



FITTERS DIVERSIFIED BERHAD

Registration No: 198601000595 (149735-M)

(Incorporated in Malaysia)

Interim Financial Report

30 September 2021

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

ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 30 September 2021.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 - unaudited**

	THIRD QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	30-Sep-2021 RM'000	30-Sep-2020 RM'000	30-Sep-2021 RM'000	30-Sep-2020 RM'000
Revenue	83,393	58,601	220,994	164,633
Cost of sales	(77,629)	(51,837)	(210,014)	(152,368)
Gross profit	5,764	6,764	10,980	12,265
Interest income	118	693	717	2,699
Other income	609	593	1,564	1,740
Selling and marketing expenses	(387)	(291)	(926)	(964)
Impairment loss on receivables	-	(12)	(5,000)	(12)
Administrative expenses	(6,869)	(3,613)	(14,769)	(11,188)
Depreciation and amortisation	(2,656)	(2,391)	(7,958)	(7,761)
Forex (loss)/gain	(72)	1	(35)	4
Finance costs	(632)	(723)	(1,969)	(3,080)
Operating (loss)/profit before exceptional items	(4,125)	1,021	(17,396)	(6,297)
Exceptional items :				
Gain on disposal of investment in associate company	29	-	16,142	-
(Loss)/Profit before tax	(4,096)	1,021	(1,254)	(6,297)
Income tax expense	350	(1,151)	(650)	(2,139)
Loss) for the financial period	(3,746)	(130)	(1,904)	(8,436)
Other comprehensive (loss)/income	(4)	(11)	13	-
Total comprehensive (loss) for the financial period	(3,750)	(141)	(1,891)	(8,436)
Profit/(Loss) attributable to :				
Owners of the Company	(2,898)	646	551	(6,469)
Non-controlling interests	(848)	(776)	(2,455)	(1,967)
	(3,746)	(130)	(1,904)	(8,436)
Earnings/(Loss) per share attributable to owners of the Company :				
Basic (sen)	(0.62)	0.14	0.12	(1.41)

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020 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 2021**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2021 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	208,594	214,730
Investment properties	1,925	1,949
Right-of-use assets	11,988	12,440
Intangible assets	5,392	5,450
Investment securities	106	105
Deferred tax assets	205	196
Trade and other receivables	35,694	43,313
Total non-current assets	263,904	278,183
Current assets		
Inventories	120,359	120,730
Current tax assets	2,141	1,016
Trade and other receivables	76,912	70,498
Contract assets	12,830	13,616
Investment securities	1	1
Deposits, cash and bank balances	23,863	23,399
Total current assets	236,106	229,260
TOTAL ASSETS	500,010	507,443

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021**

	(Unaudited) AS AT END OF CURRENT QUARTER 30-Sep-2021 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Dec-2020 RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	64,581	71,200
Current tax liabilities	164	679
Trade and other payables	37,398	35,458
Other current liabilities	14,527	12,198
	116,670	119,535
Net current assets	119,436	109,725
Non-current liabilities		
Loans and borrowings	12,029	15,183
Deferred tax liabilities	5,675	5,198
	17,704	20,381
TOTAL LIABILITIES	134,374	139,916
NET ASSETS	365,636	367,527
Equity attributable to owners of the Company		
Share Capital	240,662	240,662
Treasury Shares	(3,912)	(3,912)
Revaluation Reserve	34,108	34,108
Capital Reserve	1,360	1,360
Exchange Reserve	541	528
Retained Earnings	85,066	84,515
	357,825	357,261
Non-controlling interests	7,811	10,266
Total equity	365,636	367,527
TOTAL EQUITY AND LIABILITES	500,010	507,443
Net Assets per Share (RM) **	0.7651	0.7639

