



FITTERS DIVERSIFIED BERHAD

Registration No: 198601000595 (149735-M)

(Incorporated in Malaysia)

Interim Financial Report

30 September 2020

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

ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2020

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 30 September 2020.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 - unaudited**

	THIRD QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Sep-2020 RM'000	30-Sep-2019 RM'000	30-Sep-2020 RM'000	30-Sep-2019 RM'000
Revenue	58,601	58,480	164,633	196,895
Cost of sales	(51,837)	(48,011)	(152,368)	(162,298)
Gross profit	6,764	10,469	12,265	34,597
Interest income	693	1,047	2,699	2,640
Other income	593	523	1,740	1,495
Selling and marketing expenses	(291)	(759)	(964)	(2,250)
Impairment loss on receivables	(12)	45	(12)	(61)
Administrative expenses	(3,613)	(4,608)	(11,188)	(14,599)
Depreciation and amortisation	(2,391)	(2,700)	(7,761)	(8,184)
Forex gain/ (loss)	1	39	4	102
Finance costs	(723)	(1,421)	(3,080)	(4,070)
Operating profit/(loss) before exceptional items	1,021	2,635	(6,297)	9,670
Exceptional items	-	-	-	-
Profit/(loss) before tax	1,021	2,635	(6,297)	9,670
Income tax expense	(1,151)	(634)	(2,139)	(3,147)
(Loss)/profit for the financial period	(130)	2,001	(8,436)	6,523
Other comprehensive (loss)	(11)	(12)	-	(1)
Total comprehensive (loss)/profit for the financial period	(141)	1,989	(8,436)	6,522
Profit/(loss) attributable to :				
Owners of the Company	646	2,139	(6,469)	6,583
Non-controlling interests	(776)	(138)	(1,967)	(60)
	(130)	2,001	(8,436)	6,523
(Losses)/earnings per share attributable to owners of the Company :				
Basic (sen)	0.14	0.45	(1.41)	1.39

(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 30 SEPTEMBER 2020**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2020 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	222,787	229,518
Investment properties	1,962	1,305
Right-of-use assets	12,265	12,912
Intangible assets	5,470	5,528
Investment securities	105	105
Deferred tax assets	206	272
Trade and other receivables	41,994	38,537
Total non-current assets	284,789	288,177
Current assets		
Inventories	123,497	125,696
Current tax assets	967	1,005
Trade and other receivables	70,281	96,450
Contract assets	14,155	21,936
Investment securities	1	1
Deposits, cash and bank balances	22,892	15,033
Total current assets	231,793	260,121
TOTAL ASSETS	516,582	548,298

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2020**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2020 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2019 RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	66,765	71,440
Current tax liabilities	901	370
Trade and other payables	36,535	49,607
Other current liabilities	11,420	7,257
	115,621	128,674
Net current assets	116,172	131,447
Non-current liabilities		
Loans and borrowings	19,648	24,587
Deferred tax liabilities	5,277	5,150
	24,925	29,737
TOTAL LIABILITIES	140,546	158,411
NET ASSETS	376,036	389,887
Equity attributable to owners of the Company		
Share Capital	240,662	240,662
Treasury Shares	(3,196)	(7,823)
Revaluation Reserve	34,354	34,354
Capital Reserve	1,360	1,360
Exchange Reserve	528	528
Retained Earnings	90,877	107,388
	364,585	376,469
Non-controlling interests	11,451	13,418
Total equity	376,036	389,887
TOTAL EQUITY AND LIABILITES	516,582	548,298
Net Assets per Share (RM) **	0.7742	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

Registration No. 198601000595 (149735-M)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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>9 months ended 30 September 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)	-	-	-	-	-	(6,469)	(6,469)	(1,967)	(8,436)
Treasury shares acquired		-	-	-	(7,718)	-	(7,718)	-	(7,718)
Treasury shares disposed					2,674	(371)	2,303	-	2,303
Dividend paid in specie	-	-	-	-	9,671	(9,671)	-	-	-
Balance as at 30 September 2020	<u>240,662</u>	<u>1,360</u>	<u>34,354</u>	<u>528</u>	<u>(3,196)</u>	<u>90,877</u>	<u>364,585</u>	<u>11,451</u>	<u>376,036</u>
<u>9 months ended 30 September 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)	-	-	-	(1)	-	6,583	6,582	(60)	6,522
Treasury shares acquired	-	-	-	-	(5,624)	-	(5,624)	-	(5,624)
Treasury shares disposed	191				12,387		12,578	-	12,578
Balance as at 30 September 2019	<u>240,662</u>	<u>7,275</u>	<u>34,600</u>	<u>523</u>	<u>(7,726)</u>	<u>105,992</u>	<u>381,326</u>	<u>13,544</u>	<u>394,870</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 30 SEPTEMBER 2020 - unaudited**

