



FITTERS DIVERSIFIED BERHAD

Company No: 149735-M

(Incorporated in Malaysia)

Interim Financial Report

31 December 2016

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2016

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 31 December 2016.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 - unaudited**

	FOURTH QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR	PRECEDING	CURRENT	PRECEDING
	QUARTER	YEAR	YEAR TO DATE	YEAR
	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015
	RM'000	RM'000	RM'000	RM'000
Revenue	77,857	98,972	366,076	382,486
Cost of sales	(71,656)	(83,922)	(315,192)	(321,039)
Gross profit	6,201	15,050	50,884	61,447
Interest income	379	207	1,738	820
Other income	283	2,023	1,030	3,056
Selling and marketing expenses	(1,226)	(1,342)	(7,874)	(8,586)
Reversal of impairment loss/ (Impairment loss) on receivables	1,567	(954)	(225)	(1,003)
Impairment loss on investment in associate	(6,885)	-	(6,885)	-
Administrative expenses	(5,699)	(8,883)	(23,936)	(27,437)
Depreciation and amortisation	(1,985)	(2,113)	(7,779)	(6,767)
Forex loss	(191)	(339)	(371)	(547)
Finance costs	(1,542)	(3,102)	(6,210)	(6,809)
Share of result of associate, net of loss	(445)	734	(445)	685
Profit/(Loss) before tax	(9,543)	1,281	(73)	14,859
Income tax expense	(955)	(3,455)	(5,432)	(7,988)
Profit/(Loss) after tax	(10,498)	(2,174)	(5,505)	6,871
Loss for the financial year for discontinued operation, net of tax	(216)	-	(1,099)	-
Profit/(Loss) for the financial year	(10,714)	(2,174)	(6,604)	6,871
Other comprehensive income/(loss)	1,409	(2,303)	(857)	6,033
Total comprehensive income/ (loss) for the financial year	(9,305)	(4,477)	(7,461)	12,904
Profit/(Loss) attributable to :				
Owners of the Company	(10,131)	(1,395)	(4,445)	9,278
Non-controlling interests	(583)	(779)	(2,159)	(2,407)
	(10,714)	(2,174)	(6,604)	6,871
Earnings/(Loss) per share attributable to owners of the Company :				
Basic (sen)	(2.13)	(0.29)	(0.93)	1.93

(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 31 DECEMBER 2016**

	(Unaudited) AS AT END OF CURRENT QUARTER 31-Dec-2016 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	235,811	245,940
Investment properties	683	712
Intangible assets	5,684	5,684
Land use rights	-	5,336
Investment in an associate	-	7,330
Investment securities	2,322	20,905
Trade and other receivables	4,117	2,437
Deferred tax assets	1,111	-
	249,728	288,344
Current assets		
Development properties	93,667	96,491
Inventories	41,151	29,640
Current tax assets	2,454	2,661
Trade and other receivables	105,611	105,878
Other current assets	34,248	79,654
Assets of a disposal group classified as held for sales	34,458	-
Deposits, cash and bank balances	49,203	38,349
	360,792	352,673
TOTAL ASSETS	610,520	641,017

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	(Unaudited) AS AT END OF CURRENT QUARTER 31-Dec-2016 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2015 RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	88,025	64,164
Current tax liabilities	2,078	1,831
Trade and other payables	64,644	75,375
Other current liabilities	6,354	12,291
Liabilities of a disposal group classified as held for sales	332	-
	161,433	153,661
Net current assets	199,359	199,012
Non-current liabilities		
Loans and borrowings	86,374	109,226
Deferred tax liabilities	1,730	2,097
	88,104	111,323
TOTAL LIABILITIES	249,537	264,984
NET ASSETS	360,983	376,033
Equity attributable to owners of the Company		
Share Capital	240,248	240,130
Share Premium	118	-
Treasury Shares	(5,330)	(364)
Revaluation Reserve	18,247	18,247
Capital Reserve	7,275	7,275
Exchange Reserve	9,783	10,640
Retained Earnings	83,668	90,972
	354,009	366,900
Non-controlling interests	6,974	9,133
Total equity	360,983	376,033
TOTAL EQUITY AND LIABILITES	610,520	641,017
Net Assets per Share (RM) **	0.7567	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)

