



FITTERS DIVERSIFIED BERHAD

Registration No: 198601000595 (149735-M)

(Incorporated in Malaysia)

Interim Financial Report

31 March 2020

FITTERS DIVERSIFIED BERHAD

Registration No. 198601000595 (149735-M)

ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 31 March 2020.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 - unaudited

	FIRST QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Mar-2020 RM'000	31-Mar-2019 RM'000	31-Mar-2020 RM'000	31-Mar-2019 RM'000
Revenue	54,042	69,781	54,042	69,781
Cost of sales	(53,178)	(56,915)	(53,178)	(56,915)
Gross profit	864	12,866	864	12,866
Interest income	933	707	933	707
Other income	362	497	362	497
Selling and marketing expenses	(448)	(1,207)	(448)	(1,207)
Impairment loss on receivables	(13)	(106)	(13)	(106)
Administrative expenses	(4,260)	(4,706)	(4,260)	(4,706)
Depreciation and amortisation	(2,703)	(2,795)	(2,703)	(2,795)
Forex gain/ (loss)	3	12	3	12
Finance costs	(1,130)	(1,331)	(1,130)	(1,331)
Operating (loss)/profit before exceptional items	(6,392)	3,937	(6,392)	3,937
Exceptional items	-	-	-	-
(Loss)/profit before tax	(6,392)	3,937	(6,392)	3,937
Income tax expense	(469)	(1,411)	(469)	(1,411)
(Loss)/profit for the financial period	(6,861)	2,526	(6,861)	2,526
Other comprehensive (loss)	(7)	(14)	(7)	(14)
Total comprehensive (loss)/profit for the financial period	(6,868)	2,512	(6,868)	2,512
(Loss)/profit attributable to :				
Owners of the Company	(6,440)	2,463	(6,440)	2,463
Non-controlling interests	(421)	63	(421)	63
	(6,861)	2,526	(6,861)	2,526
(Losses)/earnings per share attributable to owners of the Company :				
Basic (sen)	(1.40)	0.52	(1.40)	0.52

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019 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 MARCH 2020**

	(Unaudited) AS AT END OF CURRENT QUARTER 31-Mar-2020 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	227,279	229,518
Investment properties	1,297	1,305
Right-of-use assets	12,697	12,912
Intangible assets	5,509	5,528
Investment securities	106	105
Deferred tax assets	258	272
Trade and other receivables	40,221	38,537
Total non-current assets	287,367	288,177
Current assets		
Inventories	126,392	125,696
Current tax assets	1,348	1,005
Trade and other receivables	95,825	96,450
Contract assets	5,543	21,936
Investment securities	1	1
Deposits, cash and bank balances	17,030	15,033
Total current assets	246,139	260,121
TOTAL ASSETS	533,506	548,298

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	(Unaudited) AS AT END OF CURRENT QUARTER 31-Mar-2020 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2019 RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	74,626	71,440
Current tax liabilities	91	370
Trade and other payables	46,354	49,607
Other current liabilities	9,726	7,257
	130,797	128,674
Net current assets	115,342	131,447
Non-current liabilities		
Loans and borrowings	22,097	24,587
Deferred tax liabilities	5,311	5,150
	27,408	29,737
TOTAL LIABILITIES	158,205	158,411
NET ASSETS	375,301	389,887
Equity attributable to owners of the Company		
Share Capital	240,662	240,662
Treasury Shares	(15,541)	(7,823)
Revaluation Reserve	34,354	34,354
Capital Reserve	1,360	1,360
Exchange Reserve	521	528
Retained Earnings	100,948	107,388
	362,304	376,469
Non-controlling interests	12,997	13,418
Total equity	375,301	389,887
TOTAL EQUITY AND LIABILITES	533,506	548,298
Net Assets per Share (RM) **	0.8348	0.8167

** 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 2019)

FITTEES DIVERSIFIED BERHAD

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CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 - 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>3 months ended 31 March 2020</u>									
Balance as at 1 January 2020	240,662	1,360	34,354	528	(7,823)	107,388	376,469	13,418	389,887
Total comprehensive income/(loss)	-	-	-	(7)	-	(6,440)	(6,447)	(421)	(6,868)
Treasury shares acquired	-	-	-	-	(7,718)	-	(7,718)	-	(7,718)
Treasury shares disposed	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2020	<u>240,662</u>	<u>1,360</u>	<u>34,354</u>	<u>521</u>	<u>(15,541)</u>	<u>100,948</u>	<u>362,304</u>	<u>12,997</u>	<u>375,301</u>
<u>3 months ended 31 March 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)	-	-	-	(14)	-	2,463	2,449	63	2,512
Treasury shares acquired	-	-	-	-	(1,111)	-	(1,111)	-	(1,111)
Treasury shares disposed	191	-	-	-	12,387	-	12,578	-	12,578
Balance as at 31 March 2019	<u>240,662</u>	<u>7,275</u>	<u>34,600</u>	<u>510</u>	<u>(3,213)</u>	<u>101,872</u>	<u>381,706</u>	<u>13,667</u>	<u>395,373</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 2019)

