



FITTERS DIVERSIFIED BERHAD

Company No: 149735-M

(Incorporated in Malaysia)

Interim Financial Report

30 September 2017

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2017

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 30 September 2017.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 - unaudited

	THIRD QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30-Sep-2017 RM'000	PRECEDING	CURRENT YEAR TO DATE 30-Sep-2017 RM'000	PRECEDING
		YEAR		YEAR
		CORRESPONDING QUARTER 30-Sep-2016 RM'000		CORRESPONDING PERIOD 30-Sep-2016 RM'000
Revenue	83,330	82,065	213,605	288,219
Cost of sales	(69,572)	(66,801)	(183,653)	(243,536)
Gross profit	13,758	15,264	29,952	44,683
Interest income	152	434	428	1,357
Other income	108	223	1,217	747
Selling and marketing expenses	(920)	(2,244)	(2,590)	(6,635)
Impairment loss on receivables	(150)	(754)	(1,620)	(1,792)
Administrative expenses	(4,595)	(5,600)	(14,400)	(18,156)
Depreciation and amortisation	(1,927)	(2,059)	(5,785)	(5,886)
Forex loss	(89)	(97)	(108)	(180)
Finance costs	(1,564)	(1,626)	(4,730)	(4,668)
Profit before tax	4,773	3,541	2,364	9,470
Income tax expense	(707)	(1,465)	(2,306)	(4,477)
Profit after tax	4,066	2,076	58	4,993
Loss for the financial period for discontinued operation, net of tax	-	(264)	(475)	(883)
Profit/(loss) for the financial period	4,066	1,812	(417)	4,110
Other comprehensive (loss)/profit	(81)	953	(616)	(2,266)
Total comprehensive profit/(loss) for the financial period	3,985	2,765	(1,033)	1,844
Profit/(loss) attributable to :				
Owners of the Company	4,383	2,235	1,536	5,686
Non-controlling interests	(317)	(423)	(1,953)	(1,576)
	4,066	1,812	(417)	4,110
Earnings per share attributable to owners of the Company :				
Basic (sen)	0.94	0.47	0.33	1.19

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016 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 2017

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2017 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2016 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	237,622	235,811
Investment properties	678	683
Intangible assets	5,684	5,684
Investment securities	2,321	2,321
Trade and other receivables	3,057	4,117
Deferred tax assets	624	1,111
	249,986	249,727
Current assets		
Development properties	95,824	92,183
Inventories	40,134	41,151
Current tax assets	1,935	2,454
Trade and other receivables	101,517	106,336
Other current assets	28,605	35,732
Assets of a disposal group classified as held for sales	33,482	34,458
Investment securities	-	1
Deposits, cash and bank balances	22,017	49,202
	323,514	361,517
TOTAL ASSETS	573,500	611,244

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2017 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2016 RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	82,108	88,011
Current tax liabilities	-	1,930
Trade and other payables	53,230	65,371
Other current liabilities	9,054	6,354
Liabilities of a disposal group classified as held for sales	460	332
	144,852	161,998
Net current assets	178,662	199,519
Non-current liabilities		
Loans and borrowings	70,937	86,388
Deferred tax liabilities	1,708	1,730
	72,645	88,118
TOTAL LIABILITIES	217,497	250,116
NET ASSETS	356,003	361,128
Equity attributable to owners of the Company		
Share Capital	240,248	240,248
Share Premium	118	118
Treasury Shares	(9,422)	(5,330)
Revaluation Reserve	18,153	18,153
Capital Reserve	7,275	7,275
Exchange Reserve	9,167	9,783
Retained Earnings	85,443	83,907
	350,982	354,154
Non-controlling interests	5,021	6,974
Total equity	356,003	361,128
TOTAL EQUITY AND LIABILITES	573,500	611,244
Net Assets per Share (RM) **	0.7669	0.7570

** 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 2016)

FITTEES DIVERSIFIED BERHAD

(Company No. 149735-M)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 - 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 2017</u>										
Balance as at 1 January 2017	240,248	118	7,275	18,153	9,783	(5,330)	83,907	354,154	6,974	361,128
Total comprehensive income	-	-	-	-	(616)	-	1,536	920	(1,953)	(1,033)
Treasury shares acquired	-	-	-	-	-	(4,092)	-	(4,092)	-	(4,092)
Balance as at 30 September 2017	<u>240,248</u>	<u>118</u>	<u>7,275</u>	<u>18,153</u>	<u>9,167</u>	<u>(9,422)</u>	<u>85,443</u>	<u>350,982</u>	<u>5,021</u>	<u>356,003</u>
<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>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016)