	(Unaudited) 9 months ended 30-Sep-2020 RM'000	(Unaudited) 9 months ended 30-Sep-2019 RM'000
Profit/ (Loss) before tax		
- Continuing operations	(6,297)	9,670
- Discontinued operation	-	-
	<u>(6,297)</u>	<u>9,670</u>
Adjustment for non-cash items:		
Operating items	7,973	8,134
Investing items	404	1,453
Operating profit before changes in working capital	<u>2,080</u>	<u>19,257</u>
Changes in Working Capital:		
Inventories	2,956	2,900
Receivables	22,724	24,633
Payables	(13,072)	(31,643)
Property development	(757)	2,224
Construction contracts	11,944	6,979
Cash generated from operating activities	<u>25,875</u>	<u>24,350</u>
Net tax paid	(1,376)	(5,339)
Interest paid	(3,080)	(4,070)
Net cash generated from operating activities	<u>21,419</u>	<u>14,941</u>
Cash Flow from investing activities		
Interest received	2,699	2,640
Purchase of investment property	(680)	-
Proceeds from disposal of property, plant & equipment	48	70
Purchase of property, plant & equipment	(314)	(1,386)
	<u>1,753</u>	<u>1,324</u>
Cash Flow from financing activities		
Purchase of treasury shares	(7,718)	(5,624)
Disposal of treasury shares	2,304	12,577
Hire Purchase & Lease repayment	(861)	(348)
Net drawdown/(repayment) of bank borrowings	(9,726)	(25,777)
	<u>(16,001)</u>	<u>(19,172)</u>
Net change in cash & cash equivalents	7,171	(2,907)
Cash & cash equivalents at beginning of year	12,871	13,184
Effect of foreign exchange rate changes on cash and cash equivalents	1	-
Cash & cash equivalents at end of period	<u>20,043</u>	<u>10,277</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 30 SEPTEMBER 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 30 SEPTEMBER 2020 - unaudited**
4. Segmental Information

Analysis of the Group's results by business segments:

	Third Quarter		Cumulative Quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Fire Services	29,362	21,645	68,171	73,432
Property Development & Construction	4,798	6,910	8,618	23,531
Renewable & Waste-To-Energy	25,131	25,857	90,546	81,564
HYPRO® PVC-O Pipes Manufacturing & Distribution	307	4,653	766	20,494
Investment holding and others	-	-	-	-
Total revenue including inter-segment sales	59,598	59,065	168,101	199,021
Elimination of inter-segment sales	(997)	(585)	(3,468)	(2,126)
Total	58,601	58,480	164,633	196,895
Segment Result				
Fire Services	1,085	726	1,510	2,609
Property Development & Construction	2,494	3,198	3,651	9,589
Renewable & Waste-To-Energy	165	(418)	(4,338)	(1,655)
HYPRO® PVC-O Pipes Manufacturing & Distribution	(2,745)	(356)	(6,266)	224
Investment holding and others	15	(179)	(538)	456
Total result including inter-segment profit	1,014	2,971	(5,981)	11,223
Elimination of inter-segment profit	7	(336)	(316)	(1,553)
Total	1,021	2,635	(6,297)	9,670

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.

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.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2020 - 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 September 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.
- (ii) On 17 April 2020, the Company paid an interim dividend in specie by way of distribution of 28,931,752 units of treasury shares amounting to RM9,671,525 in respect of the financial year ended 31 December 2020.
- (iii) During the period under review, the Company also resale 8,000,000 units of its Treasury Shares via the open market at an average price of RM0.289 per share. The total shares proceeds for the disposal net of transaction costs was RM2,303,548.96.

The Company held a total of 9,559,248 units of Treasury Shares as at 30 September 2020 at a value of RM3,195,538.

11. Subsequent Event

There was no material event subsequent to the financial quarter ended 30 September 2020.