FITTERS DIVERSIFIED BERHAD

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 - unaudited**

	(Unaudited) 3 months ended 31-Mar-2020 RM'000	(Unaudited) 3 months ended 31-Mar-2019 RM'000
Profit/ (Loss) before tax		
- Continuing operations	(6,392)	3,937
- Discontinued operation	-	-
	<u>(6,392)</u>	<u>3,937</u>
Adjustment for non-cash items:		
Operating items	2,710	2,872
Investing items	205	632
Operating profit before changes in working capital	<u>(3,477)</u>	<u>7,441</u>
Changes in Working Capital:		
Inventories	(276)	(236)
Receivables	(1,047)	2,982
Payables	(3,253)	(17,364)
Property development	(420)	2,584
Construction contracts	18,862	9,120
Cash generated from operating activities	<u>10,389</u>	<u>4,527</u>
Net tax paid	(916)	(1,265)
Interest paid	<u>(1,130)</u>	<u>(1,331)</u>
Net cash generated from operating activities	<u>8,343</u>	<u>1,931</u>
Cash Flow from investing activities		
Interest received	933	707
Purchase of property, plant & equipment	(24)	(105)
	<u>909</u>	<u>602</u>
Cash Flow from financing activities		
Purchase of treasury shares	(7,718)	(1,111)
Disposal of treasury shares	-	12,578
Hire Purchase & Lease repayment	(490)	(105)
Net drawdown/(repayment) of bank borrowings	(475)	(10,006)
	<u>(8,683)</u>	<u>1,356</u>
Net change in cash & cash equivalents	569	3,889
Cash & cash equivalents at beginning of year	12,871	13,184
Effect of foreign exchange rate changes on cash and cash equivalents	(7)	-
Cash & cash equivalents at end of period	<u>13,433</u>	<u>17,073</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2019)

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 - 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 2019.

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 2019 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 2020.

- : MFRS 3 : Business Combinations
- : MFRS 7 : Financial Instruments : Disclosures
- : MFRS 9 : Financial Instruments
- : MFRS 101 : Presentations of Financial Statements
- : MFRS 108 : Accounting Policies, Changes in Accounting Estimate and Errors
- : MFRS 139 : Financial Instruments : Recognition and Measurement

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 2019 was not subject to any qualification.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 - unaudited

4. Segmental Information

Analysis of the Group's results by business segments:

	First Quarter		Cumulative Quarter	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Fire Services	20,348	26,715	20,348	26,715
Property Development & Construction	581	9,202	581	9,202
Renewable & Waste-To-Energy	34,393	25,345	34,393	25,345
HYPRO® PVC-O Pipes Manufacturing & Distribution	268	9,152	268	9,152
Investment holding and others	-	-	-	-
Total revenue including inter-segment sales	55,590	70,414	55,590	70,414
Elimination of inter-segment sales	(1,548)	(633)	(1,548)	(633)
Total	54,042	69,781	54,042	69,781
Segment Result				
Fire Services	(494)	983	(494)	983
Property Development & Construction	121	3,263	121	3,263
Renewable & Waste-To-Energy	(4,655)	(667)	(4,655)	(667)
HYPRO® PVC-O Pipes Manufacturing & Distribution	(846)	354	(846)	354
Investment holding and others	(275)	(188)	(275)	(188)
Total result including inter-segment profit	(6,149)	3,745	(6,149)	3,745
Elimination of inter-segment profit	(243)	192	(243)	192
Total	(6,392)	3,937	(6,392)	3,937

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

On 9 March 2020, the Board of Directors of the Company has approved an Interim Single-Tier Dividend in specie by way of distribution of treasury shares to the shareholders of FITTERS on the basis of 1 treasury share for every 15 existing shares held in respect of the financial year ending 31 December 2020.

The share dividend was distributed on 17 April 2020.

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EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 - 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 2019.

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 period ended 31 March 2020, the Company repurchased its issued ordinary shares from the open market totalling 26,984,000 units at an average price of RM0.2860 per share. The total consideration paid for the repurchase including transaction costs was RM7,718,115. The shares repurchased are being held as Treasury Shares in accordance with Section 127 of the Companies Act, 2016.

The Company held a total of 46,491,000 units of Treasury Shares as at 31 March 2020 at a value of RM15,541,363.

11. Subsequent Event

On 16 March 2020, the Malaysian Government had imposed Movements Control Order (MCO) starting from 18 March 2020 to curb the spread of the Covid-19 outbreak in Malaysia.

