



FITTERS DIVERSIFIED BERHAD

Company No: 149735-M

(Incorporated in Malaysia)

Interim Financial Report

30 September 2016

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

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

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

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

	THIRD QUARTER		CUMULATIVE QUARTER		
	CURRENT YEAR	PRECEDING	CURRENT	PRECEDING	
	QUARTER	YEAR	YEAR TO DATE	YEAR	
	30-Sep-2016	CORRESPONDING	30-Sep-2016	CORRESPONDING	
	RM'000	QUARTER	PERIOD	RM'000	RM'000
Revenue	82,065	93,123	288,219	283,514	
Cost of sales	(66,801)	(77,614)	(243,536)	(237,117)	
Gross profit	15,264	15,509	44,683	46,397	
Interest income	436	362	1,359	613	
Other income	222	304	747	1,033	
Selling and marketing expenses	(2,257)	(4,092)	(6,648)	(7,244)	
Impairment loss on receivables	(754)	(9)	(1,792)	(49)	
Administrative expenses	(5,866)	(4,673)	(18,865)	(18,554)	
Depreciation and amortisation	(2,045)	(2,035)	(6,049)	(4,654)	
Forex loss	(97)	(128)	(180)	(208)	
Finance costs	(1,626)	(1,397)	(4,668)	(3,707)	
Share of results of associate, net of tax	-	(49)	-	(49)	
Profit before tax	3,277	3,792	8,587	13,578	
Income tax expense	(1,465)	(1,725)	(4,477)	(4,533)	
Profit for the financial period	1,812	2,067	4,110	9,045	
Other comprehensive income/(loss)	953	5,470	(2,266)	8,336	
Total comprehensive income/ (loss) for the financial period	2,765	7,537	1,844	17,381	
Profit attributable to :					
Owners of the Company	2,235	2,543	5,686	10,673	
Non-controlling interests	(423)	(476)	(1,576)	(1,628)	
	1,812	2,067	4,110	9,045	
Earnings per share attributable to owners of the Company :					
Basic (sen)	0.47	0.53	1.19	2.22	

(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 SEPTEMBER 2016

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2016 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	252,758	245,940
Investment properties	706	712
Intangible assets	5,684	5,684
Land use rights	4,690	5,336
Investment in an associate	7,330	7,330
Investment securities	2,322	20,905
Trade and other receivables	5,625	2,437
	279,115	288,344
Current assets		
Development properties	121,367	96,491
Inventories	39,188	29,640
Current tax assets	2,494	2,661
Trade and other receivables	102,828	105,878
Other current assets	42,259	79,654
Deposits, cash and bank balances	34,196	38,349
	342,332	352,673
TOTAL ASSETS	621,447	641,017

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

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

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2016 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2015 RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	89,215	64,164
Current tax liabilities	1,288	1,831
Trade and other payables	55,716	75,375
Other current liabilities	5,302	12,291
	151,521	153,661
Net current assets	190,811	199,012
Non-current liabilities		
Loans and borrowings	94,061	109,226
Deferred tax liabilities	2,968	2,097
	97,029	111,323
TOTAL LIABILITIES	248,550	264,984
NET ASSETS	372,897	376,033
Equity attributable to owners of the Company		
Share Capital	240,248	240,130
Share Premium	118	-
Treasury Shares	(2,721)	(364)
Revaluation Reserve	18,247	18,247
Capital Reserve	7,275	7,275
Exchange Reserve	8,374	10,640
Retained Earnings	93,799	90,972
	365,340	366,900
Non-controlling interests	7,557	9,133
Total equity	372,897	376,033
TOTAL EQUITY AND LIABILITES	621,447	641,017
Net Assets per Share (RM) **	0.7704	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 SEPTEMBER 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>9 months ended 30 September 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	-	-	-	-	(2,266)	-	5,686	3,420	(1,576)	1,844
Treasury shares acquired	-	-	-	-	-	(2,357)	-	(2,357)	-	(2,357)
Dividend paid	-	-	-	-	-	-	(2,859)	(2,859)	-	(2,859)
Balance as at 30 September 2016	<u>240,248</u>	<u>118</u>	<u>7,275</u>	<u>18,247</u>	<u>8,374</u>	<u>(2,721)</u>	<u>93,799</u>	<u>365,340</u>	<u>7,557</u>	<u>372,897</u>
<u>9 months ended 30 September 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	-	-	-	-	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>7,275</u>	<u>18,391</u>	<u>12,943</u>	<u>(221)</u>	<u>92,275</u>	<u>370,793</u>	<u>9,912</u>	<u>380,705</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 SEPTEMBER 2016 - unaudited

