



# **FITTERS DIVERSIFIED BERHAD**

Company No: 149735-M

**(Incorporated in Malaysia)**

**Interim Financial Report**

**30 September 2018**

**FITTERS DIVERSIFIED BERHAD**

(Company No. 149735-M)

**ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2018**

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 30 September 2018.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018 - unaudited**

	THIRD QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Sep-2018 RM'000	30-Sep-2017 RM'000	30-Sep-2018 RM'000	30-Sep-2017 RM'000
Revenue	98,537	83,330	250,360	213,605
Cost of sales	(81,726)	(69,572)	(210,162)	(183,653)
<b>Gross profit</b>	<b>16,811</b>	<b>13,758</b>	<b>40,198</b>	<b>29,952</b>
Interest income	666	152	1,972	428
Other income	181	108	640	1,217
Selling and marketing expenses	(927)	(920)	(2,471)	(2,590)
Impairment loss on receivables	(1,416)	(150)	(1,794)	(1,620)
Administrative expenses	(5,288)	(4,595)	(15,207)	(14,400)
Depreciation and amortisation	(2,496)	(1,927)	(7,768)	(5,785)
Forex gain/ (loss)	12	(89)	129	(108)
Finance costs	(1,527)	(1,564)	(4,584)	(4,730)
<b>Profit before tax</b>	<b>6,016</b>	<b>4,773</b>	<b>11,115</b>	<b>2,364</b>
Income tax expense	(1,350)	(707)	(4,107)	(2,306)
<b>Profit after tax</b>	<b>4,666</b>	<b>4,066</b>	<b>7,008</b>	<b>58</b>
Loss for the financial period for discontinued operation, net of tax	-	-	-	(475)
<b>Profit/(loss) for the financial period</b>	<b>4,666</b>	<b>4,066</b>	<b>7,008</b>	<b>(417)</b>
Other comprehensive (loss)/profit	58	(81)	(20)	(616)
<b>Total comprehensive profit/(loss) for the financial period</b>	<b>4,724</b>	<b>3,985</b>	<b>6,988</b>	<b>(1,033)</b>
<b>Profit/(loss) attributable to :</b>				
Owners of the Company	4,994	4,383	8,178	1,536
Non-controlling interests	(328)	(317)	(1,170)	(1,953)
	<b>4,666</b>	<b>4,066</b>	<b>7,008</b>	<b>(417)</b>
Earnings per share attributable to owners of the Company :				
Basic (sen)	1.12	0.94	1.83	0.33

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017 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 2018**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2018 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2017 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	239,320	244,189
Investment properties	1,354	1,321
Intangible assets	5,684	5,684
Investment securities	1,528	2,321
Trade and other receivables	36,284	33,599
Deferred tax assets	464	479
	284,634	287,593
<b>Current assets</b>		
Development properties	98,779	96,826
Inventories	38,191	38,360
Current tax assets	425	1,146
Trade and other receivables	133,489	84,039
Other current assets	17,923	26,794
Investment securities	1	1
Deposits, cash and bank balances	14,327	20,534
	303,135	267,700
<b>TOTAL ASSETS</b>	<b>587,769</b>	<b>555,293</b>

**FITTERS DIVERSIFIED BERHAD**

(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2018**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2018 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2017 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	96,564	70,279
Current tax liabilities	976	446
Trade and other payables	71,564	55,642
Other current liabilities	4,862	13,434
	173,966	139,801
<b>Net current assets</b>	129,169	127,899
<b>Non-current liabilities</b>		
Loans and borrowings	49,589	64,645
Trade and other payables	997	377
Deferred tax liabilities	3,381	3,315
	53,967	68,337
<b>TOTAL LIABILITIES</b>	227,933	208,138
<b>NET ASSETS</b>	359,836	347,155
<b>Equity attributable to owners of the Company</b>		
Share Capital	240,396	240,366
Treasury Shares	(16,000)	(11,663)
Revaluation Reserve	23,040	23,040
Capital Reserve	7,275	7,275
Exchange Reserve	521	541
Retained Earnings	91,755	83,577
	346,987	343,136
<b>Non-controlling interests</b>	12,849	4,019
<b>Total equity</b>	359,836	347,155
<b>TOTAL EQUITY AND LIABILITES</b>	587,769	555,293
Net Assets per Share (RM) **	0.7871	0.7592

\*\* 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 2017)

