	<u>460,911</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 RM302.576 million.

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

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

**1. Performance Review**

For the quarter ended 30 June 2016, revenue of the Group reduced by 5.8% to RM98.566 million from RM104.674 million and profit before taxation of the Group declined by 76.2% to RM1.215 million from RM5.105 million in the previous corresponding quarter ended 30 June 2015.

For the 6 months under review, revenue of the Group increased by 8.3% to RM206.154 million from RM190.391 million and profit before taxation of the Group declined by 45.7% to RM5.31 million from RM9.786 million in the preceding financial period.

During the quarter ended 30 June 2016, the Fire Services Division has registered an increase in revenue of RM6.5 million with a decline in pre-tax profit of RM0.24 million as compared to previous corresponding quarter. However, the Property Development & Construction Division has recorded a lower pre-tax profit of RM1.6 million for the quarter under review mainly due to the lower contribution from ZetaDeSkye project and there was no new project being launched. In addition, the Renewable & Waste-to-Energy Division recorded a lower loss before tax of RM0.48 million for the quarter while the Group's newly set-up pipe manufacturing business recorded a higher loss before tax of RM2.8 million for the current quarter.

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

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

	Second Quarter			Cumulative Quarter		
	30/6/2016	30/6/2015	Changes (%)	30/6/2016	30/6/2015	Changes (%)
Revenue	44,865	38,321	17.1%	92,623	80,154	15.6%
Profit before tax	3,387	3,626	-6.6%	7,356	6,369	15.5%

Fire Services Division posted an increase in revenue of 17.1% with a decline in pre-tax profit by 6.6% during the current quarter. For the cumulative financial period under review, revenue and pre-tax profit increased by 15.6% and 15.5% respectively.

The increase in pre-tax profit was mainly due to recognition of profit from project variation orders for a few projects and the increase in volume from its fire door manufacturing business.

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

	Second Quarter			Cumulative Quarter		
	30/6/2016	30/6/2015	Changes (%)	30/6/2016	30/6/2015	Changes (%)
Revenue	21,748	30,228	-28.1%	43,601	62,733	-30.5%
Profit before tax	1,600	4,743	-66.3%	3,794	10,039	-62.2%

Revenue and pre-tax profit of Property Development & Construction Division declined by 28.1% and 66.3% respectively during the current quarter under review and declined by 30.5% and 62.2% respectively for the financial period under review.

The only property project under development currently is ZetaDeSkye and its profit contribution was lower compared to corresponding quarter last year.

**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)**

	Second Quarter			Cumulative Quarter		
	30/6/2016	30/6/2015	Changes (%)	30/6/2016	30/6/2015	Changes (%)
Revenue	42,070	50,796	-17.2%	84,235	83,610	0.7%
Loss before tax	(485)	(798)	39.2%	(1,598)	(2,303)	30.6%

The Renewable & Waste-to-Energy Division recorded a decline in revenue by RM8.7 million but recorded a lower loss before tax of RM0.48 million for the quarter under review as compared to the previous corresponding quarter.

For the cumulative quarter, the division recorded an increase in revenue by RM0.62 million and a lower loss before tax of RM0.71 million as compared to the previous corresponding cumulative quarter.

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

	Second Quarter			Cumulative Quarter		
	30/6/2016	30/6/2015	Changes (%)	30/6/2016	30/6/2015	Changes (%)
Revenue	1,242	1,635	-24.0%	8,771	2,081	321.5%
Loss before tax	(2,786)	(1,920)	-45.1%	(3,541)	(3,175)	-11.5%

HYPRO PVC-O Pipes Manufacturing & Distribution Division commenced its production during the first quarter of 2015. The Division recorded a revenue of RM1.2 million and a loss before tax of RM2.79 million for the quarter under review and a revenue of RM8.77 million and loss before tax of RM3.54 million for the cumulative period under review.