	(Unaudited) 9 months ended 30-Sep-2016 RM'000	(Unaudited) 9 months ended 30-Sep-2015 RM'000
Profit before tax	8,587	13,578
Adjustment for non-cash items:		
Operating items	7,699	5,161
Investing items	3,519	3,364
Operating profit before changes in working capital	<u>19,805</u>	<u>22,103</u>
Changes in Working Capital:		
Inventories	(9,547)	(11,670)
Receivables	(2,096)	1,493
Payables	(19,658)	14,686
Property development	(24,876)	(80,643)
Construction contracts	30,407	17,964
Cash generated from operating activities	<u>(5,965)</u>	<u>(36,067)</u>
Net tax paid	(3,984)	(6,081)
Interest paid	(4,668)	(3,707)
Net cash generated from operating activities	<u>(14,617)</u>	<u>(45,855)</u>
Cash Flow from investing activities		
Interest received	1,359	613
Investment in associated company	-	(6,646)
Proceeds from disposal of property, plant & equipment	-	22
Proceed from disposal of other investment	18,583	28
Purchase of property, plant & equipment	(14,384)	(23,818)
	<u>5,558</u>	<u>(29,801)</u>
Cash Flow from financing activities		
Purchase of treasury shares	(2,357)	(221)
Proceed from issuance of shares	236	-
Dividend paid	(2,859)	(2,882)
Hire Purchase & Lease repayment	(542)	(1,297)
Net drawdown of bank borrowings	9,840	71,200
	<u>4,318</u>	<u>66,800</u>
Net Change in Cash & Cash Equivalents	(4,741)	(8,856)
Cash & Cash Equivalents at beginning of period	35,872	41,946
Cash & Cash Equivalents at end of period	<u>31,131</u>	<u>33,090</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 SEPTEMBER 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 SEPTEMBER 2016 - unaudited

4. Segmental Information

Analysis of the Group's results by business segments:

	Third Quarter		Cumulative Quarter	
	30/9/2016	30/9/2015	30/9/2016	30/9/2015
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Fire Services	43,211	33,166	135,834	113,320
Property Development & Construction	7,822	35,991	51,423	98,724
Renewable & Waste-To-Energy	34,917	41,346	119,152	124,956
HYPRO PVC-O Pipes Manufacturing & Distribution	2,955	422	11,726	2,503
Investment holding and others	-	-	-	-
Total revenue including inter-segment sales	88,905	110,925	318,135	339,503
Elimination of inter-segment sales	(6,840)	(17,802)	(29,916)	(55,989)
Total	82,065	93,123	288,219	283,514
Segment Result				
Fire Services	2,858	3,056	10,214	9,425
Property Development & Construction	1,543	3,482	5,337	13,521
Renewable & Waste-To-Energy	128	(598)	(1,470)	(2,901)
HYPRO PVC-O Pipes Manufacturing & Distribution	(1,117)	(1,200)	(4,658)	(4,375)
Investment holding and others	(130)	(832)	(760)	(2,019)
Total result including inter-segment profit	3,282	3,908	8,663	13,651
Elimination of inter-segment profit	(5)	(67)	(76)	(24)
Share of profit of associate, net of tax	-	(49)	-	(49)
Total	3,277	3,792	8,587	13,578

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 SEPTEMBER 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 was paid 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 nine months ended 30 September 2016, the Company repurchased its issued ordinary shares from the open market totalling 5,477,400 units at an average price of RM0.4279 per share. The total consideration paid for the repurchase including transaction costs was RM2,357,302. 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 6,265,400 units of Treasury Shares as at 30 September 2016 at a value of RM2,721,016.

