



# **FITTERS DIVERSIFIED BERHAD**

Company No: 149735-M

**(Incorporated in Malaysia)**

## **Interim Financial Report**

**30 June 2019**

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

**ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2019**

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 30 June 2019.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 - unaudited**

	SECOND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Jun-2019 RM'000	30-Jun-2018 RM'000	30-Jun-2019 RM'000	30-Jun-2018 RM'000
Revenue	68,634	74,433	138,415	151,823
Cost of sales	(57,372)	(61,728)	(114,287)	(128,436)
<b>Gross profit</b>	<b>11,262</b>	<b>12,705</b>	<b>24,128</b>	<b>23,387</b>
Interest income	886	646	1,593	1,306
Other income	475	140	972	459
Selling and marketing expenses	(284)	(824)	(1,491)	(1,544)
Impairment loss on receivables	-	(211)	(106)	(378)
Administrative expenses	(5,285)	(5,072)	(9,991)	(9,919)
Depreciation and amortisation	(2,689)	(2,799)	(5,484)	(5,272)
Forex gain/ (loss)	51	67	63	117
Finance costs	(1,318)	(1,581)	(2,649)	(3,057)
<b>Profit before tax</b>	<b>3,098</b>	<b>3,071</b>	<b>7,035</b>	<b>5,099</b>
Income tax expense	(1,102)	(1,379)	(2,513)	(2,757)
<b>Profit for the financial period</b>	<b>1,996</b>	<b>1,692</b>	<b>4,522</b>	<b>2,342</b>
Other comprehensive (loss)/profit	25	10	11	(78)
<b>Total comprehensive profit for the financial period</b>	<b>2,021</b>	<b>1,702</b>	<b>4,533</b>	<b>2,264</b>
<b>Profit/(loss) attributable to :</b>				
Owners of the Company	1,981	1,798	4,444	3,184
Non-controlling interests	15	(106)	78	(842)
	<b>1,996</b>	<b>1,692</b>	<b>4,522</b>	<b>2,342</b>
Earnings/(loss) per share attributable to owners of the Company :				
Basic (sen)	0.42	0.40	0.94	0.71

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial statements)

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Jun-2019 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2018 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	247,550	251,914
Investment properties	1,326	1,342
Intangible assets	5,567	5,606
Investment securities	106	105
Trade and other receivables	36,236	32,569
Deferred tax assets	262	398
<b>Total non-current assets</b>	291,047	291,934
<b>Current assets</b>		
Inventories	129,414	132,517
Current tax assets	1,150	1,306
Trade and other receivables	113,041	133,508
Contract assets	25,303	26,487
Investment securities	-	1
Deposits, cash and bank balances	19,383	15,481
<b>Total current assets</b>	288,291	309,300
<b>TOTAL ASSETS</b>	579,338	601,234

**FITTERS DIVERSIFIED BERHAD**

(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Jun-2019 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2018 RM'000
<b>EQUITY AND LIABILITIES</b>		
<b>Current liabilities</b>		
Loans and borrowings	76,378	83,245
Current tax liabilities	2,485	2,675
Trade and other payables	54,190	78,803
Other current liabilities	10,783	5,771
	143,836	170,494
<b>Net current assets</b>	144,455	138,806
<b>Non-current liabilities</b>		
Loans and borrowings	34,138	43,976
Deferred tax liabilities	5,322	5,370
	39,460	49,346
<b>TOTAL LIABILITIES</b>	183,296	219,840
<b>NET ASSETS</b>	396,042	381,394
<b>Equity attributable to owners of the Company</b>		
Share Capital	240,662	240,471
Treasury Shares	(4,565)	(14,489)
Revaluation Reserve	34,600	34,600
Capital Reserve	7,275	7,275
Exchange Reserve	535	524
Retained Earnings	103,853	99,409
	382,360	367,790
<b>Non-controlling interests</b>	13,682	13,604
<b>Total equity</b>	396,042	381,394
<b>TOTAL EQUITY AND LIABILITES</b>	579,338	601,234
Net Assets per Share (RM) **	0.8149	0.8279

\*\* 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 2018)

**FITTEES DIVERSIFIED BERHAD**

(Company No. 149735-M)

