



FITTERS DIVERSIFIED BERHAD

Registration No: 198601000595 (149735-M)

(Incorporated in Malaysia)

Interim Financial Report

31 December 2019

FITTERS DIVERSIFIED BERHAD
Registration No. 198601000595 (149735-M)

ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2019

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 31 December 2019.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019 - unaudited**

	FOURTH QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Dec-2019 RM'000	31-Dec-2018 RM'000	31-Dec-2019 RM'000	31-Dec-2018 RM'000
Revenue	64,860	100,373	261,755	350,733
Cost of sales	(54,322)	(83,137)	(216,620)	(293,299)
Gross profit	10,538	17,236	45,135	57,434
Interest income	1,032	925	3,672	2,897
Other income	508	1,255	2,003	1,895
Selling and marketing expenses	(452)	(1,116)	(2,702)	(3,587)
Impairment loss on receivables	(2,037)	1,236	(2,098)	(558)
Administrative expenses	(6,585)	(5,321)	(21,184)	(20,528)
Depreciation and amortisation	(2,537)	(2,888)	(10,721)	(10,656)
Forex gain/ (loss)	85	90	187	219
Finance costs	(1,312)	(1,497)	(5,382)	(6,081)
(Loss)/profit before tax	(760)	9,920	8,910	21,035
Income tax expense	(1,361)	(2,586)	(4,508)	(6,693)
(Loss)/profit for the financial period	(2,121)	7,334	4,402	14,342
Other comprehensive profit/(loss)	5	3	4	(17)
Total comprehensive (loss)/profit for the financial period	(2,116)	7,337	4,406	14,325
Profit/(loss) attributable to :				
Owners of the Company	(1,953)	7,479	4,630	15,657
Non-controlling interests	(168)	(145)	(228)	(1,315)
	(2,121)	7,334	4,402	14,342
Earnings/(loss) per share attributable to owners of the Company :				
Basic (sen)	(0.42)	1.68	0.99	3.52

(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

Registration No. 198601000595 (149735-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	(Unaudited) AS AT END OF CURRENT QUARTER 31-Dec-2019 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	242,215	251,914
Investment properties	1,305	1,342
Intangible assets	5,528	5,606
Investment securities	106	105
Trade and other receivables	38,537	32,569
Deferred tax assets	271	398
Total non-current assets	287,962	291,934
Current assets		
Inventories	125,696	132,517
Current tax assets	1,165	1,306
Trade and other receivables	98,460	133,508
Contract assets	18,732	26,487
Investment securities	-	1
Deposits, cash and bank balances	15,034	15,481
Total current assets	259,087	309,300
TOTAL ASSETS	547,049	601,234

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	(Unaudited) AS AT END OF CURRENT QUARTER 31-Dec-2019 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2018 RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	71,155	83,245
Current tax liabilities	463	2,675
Trade and other payables	47,934	78,803
Other current liabilities	5,302	5,771
	124,854	170,494
Net current assets	134,233	138,806
Non-current liabilities		
Loans and borrowings	24,249	43,976
Deferred tax liabilities	5,289	5,370
	29,538	49,346
TOTAL LIABILITIES	154,392	219,840
NET ASSETS	392,657	381,394
Equity attributable to owners of the Company		
Share Capital	240,662	240,471
Treasury Shares	(7,823)	(14,489)
Revaluation Reserve	34,600	34,600
Capital Reserve	7,275	7,275
Exchange Reserve	528	524
Retained Earnings	104,039	99,409
	379,281	367,790
Non-controlling interests	13,376	13,604
Total equity	392,657	381,394
TOTAL EQUITY AND LIABILITES	547,049	601,234
Net Assets per Share (RM) **	0.8228	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

Registration No. 198601000595 (149735-M)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019 - unaudited

	[----- Attributable to owners of the Company -----]								
	[----- Non-distributable -----]				[----- Distributable -----]			Non-Controlling Interests	Total Equity
	Share Capital	Capital Reserve	Revaluation Reserve	Exchange Reserve	Treasury Shares	Retained Earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<u>12 months ended 31 December 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/(loss)	-	-	-	4	-	4,630	4,634	(228)	4,406
Treasury shares acquired	-	-	-	-	(5,721)	-	(5,721)	-	(5,721)
Treasury shares disposed	191	-	-	-	12,387	-	12,578	-	12,578
Balance as at 31 December 2019	<u>240,662</u>	<u>7,275</u>	<u>34,600</u>	<u>528</u>	<u>(7,823)</u>	<u>104,039</u>	<u>379,281</u>	<u>13,376</u>	<u>392,657</u>
<u>12 months ended 31 December 2018</u>									
Balance as at 1 January 2018	240,366	7,275	23,040	541	(11,663)	84,499	344,058	4,078	348,136
Total comprehensive income/ (loss)	-	-	11,654	(17)	-	15,657	27,294	(1,315)	25,979
Treasury shares acquired	-	-	-	-	(13,976)	-	(13,976)	-	(13,976)
Treasury shares disposed	105	-	-	-	11,150	-	11,255	-	11,255
Share subscription by Minority Shareholder during the year	-	-	-	-	-	-	-	10,000	10,000
Dilution of non-controlling interests	-	-	-	-	-	(841)	(841)	841	-
Realisation of revaluation reserve	-	-	(94)	-	-	94	-	-	-
Balance as at 31 December 2018	<u>240,471</u>	<u>7,275</u>	<u>34,600</u>	<u>524</u>	<u>(14,489)</u>	<u>99,409</u>	<u>367,790</u>	<u>13,604</u>	<u>381,394</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
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019 - unaudited