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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>12 months ended 31 December 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 year	118	118	-	-	-	-	-	236	-	236
Total comprehensive income	-	-	-	-	(857)	-	(4,445)	(5,302)	(2,159)	(7,461)
Treasury shares acquired	-	-	-	-	-	(4,966)	-	(4,966)	-	(4,966)
Dividend paid	-	-	-	-	-	-	(2,859)	(2,859)	-	(2,859)
Balance as at 31 December 2016	<u>240,248</u>	<u>118</u>	<u>7,275</u>	<u>18,247</u>	<u>9,783</u>	<u>(5,330)</u>	<u>83,668</u>	<u>354,009</u>	<u>6,974</u>	<u>360,983</u>
<u>12 months ended 31 December 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	-	-	-	-	6,033	-	9,278	15,311	(2,407)	12,904
Treasury shares acquired	-	-	-	-	-	(364)	-	(364)	-	(364)
Dividend paid	-	-	-	-	-	-	(2,882)	(2,882)	-	(2,882)
Realisation of revaluation reserve	-	-	-	(144)	-	-	92	(52)	-	(52)
Balance as at 31 December 2015	<u>240,130</u>	<u>-</u>	<u>7,275</u>	<u>18,247</u>	<u>10,640</u>	<u>(364)</u>	<u>90,972</u>	<u>366,900</u>	<u>9,133</u>	<u>376,033</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 YEAR ENDED 31 DECEMBER 2016 - unaudited

	(Unaudited) 12 months ended 31-Dec-2016 RM'000	(Audited) 12 months ended 31-Dec-2015 RM'000
Profit before tax	(73)	14,859
Adjustment for non-cash items:		
Operating items	7,180	7,983
Investing items	11,831	6,218
Operating profit before changes in working capital	18,938	29,060
Changes in Working Capital:		
Inventories	(11,510)	(20,970)
Receivables	(4,211)	1,421
Payables	(10,399)	13,362
Property development	2,824	(45,193)
Construction contracts	39,470	(3,163)
Cash generated from operating activities	35,112	(25,483)
Net tax paid	(6,457)	(7,958)
Interest paid	(6,210)	(6,809)
Net cash generated from operating activities	22,445	(40,250)
Cash Flow from investing activities		
Interest received	1,738	820
Investment in associated company	-	(6,645)
Proceeds from disposal of property, plant & equipment	108	72
Proceeds from government grants	-	10,000
Proceed from disposal of other investment	18,582	28
Purchase of intangible asset	-	(1,324)
Purchase of property, plant & equipment	(25,139)	(17,041)
	(4,711)	(14,090)
Cash Flow from financing activities		
Purchase of treasury shares	(4,967)	(364)
Proceed from issuance of shares	236	-
Dividend paid	(2,859)	(2,882)
Hire Purchase & Lease repayment	(831)	(1,763)
Net drawdown of bank borrowings	2,711	52,264
	(5,710)	47,255
Net change in cash & cash equivalents	12,024	(7,085)
Cash & cash equivalents at beginning of year	35,872	41,946
Effect of foreign exchange rate changes on cash and cash equivalents	-	1,011
Cash & cash equivalents at end of year	47,896	35,872

(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 YEAR ENDED 31 DECEMBER 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.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 - unaudited

4. Segmental Information

Analysis of the Group's results by business segments:

	Fourth Quarter		Cumulative Quarter	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Fire Services	35,687	46,630	171,521	159,950
Property Development & Construction	11,724	37,986	63,147	136,710
Renewable & Waste-To-Energy	33,834	32,592	152,986	157,548
HYPRO® PVC-O Pipes Manufacturing & Distribution	2,509	2,458	14,235	4,961
Investment holding and others	-	-	-	-
Total revenue including inter-segment sales	83,754	119,666	401,889	459,169
Elimination of inter-segment sales	(5,897)	(20,694)	(35,813)	(76,683)
Total	77,857	98,972	366,076	382,486
Segment Result				
Fire Services	(1,734)	5,846	8,480	15,271
Property Development & Construction	2,389	4,401	7,726	17,922
Renewable & Waste-To-Energy	(7,474)	(6,654)	(8,061)	(9,555)
HYPRO® PVC-O Pipes Manufacturing & Distribution	(1,973)	(2,911)	(6,631)	(7,286)
Investment holding and others	273	230	(487)	(1,789)
Total result including inter-segment profit	(8,519)	912	1,027	14,563
Elimination of inter-segment profit	(579)	(365)	(655)	(389)
Share of result of associate, net of tax	(445)	734	(445)	685
Total	(9,543)	1,281	(73)	14,859

5. Exceptional or Unusual Items

During the financial quarter, the Group made an impairment loss on investment in associated company amounting to RM6.9 million.