**FITTEES DIVERSIFIED BERHAD**

(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018 - 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 2018</u>										
Balance as at 1 January 2018	240,366	-	7,275	23,040	541	(11,663)	83,577	343,136	4,019	347,155
Total comprehensive income/(loss)	-	-	-	-	(20)	-	8,178	8,158	(1,170)	6,988
Treasury shares acquired	-	-	-	-	-	(9,235)	-	(9,235)	-	(9,235)
Treasury shares disposed	30	-	-	-	-	4,898	-	4,928	-	4,928
Share subscription by Minority										
Shareholder during the year	-	-	-	-	-	-	-	-	10,000	10,000
Balance as at 30 September 2018	<u>240,396</u>	<u>-</u>	<u>7,275</u>	<u>23,040</u>	<u>521</u>	<u>(16,000)</u>	<u>91,755</u>	<u>346,987</u>	<u>12,849</u>	<u>359,836</u>
<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/(loss)	-	-	-	-	(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>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018 - unaudited**

	(Unaudited) 9 months ended 30-Sep-2018 RM'000	(Unaudited) 9 months ended 30-Sep-2017 RM'000
Profit/(loss) before tax		
- Continuing operations	11,115	2,364
- Discontinued operation	-	(475)
	11,115	1,889
Adjustment for non-cash items:		
Operating items	9,628	7,412
Investing items	3,429	4,307
Operating profit before changes in working capital	24,172	13,608
Changes in Working Capital:		
Inventories	169	1,017
Receivables	(53,949)	4,247
Payables	16,542	(12,013)
Property development	(1,952)	(3,641)
Construction contracts	299	9,826
Cash generated from operating activities	(14,719)	13,044
Net tax paid	(2,776)	(3,252)
Interest paid	(4,584)	(4,730)
Net cash generated from operating activities	(22,079)	5,062
Cash Flow from investing activities		
Interest received	1,972	428
Purchase of investment property	(57)	224
Proceeds from disposal of property, plant & equipment	25	-
Purchase of property, plant & equipment	(1,908)	(4,217)
	32	(3,565)
Cash Flow from financing activities		
Purchase of treasury shares	(9,235)	(4,092)
Disposal of treasury shares	4,928	-
Share subscription by Minority Shareholder	10,000	-
Hire Purchase & Lease repayment	(285)	(212)
Net drawdown/(repayment) of bank borrowings	9,721	(26,649)
	15,129	(30,953)
Net change in cash & cash equivalents	(6,918)	(29,456)
Cash & cash equivalents at beginning of year	18,548	48,195
Cash & cash equivalents at end of period	11,630	18,739

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2017)

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018 - 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 2017.

**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 2017.

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 .

**3. Auditors' Report on Preceding Annual Financial Statements**

The report of the Auditors for the preceding financial year ended 31 December 2017 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 2018 - unaudited**

**4. Segmental Information**

Analysis of the Group's results by business segments:

	Third Quarter		Cumulative Quarter	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Fire Services	32,649	25,868	80,176	85,180
Property Development & Construction	25,365	3,805	61,721	7,446
Renewable & Waste-To-Energy	40,318	48,883	103,201	118,233
HYPRO <sup>®</sup> PVC-O Pipes Manufacturing & Distribution	1,308	8,421	8,137	10,669
Investment holding and others	-	-	-	-
Total revenue including inter-segment sales	99,640	86,977	253,235	221,528
Elimination of inter-segment sales	(1,103)	(3,647)	(2,875)	(7,923)
<b>Total</b>	<b>98,537</b>	<b>83,330</b>	<b>250,360</b>	<b>213,605</b>
<b>Segment Result</b>				
Fire Services	551	752	2,000	2,312
Property Development & Construction	5,614	1,221	14,213	1,527
Renewable & Waste-To-Energy	1,805	3,090	(469)	2,560
HYPRO <sup>®</sup> PVC-O Pipes Manufacturing & Distribution	(1,105)	(310)	(2,990)	(4,583)
Investment holding and others	(484)	(10)	(1,437)	829
Total result including inter-segment profit	6,381	4,743	11,317	2,645
Elimination of inter-segment profit	(365)	30	(202)	(281)
<b>Total</b>	<b>6,016</b>	<b>4,773</b>	<b>11,115</b>	<b>2,364</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.

**8. Dividend Paid**

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 30 September 2018.

**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 2017.



**FITTERS DIVERSIFIED BERHAD**  
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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2018 - unaudited**

**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:-

**Treasury Shares**

- (i) During the nine months ended 30 Sep 2018, the Company repurchased its issued ordinary shares from the open market totalling 23,265,400 units at an average price of RM0.3953 per share. The total consideration paid for the repurchase including transaction costs was RM9,234,876. The shares repurchased are being held as Treasury Shares in accordance with Section 67A of the Companies Act, 2016.
- (ii) During the nine months under review, the Company resale 12,100,000 units of its Treasury Shares via the open market at an average price of RM0.4073 per share. The total shares proceeds for the disposal net of transaction costs was RM4,928,033.