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

The profit before taxation reduced by RM2.88 million against the immediate preceding quarter mainly due to higher losses from the HYPRO PVC-O Pipes Manufacturing & Distribution Division.

**3. Commentary of Prospects**

The outlook on the Malaysian economy remains challenging in 2016 with the low crude oil prices and the weak Ringgit Malaysia while consumers and businesses are still contending with rising costs. The Group will continue to implement measures such as supply and distribution efficiency, inventory management strategy and operating expenses management, as well as pursuing with its ongoing 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 intensifies its business development and sales initiatives. The Group's plan to redevelop the newly acquired Plaza Pekeliling is progressing accordingly.

Given the above scenario and based on the prevailing market and industry conditions, the Board of Directors is cautiously optimistic of achieving a satisfactory operational and financial performance for the remaining period for the financial year ending 31 December 2016.

**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**

	Second Quarter		Cumulative Quarter	
	30/6/2016	30/6/2015	30/6/2016	30/6/2015
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	1,075	2,250	2,958	4,133
- Prior year	-	-	-	-
	1,075	2,250	2,958	4,133
Deferred tax	589	(1,313)	54	(1,325)
Total income tax expense	1,664	937	3,012	2,808

The effective tax rate for the Group is 56.7% for the period ended 30 June 2016 as compared to 28.7% for the previous corresponding period ended 30 June 2015. 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 24 May 2016, 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**  
(Company No. 149735-M)

**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 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.

**(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 30/6/2016 RM'000</b>	<b>As at 31/12/2015 RM'000</b>
<b>Short term borrowings</b>		
Secured		
Term Loans	29,138	21,461
Finance lease liabilities	367	778
Bank overdrafts	1,894	1,899
Bankers acceptance	20,920	14,822
Revolving credits	22,945	15,800
Unsecured		
Bank overdrafts	1,703	578
Bankers acceptance	8,088	5,726
Revolving credits	3,100	3,100
	<b>88,155</b>	<b>64,164</b>
<b>Long term borrowings</b>		
Secured		
Term Loans	99,502	108,108
Finance lease liabilities	905	1,118
	<b>100,407</b>	<b>109,226</b>

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

**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:

	As at 30/6/2016 RM'000	As at 31/12/2015 RM'000
Euro	5,302	6,127

**8. Material Litigation**

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

**9. Dividend Payable**

On 6 April 2016, the Board of Directors of the Company has proposed a First and Final Single-Tier Dividend of 0.6 sen per ordinary share in respect of the financial year ended 31 December 2015 and was approved by the shareholders during the Annual General Meeting of FITTERS on 15 June 2016. The dividend will be payable on 9 September 2016.

**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.

	Second Quarter		Cumulative Quarter	
	30/6/2016 RM'000	30/6/2015 RM'000	30/6/2016 RM'000	30/6/2015 RM'000
Profit attributable to ordinary equity holders of the Company	430	4,859	3,451	8,130
Adjusted weighted average number of ordinary shares in issue 478,786,678 (2015: 480,260,959) ('000)	478,787	480,261	478,787	480,261
Basic earnings per share (sen)	0.09	1.01	0.72	1.69

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

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

**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 June 2016 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 30/6/2016 RM'000</b>	<b>As at end of last financial year 31/12/2015 RM'000</b>
Total retained profits of FITTERS Diversified Berhad and its subsidiaries:		
- Realised	91,270	86,910
- Unrealised	2,150	2,606
	<hr/>	<hr/>
	93,420	89,516
Total share of retained earnings from associates - realised	685	685
	<hr/>	<hr/>
	94,105	90,201
Add: Consolidation adjustments	318	771
	<hr/>	<hr/>
Total retained profits	94,423	90,972

**12. Authorisation for Issue**

The interim financial statements for the period ended 30 June 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 24 August 2016.

**FITTERS DIVERSIFIED BERHAD**

**DATO' WONG SWEE YEE**  
**MANAGING DIRECTOR**  
**Kuala Lumpur**  
**24 August 2016**