Under the MCO, FITTERS's operation except Renewable & Waster-To-Energy division were closed and only partially open on 12 May 2020. This had adversely impact on the Group's sales, operations and supply chain.

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 March 2020 is as follows:

	RM'000
Approved and contracted for : Property, plant and equipment	85

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	300,125
Corporations for trade credit facilities granted to subsidiary companies	139,100
	439,225

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 March 2020, the Group recorded a decline in revenue by 22.6% to RM54.0 million from RM69.8 million and a loss before tax of RM6.4 million as compared to profit before tax of RM3.9 million recorded in the previous corresponding quarter ended 31 March 2019.

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

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

	First Quarter			Cumulative Quarter		
	31/03/2020	31/03/2019	Changes	31/03/2020	31/03/2019	Changes (%)
Revenue	20,348	26,715	-23.8%	20,348	26,715	-23.8%
(Loss)/profit before tax	(494)	983	-	(494)	983	-

During the quarter ended 31 March 2020, the Fire Services Division posted a decline in revenue by 23.8% to RM20.3 million from RM26.7 million and a loss before tax of RM0.5 million as compared to a profit before tax of RM1.0 million recorded in the previous year same quarter.

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 sales and margin, compounded by delay in certification for work done during the MCO.

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

	First Quarter			Cumulative Quarter		
	31/03/2020	31/03/2019	Changes	31/03/2020	31/03/2019	Changes (%)
Revenue	581	9,202	-93.7%	581	9,202	-93.7%
Profit before tax	121	3,263	-96.3%	121	3,263	-96.3%

During the quarter ended 31 March 2020, both revenue and profit before tax recorded a decline by 93.7% and 96.3% respectively as compared of the previous year same quarter.

The decline was mainly due to the tail-end construction progress of the Azalea project and delays in approvals for work done during the MCO.

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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)

	First Quarter			Cumulative Quarter		
	31/03/2020	31/03/2019	Changes	31/03/2020	31/03/2019	Changes (%)
Revenue	34,393	25,345	35.7%	34,393	25,345	35.7%
(Loss) before tax	(4,655)	(667)	-	(4,655)	(667)	-

The Renewable & Waste-to-Energy Division recorded an increase in revenue by 35.7% to RM34.4 million from RM25.3 million and a higher loss before tax of RM4.7 million for the current quarter as compared to RM0.7 million in previous year same quarter.

Loss of RM3.2 million is due to a lower OER extraction rate caused by the extreme weather in Northern Peninsula and RM1.5 million spent on parts replacement expenses.

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

	First Quarter			Cumulative Quarter		
	31/03/2020	31/03/2019	Changes	31/03/2020	31/03/2019	Changes (%)
Revenue	268	9,152	-97.1%	268	9,152	-97.1%
Profit/(loss) before tax	(846)	354	-	(846)	354	-

HYPRO® PVC-O Pipes Manufacturing & Distribution Division recorded a revenue of RM0.3 million, a decline of 97.1% and registered a loss before tax of RM0.8 million as compared to a profit before tax of RM0.4 million in the previous corresponding quarter.

Tender specifications activities and contracts awards were delayed during the MCO. Most of Molecor's pipeline consists of Government-driven projects; which are facing challenges amidst the Covid-19 pandemic and current political situation.

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	
	31/03/2020	31/12/2019	Amount	%
Profit/(loss) before taxation	(6,392)	(760)	(5,632)	741.1%

The material changes are mainly due to the following :

- i.) Fire Services division which recorded a loss of RM0.5 million as compared to RM0.07 million loss 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 and delay in certification for work done during the MCO.
- ii.) Property, Development & Construction division which recorded a profit of RM0.1 million as compared to RM3.6 million in the previous quarter as the construction progress of the Azalea project is at its tail-end and delay in approvals during the MCO.
- ii.) Renewable & Waste-To-Energy Division recorded a loss of RM4.7 million as compared to previous quarter loss of RM5.9 million due to lower production OER and parts replacements expenses while in the previous quarter, the loss was due to impairment of investment and building amounting to RM1.6 million and RM2.4 million respectively.
- i.) HYPRO® PVC-O Pipes Manufacturing & Distribution Division recorded a loss of RM0.8 million as compared to profit of RM6 thousand in the previous quarter due to delays in tender specifications and awards amidst the Covid-19 pandemic and political situation.

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**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD****3. Commentary of Prospects**

The economic uncertainties resulted from the Covid-19 pandemic faced by the entire business world has posed unprecedented challenges to the Group. However the management has taken immediate actions on cost rationalisation and business protection measures to mitigate downside to the minimal and controllable level.

The building and construction sector which has been facing a slowdown is adversely affected by the pandemic. The fire services sector, being dependent on building and construction activities is impacted by the MCO which had caused certification of work done to be delayed. The division will make every effort to catch-up on its order book work progress through the year to generate revenue and profitability.