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 FINANCIAL YEAR ENDED 31 DECEMBER 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 year to-date except as disclosed below:-

(i) Treasury Shares

During the year ended 31 December 2016, the Company repurchased its issued ordinary shares from the open market totalling 11,892,500 units at an average price of RM0.4154 per share. The total consideration paid for the repurchase including transaction costs was RM4,966,650. 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 12,680,500 units of Treasury Shares as at 31 December 2016 at a value of RM5,330,364.

(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 31 December 2016.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016 - unaudited

12. Changes in Composition of the Group

There was no change in the composition of the Group during the financial year 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.

On 6 December 2016, application for voluntary deregistration of FITTERS-Nrg Limited was accepted by the Australian Securities and Investments Commission.

The company has not commenced operation since the date of incorporation.

Striking off of subsidiary company

On 5 December 2016, FITTERS had submitted application to the Accounting and Corporate Regulatory Authority of Singapore to strike off Future NRG Pte Ltd, a wholly-owned subsidiary, from the registrar.

The company has not commenced operation since the date of incorporation.

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 31 December 2016 is as follows:

	RM'000
Approved and contracted for :	
Property, plant and equipment	7,669

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	287,001
Corporations for trade credit facilities granted to subsidiary companies	150,910
	<u>437,911</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 RM377.576 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 fourth quarter ended 31 December 2016, the Group recorded a decline in revenue by 21.3% to RM77.9 million from RM99.0 million and a loss before taxation of RM9.5 million as compared to pre-tax profit of RM1.3 million in the previous corresponding quarter ended 31 December 2015. The loss before taxation for the quarter under review was primarily due to the impairment loss on investment in associated company of RM6.9 million and share of loss of the associated company of RM0.4 million.

For the financial year under review, the Group recorded a decline in revenue by 4.3% to RM366.1 million from RM382.5 million and a loss before taxation of RM0.073 million as compared to pre-tax profit of RM14.9 million in the preceding financial year ended 31 December 2015. The loss before taxation for the year under review was mainly due to the impairment loss on investment in associated company of RM6.9 million and share of loss of the associated company of RM0.4 million.

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

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

	Fourth Quarter			Cumulative Quarter		
	31/12/2016	31/12/2015	Changes (%)	31/12/2016	31/12/2015	Changes (%)
Revenue	35,687	46,630	-23.5%	171,521	159,950	7.2%
Profit before tax	(1,734)	5,846	-129.7%	8,480	15,271	-44.5%

During the year ended 31 December 2016, the Fire Services Division posted a decline in pre-tax profit by RM6.8 million despite an increase in revenue by RM11.6 million as compared to the previous year.

The decline in pre-tax profit was mainly due to decrease in sales from its Computerised Fire Alarm Monitoring System ("CMS") business and additional costs incurred for certain projects under Mechanical and Electrical Services ("M&E") business.

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

	Fourth Quarter			Cumulative Quarter		
	31/12/2016	31/12/2015	Changes (%)	31/12/2016	31/12/2015	Changes (%)
Revenue	11,724	37,986	-69.1%	63,147	136,710	-53.8%
Profit before tax	2,389	4,401	-45.7%	7,726	17,922	-56.9%

Revenue and pre-tax profit of the Property Development & Construction Division declined by 53.8% and 56.9% respectively during the financial year under review mainly due to the completion of ZetaDeSkye project and there was no new project being launched during the 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)

	Fourth Quarter			Cumulative Quarter		
	31/12/2016	31/12/2015	Changes (%)	31/12/2016	31/12/2015	Changes (%)
Revenue	33,834	32,592	3.8%	152,986	157,548	-2.9%
Profit/(Loss) before tax	(7,474)	(6,654)	-12.3%	(8,061)	(9,555)	15.6%

The Renewable & Waste-to-Energy Division recorded a lower loss before tax of RM8.1 million for the year under review as compared to loss before tax of RM9.6 million for the last financial year.

The palm oil mill business has turned around during 2016 and registered a pre-tax profit of RM0.4 million as opposed to loss before tax of RM3.6 million last year, representing an improved bottom-line of RM4.0 million. Other companies in the Renewable Energy Division recorded a lower loss before tax of RM1.6 million as compared to loss before tax of RM5.9 million in the previous year, representing an improvement of RM4.3 million mainly due to the absence of interest and expenses in relation to corporate exercise of the Division which were recognised in previous financial year. However, this improved results was off-set by the impairment loss on investment in associate amounting to RM6.9 million recognised during the year under review.