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 - unaudited**

	[ ----- Attributable to owners of the Company ----- ]								
	[ ----- Non-distributable ----- ]				[ ----- Distributable ----- ]				
	Share Capital 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	Non- Controlling Interests RM'000	Total Equity RM'000
<u>6 months ended 30 June 2019</u>									
Balance as at 1 January 2019	240,471	7,275	34,600	524	(14,489)	99,409	367,790	13,604	381,394
Total comprehensive income	-	-	-	11	-	4,444	4,455	78	4,533
Treasury shares acquired	-	-	-	-	(2,463)	-	(2,463)	-	(2,463)
Treasury shares disposed	191	-	-	-	12,387	-	12,578	-	12,578
Balance as at 30 June 2019	<u>240,662</u>	<u>7,275</u>	<u>34,600</u>	<u>535</u>	<u>(4,565)</u>	<u>103,853</u>	<u>382,360</u>	<u>13,682</u>	<u>396,042</u>
<u>6 months ended 30 June 2018</u>									
Balance as at 1 January 2018	240,248	7,275	18,153	9,783	(5,330)	83,907	354,154	6,974	361,128
Total comprehensive income	-	-	-	(535)	-	(2,847)	(3,382)	(1,636)	(5,018)
Treasury shares acquired	-	-	-	-	(3,028)	-	(3,028)	-	(3,028)
Balance as at 30 June 2018	<u>240,248</u>	<u>7,275</u>	<u>18,153</u>	<u>9,248</u>	<u>(8,358)</u>	<u>81,060</u>	<u>347,744</u>	<u>5,338</u>	<u>353,082</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 2018)

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 - unaudited**

	(Unaudited) 6 months ended 30-Jun-2019 RM'000	(Unaudited) 6 months ended 30-Jun-2018 RM'000
Profit before tax		
- Continuing operations	7,035	5,099
- Discontinued operation	-	-
	7,035	5,099
Adjustment for non-cash items:		
Operating items	5,554	6,416
Investing items	1,071	1,758
Operating profit before changes in working capital	13,660	13,273
Changes in Working Capital:		
Inventories	1,808	(1,113)
Receivables	14,002	(31,447)
Payables	(24,379)	(4,175)
Property development	3,784	(1,455)
Construction contracts	6,197	4,234
Cash generated from operating activities	15,072	(20,683)
Net tax paid	(2,456)	(1,048)
Interest paid	(2,649)	(3,057)
Net cash generated from operating activities	9,967	(24,788)
Cash Flow from investing activities		
Interest received	1,593	1,306
Purchase of investment property	-	(57)
Proceeds from disposal of property, plant & equipment	3	25
Purchase of property, plant & equipment	(858)	(1,493)
	738	(219)
Cash Flow from financing activities		
Purchase of treasury shares	(2,464)	(7,774)
Disposal of treasury shares	12,578	4,928
Hire Purchase & Lease repayment	(231)	(183)
Net drawdown/(repayment) of bank borrowings	(18,102)	19,586
	(8,219)	26,557
Net change in cash & cash equivalents	2,486	1,550
Cash & cash equivalents at beginning of year	13,184	18,548
Cash & cash equivalents at end of period	15,670	20,098

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2018)

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 - 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 MFRS 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 2018.

**2. Changes in Accounting Policies**

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the annual financial statements of the Group for the year ended 31 December 2018 except for the adoption of the following relevant new MFRSs, amendments to MFRSs and IC interpretations that are effective for annual periods beginning on or after 1 January 2019.

- : MFRS 16 : Leases
- : Amendments to MFRS 9 : Financial Instruments
- : Amendments to MFRS 112 : Income Taxes
- : Amendments to MFRS 119 : Employee Benefits
- : Amendments to MFRS 123 : Borrowing Costs
- : IC Int 23 : Uncertainty over Income Tax Treatments

The adoption of the new MFRSs, amendments to MFRSs and IC Interpretations does not have any material impact on the financial position and results of the Group.

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

The report of the Auditors for the preceding financial year ended 31 December 2018 was not subject to any qualification.