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:-

Striking off of subsidiary company

- (a) Pursuant to Section 551(3) of the Companies Act, 2016, publication of the notice of striking off had been made to strike off and dissolved FITTERS Engineering & Maintenance Services Sdn Bhd, a wholly-owned subsidiary of FITTERS Group. The notice had been gazette on 30 March 2020.

The dissolution of the company has no material effect on the earnings and net assets of the Group.

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 2020 is as follows:

	RM'000
Approved and contracted for : Property, plant and equipment	693

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	255,125
Corporations for trade credit facilities granted to subsidiary companies	139,100
	394,225

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 30 September 2020, the Group recorded an increase in revenue by 0.2% to RM58.6 million from RM58.5 million and a profit before tax of RM1.0 million as compared to RM2.6 million recorded in the previous corresponding quarter ended 30 September 2019.

For the 9 months under review, the Group recorded a decline in revenue by 16.4% to RM164.7 million from RM196.9 million and loss before taxation of RM6.3 million as compared to a profit before tax of RM9.7 million recorded in in 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		
	30/09/2020	30/09/2019	Changes	30/09/2020	30/09/2019	Changes (%)
Revenue	29,362	21,645	35.7%	68,171	73,432	-7.2%
Profit before tax	1,085	726	49.4%	1,510	2,609	-42.1%

During the quarter ended 30 September 2020, the Fire Services Division posted an increase of revenue by 35.7% to RM29.4 million from RM21.6 million and a profit before tax of RM1.1 million as compared to a profit before tax of RM0.7 million recorded in the same quarter in FY2019.

For the cumulative financial period, revenue and profit before tax recorded a decline of 7.2% & 42.1% respectively.

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 Movement Control Order ("MCO")/ Conditional MCO ("CMCO") period.

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

	Third Quarter			Cumulative Quarter		
	30/09/2020	30/09/2019	Changes	30/09/2020	30/09/2019	Changes (%)
Revenue	4,798	6,910	-30.6%	8,618	23,531	-63.4%
Profit before tax	2,494	3,198	-22.0%	3,651	9,589	-61.9%

During the quarter ended 30 September 2020, both revenue and profit before tax recorded a decline by 30.6% and 22.0% respectively as compared to the same quarter in FY2019.

For the cumulative financial period, revenue and profit before tax recorded a decline of 63.4% & 61.9% respectively.

The decline was mainly due to the tail-end construction progress of the Azalea project, which already recorded 92% work-done as at FY2019, and delay in Phase 2 work commencement resulting from the Covid-19 pandemic.

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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)

	Third Quarter			Cumulative Quarter		
	30/09/2020	30/09/2019	Changes	30/09/2020	30/09/2019	Changes (%)
Revenue	25,131	25,857	-2.8%	90,546	81,564	11.0%
Profit/(loss) before tax	165	(418)	-	(4,338)	(1,655)	-

The Renewable & Waste-to-Energy Division recorded a decline in revenue by 2.8% to RM25.1 million from RM25.9 million and a profit before tax of RM0.2 million as compared to a loss before tax of RM0.4 million recorded in the same quarter in FY2019. This is mainly contributed by the improved OER during the reporting quarter.

For the cumulative financial period, the division recorded RM90.5 million in revenue, an increase of 11% and a loss before tax of RM4.3 million as compared to RM1.7 million in the previous financial period.

The loss for the cumulative period was mainly due to the unusual low OER caused by the extreme weather in Northern Peninsula during the first quarter of FY2020 and RM1.5 million spent on parts replacement expenses.

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

	Third Quarter			Cumulative Quarter		
	30/09/2020	30/09/2019	Changes	30/09/2020	30/09/2019	Changes (%)
Revenue	307	4,653	-93.4%	766	20,494	-96.3%
(Loss)/profit before tax	(2,745)	(356)	-	(6,266)	224	-

HYPRO[®] PVC-O Pipes Manufacturing & Distribution Division recorded a revenue of RM0.3 million, a decline of 93.4% and registered a loss before tax of RM2.7 million as compared RM0.4 million in the previous corresponding quarter.

For the cumulative financial period, the division recorded RM0.8 million in revenue, a decline of 96.3% and a loss before tax of RM6.3 million as compared to a profit of RM0.2 million in the previous financial period under review.