The Company held a total of 39,678,400 units of Treasury Shares as at 30 September 2018 at a value of RM16,000,460.

**11. Subsequent Event**

There was no material event subsequent to the financial quarter ended 30 September 2018.

**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 June 2018, the Company subscribed for an additional 60,000,000 ordinary shares of RM0.50 each in Molecor (SEA) Sdn Bhd ("MBSB"), fully paid for a total cash consideration of RM30,000,000. Consequent upon the above subscription, the resultant shareholdings of the Company in MSSB are 79,500,000 shares, representing 72.27% of the total equity of MSSB.

**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 2018 is as follows:

	<b>RM'000</b>
Approved and contracted for : Property, plant and equipment	<u>126</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	340,876
Corporations for trade credit facilities granted to subsidiary companies	<u>150,910</u>
	<u>491,786</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 September 2018, the Group recorded an increase in revenue by 18.2% to RM98.5 million from RM83.3 million and a profit before tax of RM6.0 million, an increase of 26% from RM4.8 million as compared to the previous corresponding quarter ended 30 September 2017.

For the 9 months under review, the Group recorded an increase in revenue by 17.2% to RM250.4 million from RM213.6 million and a profit before taxation of RM11.1 million to RM2.4 million, an increased by 370.2% as compared to the previous corresponding period.

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		
	30/9/2018	30/9/2017	Changes	30/9/2018	30/9/2017	Changes (%)
Revenue	32,649	25,868	26.2%	80,176	85,180	-5.9%
Profit/(loss) before tax	551	752	-26.7%	2,000	2,312	-13.5%

During the quarter ended 30 September 2018, the Fire Services Division posted an increase in revenue by 26.2%, however, profit before tax decline by 26.7% as compared to the previous year. For the cumulative financial period, both revenue and profit before tax recorded a decline of 5.9% and 13.5% respectively.

The decline was mainly due to decrease in sales from its trading business coupled with 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		
	30/9/2018	30/9/2017	Changes	30/9/2018	30/9/2017	Changes (%)
Revenue	25,365	3,805	566.6%	61,721	7,446	728.9%
Profit/(loss) before tax	5,614	1,221	359.8%	14,213	1,527	830.8%

For the Property Development & Construction Division, both revenue and profit before tax recorded a significant improvement to RM25.4 million and RM5.6 million respectively during the current quarter as compared to the previous year. For the cumulative financial period, both revenue and profit before tax increased by 728.9% and 830.8% respectively.

The increased was contributed by the work progress of the project management & construction contract obtained in the fourth quarter of 2017.

**(iii) Business segment: Renewable & Waste-To-Energy (RM'000)**

	Third Quarter			Cumulative Quarter		
	30/9/2018	30/9/2017	Changes	30/9/2018	30/9/2017	Changes (%)
Revenue	40,318	48,883	-17.5%	103,201	118,233	-12.7%
Profit/(loss) before tax	1,805	3,090	-41.6%	(469)	2,560	-

The Renewable & Waste-to-Energy Division recorded a decline in both revenue and profit before tax by 17.5% and 41.6% respectively for the third quarter as compared to previous year.

For the cumulative year, the division recorded RM103.2 million in revenue, a decline by 12.73% and a loss before tax of RM0.5 million as compared to the previous financial year.

The decline is primarily due to the decline in crude palm oil and palm kernel price by 15% and 20.3% respectively and lower crop trend as experienced in the area we are operating as compared to previous corresponding quarter.

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

**1. Performance Review (continued)**

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

	Third Quarter			Cumulative Quarter		
	30/9/2018	30/9/2017	Changes	30/9/2018	30/9/2017	Changes (%)
Revenue	1,308	8,421	-84.5%	8,137	10,669	-23.7%
Profit/(loss) before tax	(1,105)	(310)	-	(2,990)	(4,583)	-

HYPRO® PVC-O Pipes Manufacturing & Distribution Division, a relatively new set-up, recorded a revenue of RM1.3 million, a decline of 84.5% and a higher loss before tax of RM1.1 million as compared to the previous corresponding quarter.