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

**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 - unaudited**

**4. Segmental Information**

Analysis of the Group's results by business segments:

	Second Quarter		Cumulative Quarter	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
<b>Segment Revenue</b>				
Fire Services	25,072	24,306	51,787	47,527
Property Development & Construction	7,419	19,484	16,621	36,356
Renewable & Waste-To-Energy	30,362	26,598	55,707	62,883
HYPRO® PVC-O Pipes Manufacturing & Distribution	6,689	4,972	15,841	6,829
Investment holding and others	-	-	-	-
Total revenue including inter-segment sales	69,542	75,360	139,956	153,595
Elimination of inter-segment sales	(908)	(927)	(1,541)	(1,772)
<b>Total</b>	<b>68,634</b>	<b>74,433</b>	<b>138,415</b>	<b>151,823</b>
<b>Segment Result</b>				
Fire Services	900	353	1,883	1,449
Property Development & Construction	3,128	4,475	6,391	8,599
Renewable & Waste-To-Energy	(570)	(1,220)	(1,237)	(2,274)
HYPRO® PVC-O Pipes Manufacturing & Distribution	226	(154)	580	(1,885)
Investment holding and others	823	(683)	635	(953)
Total result including inter-segment profit	4,507	2,771	8,252	4,936
Elimination of inter-segment profit	(1,409)	300	(1,217)	163
<b>Total</b>	<b>3,098</b>	<b>3,071</b>	<b>7,035</b>	<b>5,099</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 June 2019.



**FITTERS DIVERSIFIED BERHAD**  
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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2019 - unaudited**

**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 2018.

**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 six months ended 30 June 2019, the Company repurchased its issued ordinary shares from the open market totalling 6,026,700 units at an average price of RM0.4144 per share. The total consideration paid for the repurchase including transaction costs was RM2,463,626. The shares repurchased are being held as Treasury Shares in accordance with Section 127 of the Companies Act, 2016.
- (ii) During the period under review, the Company also resale 31,000,000 units of its Treasury Shares via the open market at an average price of RM0.4070 per share. The total shares proceeds for the disposal net of transaction costs was RM12,577,818.

The Company held a total of 11,285,600 units of Treasury Shares as at 30 June 2019 at a value of RM4,565,084.

**11. Subsequent Event**

There was no material event subsequent to the financial quarter ended 30 June 2019.

**12. Changes in Composition of the Group**

There was no change in the composition of the Group during the financial period under review.

**13. Capital Commitments**

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 June 2017 is as follows:

	<b>RM'000</b>
Approved and contracted for : Property, plant and equipment	871
	871

**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	306,395
Corporations for trade credit facilities granted to subsidiary companies	150,910
	457,305

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

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

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

**1. Performance Review**

For the quarter ended 30 June 2019, the Group recorded a decline in revenue by 7.8% to RM68.6 million from RM74.4 million. However profit before tax has a marginal increase of 0.9% to RM3.1 million from RM3.07 million as compared to the previous corresponding quarter ended 30 June 2018.

For the 6 months under review, the Group recorded a decline in revenue by 8.8% to RM138.4 million from RM151.8 million. However, profit before taxation increased by 38% to RM7.0 million from RM5.1 million as compared to the preceding financial period ended 30 June 2018.

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

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

	Second Quarter			Cumulative Quarter		
	30/06/2019	30/06/2018	Changes	30/06/2019	30/06/2018	Changes (%)
Revenue	25,072	24,306	3.2%	51,787	47,527	9.0%
Profit/(loss) before tax	900	353	155.0%	1,883	1,449	30.0%

During the quarter ended 30 June 2019, the Fire Services Division posted an increase in revenue by 3.2% and profit before tax by 155.0% as compared to the previous year same quarter. For the cumulative financial period, both revenue and profit before tax recorded an increased of 9% & 30% respectively.

The increase in profit before tax was mainly due to recognition of project variation order from the Engineering services business.

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

	Second Quarter			Cumulative Quarter		
	30/06/2019	30/06/2018	Changes	30/06/2019	30/06/2018	Changes (%)
Revenue	7,419	19,484	-61.9%	16,621	36,356	-54.3%
Profit before tax	3,128	4,475	-30.1%	6,391	8,599	-25.7%

During the second quarter, both revenue and profit before tax recorded a decline by 61.9% and 30.1% respectively as compared to the previous year same quarter. For the cumulative financial period, both revenue and profit before tax declined by 54.3% and 25.7% respectively.