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 - unaudited

	(Unaudited) 9 months ended 30-Sep-2017 RM'000	(Unaudited) 9 months ended 30-Sep-2016 RM'000
(Loss)/Profit before tax		
- Continuing operations	2,364	9,470
- Discontinued operation	(475)	(883)
	1,889	8,587
Adjustment for non-cash items:		
Operating items	7,412	7,699
Investing items	4,307	3,521
Operating profit before changes in working capital	13,608	19,807
Changes in Working Capital:		
Inventories	1,017	(9,547)
Receivables	4,247	(2,096)
Payables	(12,013)	(19,658)
Property development	(3,641)	(24,876)
Construction contracts	9,826	30,407
Cash generated from operating activities	13,044	(5,963)
Net tax paid	(3,252)	(3,984)
Interest paid	(4,730)	(4,668)
Net cash generated from operating activities	5,062	(14,615)
Cash Flow from investing activities		
Interest received	428	1,357
Proceeds from disposal of property, plant & equipment	224	-
Proceed from disposal of other investment	-	18,583
Purchase of property, plant & equipment	(4,217)	(14,384)
	(3,565)	5,556
Cash Flow from financing activities		
Purchase of treasury shares	(4,092)	(2,357)
Proceed from issuance of shares	-	236
Dividend paid	-	(2,859)
Hire Purchase & Lease repayment	(212)	(542)
Net drawdown of bank borrowings	(26,649)	9,840
	(30,953)	4,318
Net change in cash & cash equivalents	(29,456)	(4,741)
Cash & cash equivalents at beginning of year	48,195	35,872
Cash & cash equivalents at end of period	18,739	31,131

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2016)

FITTERS DIVERSIFIED BERHAD

(Company No. 149735-M)

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 - 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 2016.

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 2016.

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 for the financial year ending 31 December 2018 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 2016 was not subject to any qualification.

FITTERS DIVERSIFIED BERHAD

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 - unaudited

4. Segmental Information

Analysis of the Group's results by business segments:

	Third Quarter		Cumulative Quarter	
	30/9/2017	30/9/2016	30/9/2017	30/9/2016
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Fire Services	25,868	43,211	85,180	135,834
Property Development & Construction	3,805	7,822	7,446	51,423
Renewable & Waste-To-Energy	48,883	34,917	118,233	119,152
HYPRO [®] PVC-O Pipes Manufacturing & Distribution	8,421	2,955	10,669	11,726
Investment holding and others	-	-	-	-
Total revenue including inter-segment sales	86,977	88,905	221,528	318,135
Elimination of inter-segment sales	(3,647)	(6,840)	(7,923)	(29,916)
Total	83,330	82,065	213,605	288,219
Segment Result				
Fire Services	752	2,858	2,312	10,214
Property Development & Construction	1,221	1,543	1,527	5,337
Renewable & Waste-To-Energy	3,090	392	2,560	(587)
HYPRO [®] PVC-O Pipes Manufacturing & Distribution	(310)	(1,117)	(4,583)	(4,658)
Investment holding and others	(10)	(130)	829	(760)
Total result including inter-segment profit	4,743	3,546	2,645	9,546
Elimination of inter-segment profit	30	(5)	(281)	(76)
Total	4,773	3,541	2,364	9,470

5. Exceptional or Unusual Items

During the financial quarter, there was no item of exceptional or unusual nature that affects the assets, liabilities, equity, net income or cash flows of the Group.

6. Changes in Estimates

There were no changes in estimates that have a material effect in the current quarter.

7. Comment about Seasonal or Cyclical Factors

The business operations of the Group for the quarter are not materially affected by any seasonal or cyclical factor.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 - unaudited

8. Dividends Paid

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 30 September 2017.

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 2016.

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 9 months ended 30 September 2017, the Company repurchased its issued ordinary shares from the open market totalling 10,169,000 units at an average price of RM0.4003 per share. The total consideration paid for the repurchase including transaction costs was RM4,091,571. 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 22,849,500 units of Treasury Shares as at 30 September 2017 at a value of RM9,421,935.

11. Subsequent Event

There was no material event subsequent to the financial quarter ended 30 September 2017.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2017 - 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:-

Deregistration of subsidiary company

FITTERS-Nrg Limited, a wholly owned subsidiary of FITTERS , had been deregistered on 6 February 2017 from the Registrar of Australian Securities and Investments Commission.