For the cumulative financial period, the division recorded RM8.1 million in revenue, a decline of 23.7% and lower loss before tax of RM2.99 million as compared to a loss of RM4.6 million in the previous financial 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	
	30/9/2018	30/6/2018	Amount	%
Profit/(loss) before taxation	6,016	3,071	2,945	95.9%

The material changes are mainly due to the following :

- ii.) Property, Development & Construction division which recorded a profit of RM5.6 million as compared to RM4.5 million in the previous quarter contributed from the work progress of a contract awarded in FYE2017.
- iii.) Renewable & Waster-To-Energy Division recorded a profit of RM1.8 million as compared to previous quarter loss of RM1.2 million due to higher crops produced in September 2018 and higher biogas power generated.
- iii.) HYPRO® PVC-O Pipes Manufacturing & Distribution Division, a relatively new set-up, recorded a higher loss of RM1.1 million as compared to RM0.2 million recorded in the second quarter due to decline in sales.

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

**3. Commentary of Prospects**

The sectors in which the Group operates are still in cautious sentiment and characterised by short and medium term uncertainties as the general market experienced. The Group continues to monitor closely the market conditions and put in place prudent business development strategies to ensure that it remains resilient and proactively respond to the challenges.

Despite the challenges, the Group has intensified its efforts to enhance the performance of its existing businesses. The property development & construction division, is continuing with its progress of the RM97.8 million project management & construction contract which is poised to contribute substantially to the Group's turnover and profitability for FY 2018 and 2019.

The stringent measures implemented earlier by our palm oil mill has yielded encouraging results and the management is committed to further enhance on its potential. The 2 Megawatt Biogas Power generation facility which was commissioned and operating since first quarter of 2018 continue to generate encouraging revenue and its performance is promising.

The management and marketing team of HYPRO® PVC-O pipes division continues to intensify its efforts to enable engagement with the relevant authorities and to expand its reach to other sectors. In October 2018, Molecor was awarded the Central Purchase Contract by Pengurusan Aset Air Bhd (PAAB) for the supply of HYPRO® Oriented PVC (PVC-O) water pipes from 2018 to 2020. With this contract, management is confident that revenue shall increase in the coming quarters.

Despite the slowdown in the building and construction sector that resulted in a decline in the division's revenue and profitability, the fire services division will continue to put in concerted efforts to increase its revenue stream through greater participation in cross sectoral projects.

At the prevailing market conditions, the Group remains cautious but optimistic about its prospects for the future.

**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.

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

**5. Income Tax Expense**

	Third Quarter		Cumulative Quarter	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	1,736	643	4,521	1,918
- Prior year	(496)	(78)	(495)	(78)
	1,240	565	4,026	1,840
Deferred tax	110	142	81	466
Total income tax expense	1,350	707	4,107	2,306

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.

**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 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.

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

**7. Group Borrowings**

The total Group borrowings are as follows:

	<b>As at 30/9/2018 RM'000</b>	<b>As at 31/12/2017 RM'000</b>
<b>Short term borrowings</b>		
Secured		
Term Loans	44,279	26,114
Finance lease liabilities	404	345
Bank overdrafts	2,073	596
Bankers acceptance	17,458	21,356
Revolving credits	15,845	10,245
Unsecured		
Bank overdrafts	624	1,390
Bankers acceptance	4,581	3,533
Revolving credits	11,300	6,700
	<u>96,564</u>	<u>70,279</u>
<b>Long term borrowings</b>		
Secured		
Term Loans	48,894	63,894
Finance lease liabilities	695	751
	<u>49,589</u>	<u>64,645</u>

The above include borrowings denominated in foreign currency as follows:

	<b>As at 30/9/2018 RM'000</b>	<b>As at 31/12/2017 RM'000</b>
Euro	<u>2,059</u>	<u>2,924</u>

**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 2018.

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

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

**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	
	30/9/2018	30/9/2017	30/9/2018	30/9/2017
	RM'000	RM'000	RM'000	RM'000
Profit attributable to ordinary equity holders of the Company	4,994	4,383	8,178	1,536
Adjusted weighted average number of ordinary shares in issue 446,623,937 (2017: 463,921,076) ('000)	446,624	463,921	446,624	463,921
Basic earnings per share (sen)	1.12	0.94	1.83	0.33

**(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 2018 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	As at end of last financial year
	30/9/2018	31/12/2017
	RM'000	RM'000
Total retained profits of FITTERS Diversified Berhad and its subsidiaries:		
- Realised	89,039	68,236
- Unrealised	2,918	2,896
	91,957	71,132
Add: Consolidation adjustments	(202)	12,445
Total retained profits	91,755	83,577

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

**12. Authorisation for Issue**

The interim financial statements for the period ended 30 September 2018 were authorised for issue in accordance with a resolution of the Board of Directors on 28 November 2018.

**FITTERS DIVERSIFIED BERHAD**

**DATO' WONG SWEE YEE**  
**MANAGING DIRECTOR**  
**Kuala Lumpur**  
**28 November 2018**