The decline was mainly due to the tail-end construction progress of the Azalea project.

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS  
OF BURSA MALAYSIA SECURITIES BERHAD**
**1. Performance Review (continued)**
**(iii) Business segment: Renewable & Waste-To-Energy (RM'000)**

	Second Quarter			Cumulative Quarter		
	30/06/2019	30/06/2018	Changes	30/06/2019	30/06/2018	Changes (%)
Revenue	30,362	26,598	14.2%	55,707	62,883	-11.4%
(Loss)/profit before tax	(570)	(1,220)	-	(1,237)	(2,274)	-

The Renewable & Waste-to-Energy Division recorded an increase in revenue by 14.2% to RM30.4 million and a lower loss before tax of RM0.6 million for the current quarter as compared to RM1.2 million in previous year same quarter.

For the cumulative year, the division recorded RM55.7 million in revenue, a decline of 11.4% and a lower loss before tax of RM1.2 million as compared to RM2.3 million in the previous financial period.

The decline in revenue for the cumulative quarter is primarily due to the decline in crude palm oil and palm kernel price by 20% and 37% respectively as compared to previous corresponding period and lower crop trend as experienced in the area we are operating.

However, the 2 Megawatt Biogas Power generation facility which commenced operation at end of first quarter 2018 had contributed positively, hence, lowered the loss before tax for cumulative quarter as compared to the previous year.

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

	Second Quarter			Cumulative Quarter		
	30/06/2019	30/06/2018	Changes	30/06/2019	30/06/2018	Changes (%)
Revenue	6,689	4,972	34.5%	15,841	6,829	132.0%
Profit/(loss) before tax	226	(154)	-	580	(1,885)	-

HYPRO<sup>®</sup> PVC-O Pipes Manufacturing & Distribution Division recorded a revenue of RM6.7 million, an increase of 34.5% and registered a profit before tax of RM0.2 million as compared to a loss of RM0.2 million the previous corresponding quarter.

For the cumulative financial period, the division recorded RM15.8 million in revenue, an increase of 132% and a profit before tax of RM0.6 million as compared to a loss of RM1.9 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	
	30/06/2019	31/03/2019	Amount	%
Profit/(loss) before taxation	3,098	3,937	(839)	-21.3%

The material changes are mainly due to the following :

- i.) Fire Services division which recorded a profit of RM0.9 million as compared to RM0.98 million in the previous quarter due to decrease in margin from its trading and Computerised Fire Alarm Monitoring Systems business.
- ii.) Property, Development & Construction division which recorded a profit of RM3.1 million as compared to RM3.3 million in the previous quarter due to the tail-end construction progress of the Azalea project.
- iii.) Renewable & Waste-To-Energy Division recorded an almost similar level results with a loss of RM0.6 million as compared to previous quarter loss of RM0.7 million.
- iii.) HYPRO<sup>®</sup> PVC-O Pipes Manufacturing & Distribution Division recorded a profit of RM0.2 million as compared to RM0.4 million in the previous quarter due to lower 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 operate continues in cautious sentiment, characterised by short and medium term uncertainties as experienced by the general market. The Group continues to monitor closely the market conditions and put in place prudent business development strategies to ensure its resilience 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 at the tail end of its progress (the infrastructure stage) of the RM97.8 million Phase 1 Project Management & Construction contract which has contributed substantially to the Group's turnover and profitability for FY 2018 and expected to contribute positively for current Financial Year. The Project Management and Construction contract for Phase 2 of Taman Putra project valued at RM81.5million is expected to commence in the second half of 2019 where approvals from the authorities is still being sought progressively.

The palm oil mill while continuing with its stringent operation measures has progressed to install/upgrade relevant equipment to further improve efficiency. An additional de-oiling tank for the recovery of sludge oil has been commissioned while substantial expenses have been incurred to upgrade critical equipment at the Dry Long Fibre plant towards turning around this section of the operations. The 2 Megawatt Biogas Power generation facility which was commissioned and operating since first quarter of 2018 continues to generate revenue and contribute to the Group's performance. The team is monitoring the performance of the gas engines very closely to reap the full potential output. With the exception of downtime due to breakdown and schedule maintenance of the equipment which saw decrease in revenue, the Biogas plant continues to show potential of providing a steady revenue stream for the division.