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

On 13 June 2016, 236,200 units of FITTERS Warrants were being exercised and converted into 236,200 ordinary shares of RM0.50 each at an exercise price of RM1.00 per share. The said shares were listed on the Main Market of Bursa Malaysia Securities Berhad on 20 June 2016.

11. Subsequent Event

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

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 September 2016 is as follows:

	RM'000
Approved and contracted for : Property, plant and equipment	<u>21,762</u>

14. 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	312,001
Corporations for trade credit facilities granted to subsidiary companies	<u>150,910</u>
	<u>462,911</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 September 2016, revenue of the Group declined by 11.9% to RM82.065 million from RM93.123 million and profit before taxation of the Group decreased by 13.6% to RM3.277 million from RM3.792 million in the previous corresponding quarter ended 30 September 2015.

For the 9 months under review, revenue of the Group increased by 1.7% to RM288.219 million from RM283.514 million but profit before taxation of the Group declined by 36.8% to RM8.587 million from RM13.578 million in the preceding financial period ended 30 September 2015.

During the 9 months ended 30 September 2016, the Fire Services Division has registered an increase in revenue of RM22.514 million and an increase in pre-tax profit of RM0.789 million as compared to the previous corresponding period. However, the Property Development & Construction Division has recorded a lower pre-tax profit of RM5.337 million for the period under review mainly due to the lower contribution from ZetaDeSkye project and there was no new project being launched. The Renewable & Waste-to-Energy Division recorded a lower loss before tax of RM1.470 million for the period under review while the Group's newly set-up pipe manufacturing business recorded a loss before tax of RM4.658 million for the period under review.

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		
	30/9/2016	30/9/2015	Changes (%)	30/9/2016	30/9/2015	Changes (%)
Revenue	43,211	33,166	30.3%	135,834	113,320	19.9%
Profit before tax	2,858	3,056	-6.5%	10,214	9,425	8.4%

Fire Services Division posted a decline in pre-tax profit by 6.5% despite an increase in revenue by 30.3% during the current quarter. For the cumulative financial period under review, revenue and pre-tax profit increased by 19.9% and 8.4% 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 sales volume from its fire door manufacturing and fire equipment businesses.

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

	Third Quarter			Cumulative Quarter		
	30/9/2016	30/9/2015	Changes (%)	30/9/2016	30/9/2015	Changes (%)
Revenue	7,822	35,991	-78.3%	51,423	98,724	-47.9%
Profit before tax	1,543	3,482	-55.7%	5,337	13,521	-60.5%

Revenue and pre-tax profit of Property Development & Construction Division declined by 78.3% and 55.7% respectively during the current quarter under review and declined by 47.9% and 60.5% respectively for the cumulative quarter.

The only property project under development currently is ZetaDeSkye and its profit contribution was lower compared to corresponding period 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)

	Third Quarter			Cumulative Quarter		
	30/9/2016	30/9/2015	Changes (%)	30/9/2016	30/9/2015	Changes (%)
Revenue	34,917	41,346	-15.5%	119,152	124,956	-4.6%
Profit/(Loss) before tax	128	(598)	121.4%	(1,470)	(2,901)	49.3%

The Renewable & Waste-to-Energy Division recorded a decline in revenue by RM6.43 million but recorded an increase in profit before tax of RM0.73 million for the quarter under review as compared to the previous corresponding quarter.