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

	Fourth Quarter			Cumulative Quarter		
	31/12/2016	31/12/2015	Changes (%)	31/12/2016	31/12/2015	Changes (%)
Revenue	2,509	2,458	2.1%	14,235	4,961	186.9%
Loss before tax	(1,973)	(2,911)	32.2%	(6,631)	(7,286)	9.0%

HYPRO[®] PVC-O Pipes Manufacturing & Distribution Division commenced its production during the first quarter of 2015. This newly set-up business recorded a lower loss before tax of RM6.6 million for the year under review as compared to RM7.3 million in the previous year.

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

The loss before taxation of RM9.5 million in 4th Quarter 2016 as compared to the profit before taxation of RM3.3 million in the immediate preceding quarter was mainly due to the lower results of the Fire Services Division, impairment loss on investment in associated company amounting to RM6.9 million and share of loss in associated company of RM0.4 million.

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

3. Commentary of Prospects

While there are indications of more sustained growth in the major economies in 2017, downside risks to global growth continue to prevail, arising from the volatility in commodity prices, policy uncertainties and growth prospects of the major developed economies, heightened risk aversions in the global financial markets as well as geopolitical developments. The Malaysian economy will experience sustained growth with the primary driver being domestic demand. Private consumption is anticipated to remain supported by wage and employment growth while investment activity will continue to be anchored by the on-going implementation of infrastructure projects and capital spending in the manufacturing and services sectors.

The Group will remain resilient by improving its earnings this year and continues to intensify its focus to manage costs and enhance the performance of its existing businesses of fire services, property development & construction and renewable & waste-to-energy while its HYPRO® PVC-O pipes manufacturing & distribution business intensifies its business development and sales initiatives.

Given the prevailing challenging market condition, the Board of Directors is cautiously optimistic of achieving a satisfactory operational and financial performance for the financial year ending 31 December 2017.

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

	Fourth Quarter		Cumulative Quarter	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	3,452	2,606	7,998	8,352
- Prior year	(148)	-	(1,088)	175
	3,304	2,606	6,910	8,527
Deferred tax	(2,349)	849	(1,478)	(539)
Total income tax expense	955	3,455	5,432	7,988

The effective tax rate for the Group 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 and the impairment loss on investment in an associated company amounting to RM6.9 million which are not deductible for tax purposes.

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

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 17 February 2017, 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.

(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 31/12/2016 RM'000	As at 31/12/2015 RM'000
Short term borrowings		
Secured		
Term Loans	33,964	21,461
Finance lease liabilities	384	778
Bank overdrafts	-	1,899
Bankers acceptance	16,212	14,822
Revolving credits	27,045	15,800
Unsecured		
Bank overdrafts	1,307	578
Bankers acceptance	6,013	5,726
Revolving credits	3,100	3,100
	<u>88,025</u>	<u>64,164</u>
Long term borrowings		
Secured		
Term Loans	85,394	108,108
Finance lease liabilities	980	1,118
	<u>86,374</u>	<u>109,226</u>

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 31/12/2016 RM'000	As at 31/12/2015 RM'000
Euro	4,508	6,127

8. Material Litigation

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

9. Dividend Payable

The Board of Directors does not recommend the payment of any dividend in respect of the financial year ended 31 December 2016.

10. Earnings Per Share

(a) Basic Earnings Per Share

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

	Fourth Quarter		Cumulative Quarter	
	31/12/2016 RM'000	31/12/2015 RM'000	31/12/2016 RM'000	31/12/2015 RM'000
Profit attributable to ordinary equity holders of the Company	(10,131)	(1,395)	(4,445)	9,278
Adjusted weighted average number of ordinary shares in issue 476,338,857 (2015: 480,083,362) ('000)	476,339	480,083	476,339	480,083
Basic earnings/(loss) per share (sen)	(2.13)	(0.29)	(0.93)	1.93

(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.

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

11. Disclosure of Realised and Unrealised Profits/Losses

The breakdown of the retained earnings of the Group as at 31 December 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 year ended 31/12/2016 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	82,232	86,910
- Unrealised	1,742	2,606
	<hr/>	<hr/>
	83,974	89,516
Total share of retained earnings from associates - realised	240	685
	<hr/>	<hr/>
	84,214	90,201
Add: Consolidation adjustments	(546)	771
	<hr/>	<hr/>
Total retained profits	83,668	90,972

12. Authorisation for Issue

The interim financial statements for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 24 February 2017.

FITTERS DIVERSIFIED BERHAD

DATO' WONG SWEE YEE
MANAGING DIRECTOR
Kuala Lumpur
24 February 2017