	(Unaudited) 12 months ended 31-Dec-2019 RM'000	(Unaudited) 12 months ended 31-Dec-2018 RM'000
Profit before tax		
- Continuing operations	8,910	21,035
- Discontinued operation	-	-
	8,910	21,035
Adjustment for non-cash items:		
Operating items	14,161	10,630
Investing items	1,746	3,220
Operating profit before changes in working capital	24,817	34,885
Changes in Working Capital:		
Inventories	7,278	1,492
Receivables	24,530	(44,852)
Payables	(30,634)	22,784
Property development	2,031	1,558
Construction contracts	7,286	(8,156)
Cash generated from operating activities	35,308	7,711
Net tax paid	(6,532)	(4,660)
Interest paid	(5,382)	(6,081)
Net cash generated from operating activities	23,394	(3,030)
Cash Flow from investing activities		
Interest received	3,672	2,897
Purchase of investment property	-	(57)
Proceeds from disposal of property, plant & equipment	72	25
Purchase of property, plant & equipment	(1,187)	(4,188)
	2,557	(1,323)
Cash Flow from financing activities		
Purchase of treasury shares	(5,721)	(13,976)
Disposal of treasury shares	12,578	11,255
Net proceed from issuance of shares to non-controlling interest	-	10,000
Hire Purchase & Lease repayment	(501)	(386)
Net drawdown/(repayment) of bank borrowings	(32,624)	(7,916)
	(26,268)	(1,023)
Net change in cash & cash equivalents	(317)	(5,376)
Cash & cash equivalents at beginning of year	13,184	18,548
Effect of foreign exchange rate changes on cash and cash equivalents	5	12
Cash & cash equivalents at end of period	12,872	13,184

(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
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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2019 - unaudited

4. Segmental Information

Analysis of the Group's results by business segments:

	Fourth Quarter		Cumulative Quarter	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Fire Services	24,386	35,485	97,818	115,661
Property Development & Construction	14,135	25,301	37,666	87,022
Renewable & Waste-To-Energy	20,879	30,830	102,443	134,031
HYPRO® PVC-O Pipes Manufacturing & Distribution	6,605	9,659	27,099	17,796
Investment holding and others	-	-	-	-
Total revenue including inter-segment sales	66,005	101,275	265,026	354,510
Elimination of inter-segment sales	(1,145)	(902)	(3,271)	(3,777)
Total	64,860	100,373	261,755	350,733
Segment Result				
Fire Services	(68)	1,939	2,541	3,939
Property Development & Construction	3,577	7,828	13,166	22,041
Renewable & Waste-To-Energy	(5,888)	(1,314)	(7,543)	(1,783)
HYPRO® PVC-O Pipes Manufacturing & Distribution	6	69	230	(2,921)
Investment holding and others	(50)	673	406	(764)
Total result including inter-segment profit	(2,423)	9,195	8,800	20,512
Elimination of inter-segment profit	1,663	725	110	523
Total	(760)	9,920	8,910	21,035

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 31 December 2019.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 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 year ended 31 December 2019, the Company repurchased its issued ordinary shares from the open market totalling 14,248,100 units at an average price of RM0.4016 per share. The total consideration paid for the repurchase including transaction costs was RM5,721,790. The shares repurchased are being held as Treasury Shares in accordance with Section 127 of the Companies Act, 2016.
- (ii) During the year 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 19,507,000 units of Treasury Shares as at 31 December 2019 at a value of RM7,823,248.

11. Subsequent Event

There was no material event subsequent to the financial quarter ended 31 December 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 31 December 2019 is as follows:

	RM'000
Approved and contracted for : Property, plant and equipment	<u>205</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	307,594
Corporations for trade credit facilities granted to subsidiary companies	<u>139,100</u>
	<u>446,694</u>

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

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

1. Performance Review

For the quarter ended 31 December 2019, the Group recorded a decline in revenue by 35.4% to RM64.9 million from RM100.3 million and a loss before tax of RM0.8 million as compared to profit before tax of RM9.9 million recorded in the previous corresponding quarter ended 31 December 2018.