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

Striking off of subsidiary company

- (a) Subsequent to application submitted on 5 December 2016 to the Accounting and Corporate Regulatory Authority of Singapore, Future NRG Pte Ltd, a wholly-owned subsidiary of FITTERS, had been officially struck off from the Registrar of Companies on 6 April 2017.

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

- (b) Future NRG Asia Limited, a wholly owned subsidiary of FITTERS Group, had been struck off by the Registrar of Companies in British Virgins Islands on 4 May 2017.

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 30 September 2017 is as follows:

	RM'000
Approved and contracted for : Property, plant and equipment	<u>1,953</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	303,375
Corporations for trade credit facilities granted to subsidiary companies	<u>150,910</u>
	<u>454,285</u>

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 Sep 2017, the Group recorded an increase in revenue by 1.5% to RM83.3 million from RM82.1 million and an increase in profit before taxation by 34.8% to RM4.8 million from RM3.5 million as compared to the previous corresponding quarter ended 30 Sep 2016.

For the 9 months under review, the Group recorded a decline in revenue by 25.9% to RM213.6 million from RM288.2 million and a decline in profit before taxation by 75% to RM2.4 million as compared to RM9.5 million in the preceding financial period ended 30 Sep 2016.

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		
	30/9/2017	30/9/2016	Changes	30/9/2017	30/9/2016	Changes (%)
Revenue	25,868	43,211	-40.1%	85,180	135,834	-37.3%
Profit before tax	752	2,858	-73.7%	2,312	10,214	-77.4%

During the quarter ended 30 Sep 2017, the Fire Services Division posted a decline in both revenue and pre-tax profit by 40.1% and 73.7% respectively as compared to the previous year. For the cumulative financial period, revenue and profit before tax recorded a declined of 37.3% and 77.4% respectively.

The decline in pre-tax profit was mainly due to decrease in sales from its Computerised Fire Alarm Monitoring System ("CMS") business, slow down in the progress of certain projects and uncertified project variation orders under Fire-fighting Engineering business.

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

	Third Quarter			Cumulative Quarter		
	30/9/2017	30/9/2016	Changes	30/9/2017	30/9/2016	Changes (%)
Revenue	3,805	7,822	-51.4%	7,446	51,423	-85.5%
Profit before tax	1,221	1,543	-20.9%	1,527	5,337	-71.4%

Revenue and pre-tax profit of the Property Development & Construction Division declined by 51.4% and 20.9% respectively during the current quarter and declined by 85.5% and 71.4% respectively for the cumulative financial period under review mainly due to the completion of ZetaDeSkye project and there was no new project being launched during the quarter.

**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		
	30/9/2017	30/9/2016	Changes	30/9/2017	30/9/2016	Changes (%)
Revenue	48,883	34,917	40.0%	118,233	119,152	-0.8%
Profit/(Loss) before tax	3,090	392	688.3%	2,560	(587)	536.1%

The Renewable & Waste-to-Energy Division recorded an increase in revenue by 40.0% and recorded a profit before tax of RM3.1 million for the quarter under review, an increased of 688.3% as compared to the last financial year.

For the cumulative quarter, the division recorded a small decline in revenue by 0.8% but an increased of 536.1% in profit before tax of RM2.6 million as compared to the previous corresponding cumulative quarter.

The palm oil mill business recorded a lower sales due to lower crops during the quarter, however, with the introduction of stringent measures to improve operational efficiency, the division recorded higher profit for the quarter.

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

	Third Quarter			Cumulative Quarter		
	30/9/2017	30/9/2016	Changes	30/9/2017	30/9/2016	Changes (%)
Revenue	8,421	2,955	185.0%	10,669	11,726	-9.0%
Loss before tax	(310)	(1,117)	72.2%	(4,583)	(4,658)	1.6%

HYPRO[®] PVC-O Pipes Manufacturing & Distribution Division, a relatively new set-up, recorded a revenue of RM8.4 million, an increased of 185% and a loss before tax of RM0.3 million, an increased of 72.2% as compared to the previous corresponding quarter.

For the cumulative quarter, the division recorded RM10.7 million revenue, a declined of 9% and loss before tax of RM4.6 million, an increase of 1.6% as compared to the previous period under review.