For the cumulative quarter, the division recorded a decrease in revenue by RM5.80 million but recorded a decline in loss before tax by RM1.43 million as compared to the previous corresponding cumulative quarter.

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

	Third Quarter			Cumulative Quarter		
	30/9/2016	30/9/2015	Changes (%)	30/9/2016	30/9/2015	Changes (%)
Revenue	2,955	422	600.2%	11,726	2,503	368.5%
Loss before tax	(1,117)	(1,200)	6.9%	(4,658)	(4,375)	-6.5%

HYPRO PVC-O Pipes Manufacturing & Distribution Division commenced its production during the first quarter of 2015. The Division recorded a revenue of RM2.96 million and a loss before tax of RM1.12 million for the quarter under review and a revenue of RM11.73 million and a loss before tax of RM4.66 million for the cumulative quarter under review.

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

The profit before taxation increased by RM2.06 million against the immediate preceding quarter mainly due to lower losses from the HYPRO PVC-O Pipes Manufacturing & Distribution Division and the profit recorded by the Renewable & Waste-To-Energy Division.

3. Commentary of Prospects

Going forward, downside risks to global growth remain high following uncertainty over the growth momentum and policy shifts in major economies. The Malaysian economy remains challenging 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 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 is pursuing with its plan to redevelop the newly acquired Plaza Pekeliling.

Given the prevailing market condition, the Board of Directors is of the view that the remaining period for the financial year ending 31 December 2016 will be challenging.

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	
	30/9/2016 RM'000	30/9/2015 RM'000	30/9/2016 RM'000	30/9/2015 RM'000
Income tax				
- Current year	1,588	1,613	4,546	5,746
- Prior year	(940)	175	(940)	175
	648	1,788	3,606	5,921
Deferred tax	817	(63)	871	(1,388)
Total income tax expense	1,465	1,725	4,477	4,533

The effective tax rate for the Group is 52.1% for the period ended 30 September 2016 as compared to 33.4% for the previous corresponding period ended 30 September 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 18 November 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 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:

	As at 30/9/2016 RM'000	As at 31/12/2015 RM'000
Short term borrowings		
Secured		
Term Loans	33,089	21,461
Finance lease liabilities	389	778
Bank overdrafts	1,862	1,899
Bankers acceptance	16,834	14,822
Revolving credits	27,045	15,800
Unsecured		
Bank overdrafts	1,203	578
Bankers acceptance	5,693	5,726
Revolving credits	3,100	3,100
	89,215	64,164
Long term borrowings		
Secured		
Term Loans	93,097	108,108
Finance lease liabilities	964	1,118
	94,061	109,226

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 30/9/2016 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

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

	Third Quarter		Cumulative Quarter	
	30/9/2016 RM'000	30/9/2015 RM'000	30/9/2016 RM'000	30/9/2015 RM'000
Profit attributable to ordinary equity holders of the Company	2,235	2,543	5,686	10,673
Adjusted weighted average number of ordinary shares in issue 478,055,156 (2015: 480,217,642) ('000)	478,055	480,218	478,055	480,218
Basic earnings per share (sen)	0.47	0.53	1.19	2.22

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 September 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.

	Current financial period ended 30/9/2016 RM'000	As at end of last financial year 31/12/2015 RM'000
Total retained profits of FITTERS Diversified Berhad and its subsidiaries:		
- Realised	89,994	86,910
- Unrealised	2,968	2,606
	<hr/>	<hr/>
	92,962	89,516
Total share of retained earnings from associates - realised	685	685
	<hr/>	<hr/>
	93,647	90,201
Add: Consolidation adjustments	152	771
	<hr/>	<hr/>
Total retained profits	93,799	90,972
	<hr/>	<hr/>

12. Authorisation for Issue

The interim financial statements for the period ended 30 September 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 25 November 2016.

FITTERS DIVERSIFIED BERHAD

DATO' WONG SWEE YEE
MANAGING DIRECTOR
Kuala Lumpur
25 November 2016