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, is expected to contribute to the Group's turnover for FY 2020. Project Management and Construction contract for Phase 2 of Taman Putra project valued at RM81.5 million which has been scheduled to commence in the first half of 2020, has been deferred due to delay in obtaining the relevant approvals from the authorities as the decision process was disrupted by the MCO situation.

The palm oil mill and power generation operations under Solid Orient Holdings Sdn Bhd (SOH) and Future Biomass Gasification Sdn Bhd (FBG) respectively posted an increase in revenue for the first quarter 2020. The management will continue with its efforts to further improve its efficiency. The 2 Megawatt Biogas Power generation continues to show potential of providing a steady revenue stream for the division albeit at a lower rate as the management took the opportunity of the overall economic slowdown to carry out one-off repairs and periodic maintenance of the gas engines through a phase by phase shutdown. The revenue stream from FBG is expected to steadily improve through the remaining period of 2020 as energy generation is not expected to be affected by the overall economic slowdown caused by the pandemic.

The medical waste market (for non-concessionaires) continues to be strictly regulated by the authorities and highly competitive. The management has endeavoured to rationalise operations commercially vis-à-vis within the regulatory guidelines imposed by the DOE. Towards achieving the dateline for compliance of certain conditions to enable renewal of the operating licences, the management had continuously 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 reasoning the relevance and applicability of some new requirements imposed by the authorities. With the onset of the pandemic, the operations of the Sendayan treatment plant has been thrust into the forefront when the continued operations was classified as "essential Services". The management shall follow through and work with the relevant authorities towards enabling increased revenue generation to sustain operations.

Molecor had, until the end of 2019, made notable progress in the pipe industry with installation of more than 720 km of HYPRO® PVC-O pipes across Peninsular and East Malaysia. The move by the authorities and industry players in recognition of HYPRO® PVC-O pipes for superior durability, versatility and cost savings compared to conventional and traditional pipes was encouraging. While the management was aggressively making efforts in formalising the approvals and licensing from the authorities for installation in new projects, the onslaught of the pandemic and overall political changes have caused the delays in the awards and implementation of several projects in various states. Nevertheless, the Management is confident that the company is well positioned for a revenue and profitability growth in the local pipe market towards the later part of 2020.

With the extremely challenging market conditions amidst the political uncertainty, the Group remains cautious 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

	First Quarter		Cumulative Quarter	
	31/03/2020 RM'000	31/03/2019 RM'000	31/03/2020 RM'000	31/03/2019 RM'000
Income tax				
- Current year	293	1,220	293	1,220
- Prior year	-	-	-	-
	293	1,220	293	1,220
Deferred tax	176	191	176	191
Total income tax expense	469	1,411	469	1,411

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 March 2020:

(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 31/03/2020 RM'000	As at 31/12/2019 RM'000
Short term borrowings		
Secured		
Term Loans	18,375	20,175
Finance lease liabilities	1,003	1,020
Bank overdrafts	2,740	1,962
Bankers acceptance	17,927	12,072
Revolving credits	26,945	27,045
Unsecured		
Bank overdrafts	857	200
Bankers acceptance	6,779	8,966
Revolving credits	-	-
	<u>74,626</u>	<u>71,440</u>
Long term borrowings		
Secured		
Term Loans	21,070	23,312
Finance lease liabilities	1,027	1,275
	<u>22,097</u>	<u>24,587</u>

8. Material Litigation

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

9. Dividend Payable

On 9 March 2020, the Board of Directors of the Company has approved an Interim Single-Tier Dividend in specie by way of distribution of treasury shares to the shareholders of FITTERS on the basis of 1 treasury share for every 15 existing shares held in respect of the financial year ending 31 December 2020.

The share dividend was distributed on 17 April 2020.

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**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.

	First Quarter		Cumulative Quarter	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	RM'000	RM'000	RM'000	RM'000
(Loss)/profit attributable to ordinary equity holders of the Company	(6,440)	2,463	(6,440)	2,463
Adjusted weighted average number of ordinary shares in issue 460,655,614 (2019: 474,789,261) ('000)	460,656	474,789	460,656	474,789
Basic (loss)/earnings per share (sen)	(1.40)	0.52	(1.40)	0.52

(b) Diluted Earnings Per Share

Diluted earnings per share are based on the profit for the financial period attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on exercise of warrants.

The effect on the basic earnings per share from the assumed conversion of warrants is anti-dilutive.

11. Authorisation for Issue

The interim financial statements for the period ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 26 June 2020.

FITTERS DIVERSIFIED BERHAD

DATO' WONG SWEE YEE
MANAGING DIRECTOR
Kuala Lumpur
26 June 2020