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

The material changes in profit before taxation for the current quarter as compared to the immediate preceding quarter are as follow :

	Current Quarter	Immediate Preceding Quarter	Changes	
	30/9/2017	30/6/2017	Amount	%
Profit/(loss) before taxation	4,773	(2,159)	6,932	321%

The material changes are mainly due to better performance recorded by the following divisions :

- i.) Property, Development & Construction division which recorded a profit of RM1.2 million as compared to a loss of RM0.4 million during the second quarter due to costs savings from the finalisation of project.
- ii.) Renewable & Waste-To-Energy division recorded a profit of RM3.1 million as compared to RM0.3 million in second quarter due to the improvement in operational efficiency.
- iii.) HYPRO[®] PVC-O Pipes Manufacturing & Distribution Division recorded a lower loss of RM0.3 million as compared to RM2.8 million due to an increased of revenue as compared to the second quarter.

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

3. Commentary of Prospects

The individual market sectors in which the Group operates, continue to be characterised by short and medium term uncertainties. The Group will monitor closely the evolving market conditions and deploy flexible yet prudent business development strategies to ensure that it remains resilient and responds positively and timely during this very challenging period.

The Group will intensify its efforts to enhance the performance of its existing businesses. The construction division had recently been awarded a RM97.8 million project management & construction contract; where earthworks and piling have commenced. It had received a further RM81.5 million contract for the subsequent phase of the same development. Its palm oil mill had turnaround with the introduction of stringent measures that improve operational efficiency. The Mill has also scheduled to start the final testing of the 2 MegaWatt biogas power generation facility in mid December and is expected to be connected to the TNB grid thereafter. The marketing team of HYPRO® PVC-O pipes division is aggressively engaging the state water authorities to expand its reach and is confident that revenue shall improve significantly in the coming quarters. The fire services division will continue its efforts to increase its revenue stream through greater participation in cross sectoral projects and not limit its focus in the building and construction sector only.

With the prevailing market challenges and uncertainties, the Group remains cautiously optimistic about its prospects of its various diversified businesses.

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	
	30/9/2017	30/9/2016	30/9/2017	30/9/2016
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	643	1,588	1,918	4,546
- Prior year	(78)	(940)	(78)	(940)
	565	648	1,840	3,606
Deferred tax	142	817	466	871
Total income tax expense	707	1,465	2,306	4,477

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 which are not deductible for tax purposes.

FITTERS DIVERSIFIED BERHAD
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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 19 May 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 30/9/2017 RM'000	As at 31/12/2016 RM'000
Short term borrowings		
Secured		
Term Loans	28,099	33,964
Finance lease liabilities	333	370
Bank overdrafts	230	-
Bankers acceptance	-	16,212
Revolving credits	27,045	27,045
Unsecured		
Bank overdrafts	3,048	1,307
Bankers acceptance	20,853	6,013
Revolving credits	2,500	3,100
	<u>82,108</u>	<u>88,011</u>
Long term borrowings		
Secured		
Term Loans	70,118	85,394
Finance lease liabilities	819	994
	<u>70,937</u>	<u>86,388</u>

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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:

	As at 30/9/2017 RM'000	As at 31/12/2016 RM'000
Euro	3,878	4,508

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 period ended 30 September 2017.

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.

	Third Quarter		Cumulative Quarter	
	30/9/2017 RM'000	30/9/2016 RM'000	30/9/2017 RM'000	30/9/2016 RM'000
Profit attributable to ordinary equity holders of the Company	4,383	2,235	1,536	5,686
Adjusted weighted average number of ordinary shares in issue 463,921,076 (2016: 478,055,156) ('000)	463,921	478,055	463,921	478,055
Basic (loss)/earnings per share (sen)	0.94	0.47	0.33	1.19

(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
(Company No. 149735-M)

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 30 September 2017 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 30/9/2017 RM'000	As at end of last financial year 31/12/2016 RM'000
Total retained profits of FITTERS Diversified Berhad and its subsidiaries:		
- Realised	84,677	83,831
- Unrealised	1,081	622
	<hr/>	<hr/>
	85,758	84,453
Total share of retained earnings from associates - realised	<hr/>	<hr/>
	-	-
	85,758	84,453
Add: Consolidation adjustments	(315)	(546)
	<hr/>	<hr/>
Total retained profits	85,443	83,907

12. Authorisation for Issue

The interim financial statements for the year period 30 September 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 24 November 2017.

FITTERS DIVERSIFIED BERHAD

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