For the 12 months under review, the Group recorded a decline in revenue by 25.4% to RM261.7 million from RM350.7 million and profit before taxation decline by 57.6% to RM8.9 million from RM21.0 million as compared to the preceding financial year ended 31 December 2018.

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		
	31/12/2019	31/12/2018	Changes	31/12/2019	31/12/2018	Changes (%)
Revenue	24,386	35,485	-31.3%	97,818	115,661	-15.4%
(Loss)/profit before tax	(68)	1,939	-103.5%	2,541	3,939	-35.5%

During the quarter ended 31 December 2019, the Fire Services Division posted a decline in revenue and profit before tax by 31.3% and 103.5% respectively as compared to the previous year same quarter. For the cumulative financial period, revenue decline by 15.4% to RM97.8 million from RM115.6 million and profit before tax decline by 35.5% to RM2.5 million from RM3.9 million as compared to the previous corresponding financial period ended 31 December 2018.

The decline was mainly due to slow down in the progress work of a few projects under the Engineering division and intense competition resulting to a lower margin.

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

	Fourth Quarter			Cumulative Quarter		
	31/12/2019	31/12/2018	Changes	31/12/2019	31/12/2018	Changes (%)
Revenue	14,135	25,301	-44.1%	37,666	87,022	-56.7%
Profit before tax	3,577	7,828	-54.3%	13,166	22,041	-40.3%

During the fourth quarter, both revenue and profit before tax recorded a decline by 44.1% and 54.3% respectively as compared of the previous year same quarter. For the cumulative financial period, both revenue and profit before tax declined by 56.7% and 40.3% 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
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1. Performance Review (continued)

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

	Fourth Quarter			Cumulative Quarter		
	31/12/2019	31/12/2018	Changes	31/12/2019	31/12/2018	Changes (%)
Revenue	20,879	30,830	-32.3%	102,443	134,031	-23.6%
(Loss) before tax	(5,888)	(1,314)	-	(7,543)	(1,783)	-

The Renewable & Waste-to-Energy Division recorded a decline in revenue by 32.3% to RM20.9 million from RM30.8 million and a loss before tax of RM5.9 million for the current quarter as compared to RM1.3 million in previous year same quarter.

For the cumulative year, the division recorded RM102.4 million in revenue, a decline of 23.6% and a loss before tax of RM7.5 million as compared to RM1.8 million in the previous financial period.

The decline in revenue primarily due to the decline in crude palm oil and palm kernel price by 13% and 37% respectively as compared to previous corresponding period and lower crop trend as experienced in the area we are operating.

During the quarter, an impairment was made on an investment in Philippine amounting to RM1.6 million and RM2.4 million impairment was made on the Sendayan factory after assessment being done against market value.

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

	Fourth Quarter			Cumulative Quarter		
	31/12/2019	31/12/2018	Changes	31/12/2019	31/12/2018	Changes (%)
Revenue	6,605	9,659	-31.6%	27,099	17,796	52.3%
Profit/(loss) before tax	6	69	-91.3%	230	(2,921)	-

HYPRO® PVC-O Pipes Manufacturing & Distribution Division recorded a revenue of RM6.6 million, an decline of 31.6% and registered a profit before tax of RM6 thousand as compared to a profit before tax of RM69 thousand in the previous corresponding quarter.

For the cumulative financial period, the division recorded RM27 million in revenue, an increase of 52.3% and a profit before tax of RM0.2 million as compared to a loss of RM2.9 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	
	31/12/2019	30/09/2019	Amount	%
Profit/(loss) before taxation	(760)	2,635	(3,395)	-128.8%

The material changes are mainly due to the following :

- i.) Fire Services division which recorded a loss of RM0.07 million as compared to RM0.7 million profit in the previous quarter due to decrease in margin from its trading and Computerised Fire Alarm Monitoring Systems business and slow down in the project progress work of the Engineering business.
- ii.) Renewable & Waste-To-Energy Division recorded a loss of RM5.9 million as compared to previous quarter loss of RM0.4 million due to lower crops and impairment of investment and building amounting to RM1.6 million and RM2.4 million respectively.

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
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The sectors in which the Group operate continues in cautious sentiment. Day to day operations have been affected due to short and medium term uncertainties experienced by, besides the general market, also changes in certain government's policies. As such, the Group has actively engaged the relevant authorities while continuing to monitor closely the market conditions. Prudent business development strategies are employed to ensure resilience and proactively respond to the challenges.