The undesirable performance was mainly due to tender activities and contracts awards were either delayed or halted during the MCO/CMCO period. 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	
	30/09/2020	30/06/2020	Amount	%
Profit/(loss) before taxation	1,021	(926)	1,947	210.3%

The material changes are mainly due to the following :

- i.) Property, Development & Construction division which recorded a profit of RM2.5 million as compared to RM1.0 million in the previous quarter due to the completion of the construction work for the Azalea project in July 2020.

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

3. Commentary of Prospects

The market environment is expected to remain challenging for the remainder of the year due to the unprecedented challenges posed by the Covid-19 pandemic. The Group had since taken immediate actions on cost rationalisation and business protection measures to mitigate downside to the minimal and controllable level. This includes temporary suspension of staff recruitment while still maintaining an effective operational structure and salary reduction for board members, management team and senior executives of the Group.

The fire services sector, being dependent on building and construction activities is impacted by the MCO, CMCO and RMCO 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 throughout the year to generate revenue and profitability.

Property development & construction segment will concentrate in obtaining approvals from authorities to allow for preliminary works for Phase 2 of Taman Putra to begin. The Government's re-introduction of the Home Ownership Campaign under the PENJANA plan and various property friendly incentives would help stimulate the property and construction sectors.

Renewable & Waste-To-Energy segment businesses are able to continue to operate during the MCO period, and reports a positive turnaround since the second quarter 2020. The management believes that the mill operation will continue to be sustainable as the crude palm oil (CPO) demand remains robust despite the global pandemic. The medical waste market (for non-concessionaires) continues to be strictly regulated by the authorities and highly competitive. With the surge of concern arising from Covid-19, it is vital to ensure safe handling of medical waste with best practices and carry out preventive maintenance to optimize productivity. The management shall follow through and work with the relevant authorities towards enabling increased revenue generation to sustain operations.

While the management is aggressively making efforts in expanding HYPRO PVC-O Pipe's acceptance to the authorities for installation in new projects, the onslaught of the pandemic and overall political changes have caused delays in the awards and implementation of several projects in various States. Nevertheless, there are encouraging signs that these projects are back on track and an increasing number of projects are now being specified with HYPRO® PVC-O pipes, especially in the old pipe rehabilitation programme.

Despite the extremely challenging market conditions amidst the pandemic and political uncertainty, the Group is cautiously optimistic of business improvement for the remaining period of year 2020.

4. Profit Forecast or Profit Guarantee

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

5. Income Tax Expense

	Third Quarter		Cumulative Quarter	
	30/09/2020	30/09/2019	30/09/2020	30/09/2019
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	1,231	1,074	2,040	3,497
- Prior year	(94)	(391)	(94)	(391)
	1,137	683	1,946	3,106
Deferred tax	14	(49)	193	41
Total income tax expense	1,151	634	2,139	3,147

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.

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

6. Corporate Proposals

(a) Status of Corporate Proposals Announced But Not Completed

Save as disclosed below, there was no corporate proposal announced but not completed as at 30 September 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.

7. Group Borrowings

The total Group borrowings are as follows:

	As at 30/09/2020 RM'000	As at 31/12/2019 RM'000
Short term borrowings		
Secured		
Term Loans	15,849	20,175
Finance lease liabilities	874	1,020
Bank overdrafts	2,849	1,962
Bankers acceptance	12,936	12,072
Revolving credits	31,145	27,045
Unsecured		
Bank overdrafts	-	200
Bankers acceptance	3,112	8,966
Revolving credits	-	-
	66,765	71,440
Long term borrowings		
Secured		
Term Loans	18,804	23,312
Finance lease liabilities	844	1,275
	19,648	24,587

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

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.

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	
	30/09/2020 RM'000	30/09/2019 RM'000	30/09/2020 RM'000	30/09/2019 RM'000
Profit/(loss) attributable to ordinary equity holders of the Company	646	2,139	(6,469)	6,583
Adjusted weighted average number of ordinary shares in issue 460,284,652 (2019: 472,044,201) ('000)	460,285	472,044	460,285	472,044
Basic earnings/(loss) per share (sen)	0.14	0.45	(1.41)	1.39

(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 30 September 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 27 November 2020.

FITTERS DIVERSIFIED BERHAD

DATO' WONG SWEE YEE
MANAGING DIRECTOR
 Kuala Lumpur
 27 November 2020