The Sendayan medical waste treatment facility has also been a subject of strict compliance to legislation by the authorities has resulted in operational costs increase. The medical waste market (for non-concessionaires) is highly regulated and competitive. Operations are being rationalised with the management engaging the authorities to make a case for F-NRG's ozonation process which is cleaner and environmental friendly as compared to the incineration process. The management is engaging with the Ministry to come to a compromise with respect to new requirements imposed by the DOE, the strict compliance of which, may impact the operations of the Sendayan financially.

Molecor's innovative HYPRO® PVC-O pipes have garnered an increasingly strong recognition across ten states in Malaysia, with over 500 km of pipes installed and in service to-date. The product has also earned the approvals by Suruhanjaya Perkhidmatan Air Negara (SPAN) and adopted widely by water operators namely Ranhill SAJ, Syarikat Air Negeri Sembilan (SAINS) and Air Kelantan Sdn Bhd. Molecor continues to intensify its efforts to engage with the relevant authorities for wider state acceptance and to expand its reach to other sectors; in support of the Government's efforts to reduce the national Non-Revenue-Water (NRW) rate through the pipeline replacement and rehabilitation programs.

The fire services sector continues to face challenges of new players in the market with a slowdown in the building and construction sector. Competition for new projects are intense, hence affecting gross margins. The division will continue to put in concerted efforts to increase its revenue stream through greater participation in cross sector projects.

With the prevailing market conditions, the Group remains cautious but optimistic about its prospects for the year.

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

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

**4. Profit Forecast or Profit Guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

**5. Income Tax Expense**

	Second Quarter		Cumulative Quarter	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	1,204	1,379	2,424	2,785
- Prior year	-	(3)	-	1
	1,204	1,376	2,424	2,786
Deferred tax	(101)	3	90	(29)
Total income tax expense	1,103	1,379	2,514	2,757

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.

Pursuant to the provisions of the By-Laws of LTIP, on 9 November 2018, the board had approved to extend the duration of the LTIP for another five (5) years immediately from the Expiry Date. The extended LTIP will now expire on 11 November 2023.

**(b) Status of Utilisation of Proceeds Raised from Corporate Proposal**

There was no corporate proposal involving fund raising.

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

**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 30/06/2019 RM'000</b>	<b>As at 31/12/2018 RM'000</b>
<b>Short term borrowings</b>		
Secured		
Term Loans	20,348	28,362
Finance lease liabilities	411	393
Bank overdrafts	2,822	1,839
Bankers acceptance	17,725	17,503
Revolving credits	27,145	27,145
Unsecured		
Bank overdrafts	891	458
Bankers acceptance	7,036	7,580
Revolving credits	-	-
	<u>76,378</u>	<u>83,280</u>
<b>Long term borrowings</b>		
Secured		
Term Loans	33,568	43,067
Finance lease liabilities	570	606
	<u>34,138</u>	<u>43,673</u>

The above include borrowings denominated in foreign currency as follows:

	<b>As at 30/06/2019 RM'000</b>	<b>As at 31/12/2018 RM'000</b>
Euro	<u>355</u>	<u>1,189</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 June 2019.

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**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.

	Second Quarter		Cumulative Quarter	
	30/06/2019	30/06/2018	30/06/2019	30/06/2018
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) attributable to ordinary equity holders of the Company	1,981	1,798	4,444	3,184
Adjusted weighted average number of ordinary shares in issue 473,956,387 (2018: 448,587,877) ('000)	473,956	448,588	473,956	448,588
Basic earnings/(loss) per share (sen)	0.42	0.40	0.94	0.71

**(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. Authorisation for Issue**

The interim financial statements for the period ended 30 June 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 27 August 2019.

**FITTERS DIVERSIFIED BERHAD**

**DATO' WONG SWEE YEE**  
**MANAGING DIRECTOR**  
Kuala Lumpur  
27 August 2019