The Group has prioritised its efforts in enhancing the performance of its existing businesses. The property development & construction division, which is at the tail end of its progress (the infrastructure and handover stage) of the RM97.8 million Phase 1 Project Management & Construction contract, as projected, contributed positively to the Group's turnover and profitability for the fourth quarter and the cumulative FY 2019, albeit less than its contribution for the corresponding quarter and overall FY2018. The Project Management and Construction contract for Phase 2 of Taman Putra project valued at RM81.5million which was expected to commence in the 4th Quarter of 2019, has been rescheduled to commence in the first half of 2020 as management endeavours to secure the relevant approvals from the authorities.

The palm oil mill operations experienced a reduction in revenue, which was expected, due to decline in the international crude palm oil and palm kernel prices. The management however continued with its stringent operation measures to further improve efficiency. The 2 Megawatt Biogas Power generation facility which was commissioned and operating since first quarter of 2018 continues to show potential of providing a steady revenue stream for the division.

The medical waste market (for non-concessionaires) is highly regulated and competitive. Operations are being rationalised for cost saving and revenue generation vis-a-vis compliance to requirements of the DOE. The management has engaged the authorities to make a case for F-NRG's ozonation process (which is cleaner and environmental friendly as compared to the incineration process) while debating the relevance and applicability of some new requirements imposed by the authorities during the license renewal exercise.

Molecor has todate successfully installed more than 720 km of HYPRO® PVC-O pipes across Peninsular and East Malaysia. Our innovative HYPRO® PVC-O pipes are well recognised nationwide for superior durability, versatility and cost savings compared to conventional and traditional pipes. Armed with the encouraging industry acceptance thus far, we are now accelerating our efforts to support the nation's objective to advance its water infrastructure sector, including resolving the non-revenue water (NRW) issue through major old pipes replacement programme. Throughout 2019, Molecor succeeded in participating and delivering more than 225 km of pipes with various sizes under the Pengurusan Aset Air Berhad (PAAB) pipe replacement program in Johor and Kelantan. HYPRO® PVC-O pipes had also gained an encouraging demand of usage for the Rural Water Supply Projects in Sabah under the purview of The Ministry of Rural Development in districts such as Semporna, Beaufort and Sandakan. 2019 also marked another significant milestone for HYPRO® PVC-O pipes in Selangor as we received our first approval for usage in a new housing scheme water reticulation system. Such project will further pave market openings for usage of our product in the private sector.

The fire services sector continues to face challenges of new players in the market with a slowdown in the building and construction sector. Keen competition for new projects has resulted in industry players accepting finer margins just to sustain operations. The division will continue to put in concerted efforts to increase its revenue stream through greater participation in cross sector projects. The significant decline in profits was attributed to a one-off litigation settlement over an old unresolved matter, which the group will be pursuing to recoup in the year 2020. Moving forward, the business for the fire services division continues to be relevant to the overall operations and revenue stream of the group in 2020.

With the prevailing market conditions, the Group remains cautious but optimistic about its prospects for the year 2020.

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
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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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	1,352	2,784	4,849	7,305
- Prior year	3	(80)	(388)	(575)
	1,355	2,704	4,461	6,730
Deferred tax	6	(118)	47	(37)
Total income tax expense	1,361	2,586	4,508	6,693

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 31 December 2019:

(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.

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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:

	As at 31/12/2019 RM'000	As at 31/12/2018 RM'000
Short term borrowings		
Secured		
Term Loans	20,175	28,362
Finance lease liabilities	735	393
Bank overdrafts	1,962	1,839
Bankers acceptance	12,072	17,503
Revolving credits	27,045	27,145
Unsecured		
Bank overdrafts	200	458
Bankers acceptance	8,966	7,580
Revolving credits	-	-
	<u>71,155</u>	<u>83,280</u>
Long term borrowings		
Secured		
Term Loans	23,043	43,067
Finance lease liabilities	1,206	606
	<u>24,249</u>	<u>43,673</u>

The above include borrowings denominated in foreign currency as follows:

	As at 31/12/2019 RM'000	As at 31/12/2018 RM'000
Euro	-	1,189

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 31 December 2019.

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
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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.

	Fourth Quarter		Cumulative Quarter	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit attributable to ordinary equity holders of the Company	(1,953)	7,479	4,630	15,657
Adjusted weighted average number of ordinary shares in issue 468,474,130 (2018: 445,276,445) ('000)	468,474	445,276	468,474	445,276
Basic earnings/(loss) per share (sen)	(0.42)	1.68	0.99	3.52

(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 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors on 25 February 2020.

FITTERS DIVERSIFIED BERHAD

DATO' WONG SWEE YEE
MANAGING DIRECTOR
 Kuala Lumpur
 25 February 2020