** 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 2020)

FITTEES DIVERSIFIED BERHAD

Registration No. 198601000595 (149735-M)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 - 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 2021</u>										
Balance as at 1 January 2021	240,662	1,360	34,108	528	(3,912)	84,515	357,261	10,266	367,527	
Total comprehensive income/(loss)	-	-	-	13	-	551	564	(2,455)	(1,891)	
Treasury shares acquired		-	-	-	-	-	-	-	-	
Treasury shares disposed					-	-	-	-	-	
Dividend paid in specie	-	-	-	-	-	-	-	-	-	
Balance as at 30 September 2021	<u>240,662</u>	<u>1,360</u>	<u>34,108</u>	<u>541</u>	<u>(3,912)</u>	<u>85,066</u>	<u>357,825</u>	<u>7,811</u>	<u>365,636</u>	
<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>	

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 - unaudited**

	(Unaudited) 9 months ended 30-Sep-2021 RM'000	(Unaudited) 9 months ended 30-Sep-2020 RM'000
Profit/ (Loss) before tax		
- Continuing operations	(1,254)	(6,297)
- Discontinued operation	-	
	(1,254)	(6,297)
Adjustment for non-cash items:		
Operating items	6,415	7,973
Investing items	(14,868)	404
Operating profit/(loss) before changes in working capital	(9,707)	2,080
Changes in Working Capital:		
Inventories	1,983	2,956
Receivables	2,630	22,724
Payables	2,112	(13,072)
Property development	(1,612)	(757)
Construction contracts	3,116	11,944
Cash generated from operating activities	(1,478)	25,875
Net tax paid	(1,822)	(1,376)
Interest paid	(1,969)	(3,080)
Net cash generated from operating activities	(5,269)	21,419
Cash Flow from investing activities		
Interest received	717	2,699
Purchase of investment property	-	(680)
Proceeds from disposal of associated companies	16,142	-
Proceeds from disposal of property, plant & equipment	96	48
Purchase of property, plant & equipment	(676)	(314)
	16,279	1,753
Cash Flow from financing activities		
Purchase of treasury shares	-	(7,718)
Disposal of treasury shares	-	2,304
Hire Purchase & Lease repayment	(894)	(861)
Net drawdown/(repayment) of bank borrowings	(10,066)	(9,726)
	(10,960)	(16,001)
Net change in cash & cash equivalents	50	7,171
Cash & cash equivalents at beginning of year	20,739	12,871
Effect of foreign exchange rate changes on cash and cash equivalents	14	1
Cash & cash equivalents at end of period	20,803	20,043

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Report for the year ended 31 December 2020)

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 - 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 2020.

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 2020 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 2021.

- : MFRS 7 : Financial Instruments : Disclosures
- : MFRS 9 : Financial Instruments
- : 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 2020 was not subject to any qualification.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 - unaudited**
4. Segmental Information

Analysis of the Group's results by business segments:

	Third Quarter		Cumulative Quarter	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Fire Services	11,459	29,362	45,864	68,171
Property Development & Construction	1,886	4,798	6,064	8,618
Renewable & Waste-To-Energy	69,170	25,131	168,386	90,546
HYPRO® PVC-O Pipes Manufacturing & Distribution	2,088	307	3,738	766
Investment holding and others	-	-	-	-
Total revenue including inter-segment sales	84,603	59,598	224,052	168,101
Elimination of inter-segment sales	(1,210)	(997)	(3,058)	(3,468)
Total	83,393	58,601	220,994	164,633
Segment Result				
Fire Services	(938)	1,085	(438)	1,510
Property Development & Construction	(264)	2,494	(7,509)	3,651
Renewable & Waste-To-Energy	2,713	165	2,802	(4,338)
HYPRO® PVC-O Pipes Manufacturing & Distribution	(3,004)	(2,745)	(8,837)	(6,266)
Investment holding and others	(2,913)	15	12,220	(538)
Total result including inter-segment profit	(4,406)	1,014	(1,762)	(5,981)
Elimination of inter-segment profit	310	7	508	(316)
Total	(4,096)	1,021	(1,254)	(6,297)

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 except as disclosed below :

Future NRG Sdn Bhd, a wholly-owned subsidiary of the Company had between 23 April 2021 and 12 May 2021 disposed its entire equity interest in A.H.T. Syngas Technology N.V. ("AHT") comprising 600,000 shares in AHT representing 31% of the total issued share capital of AHT for a total consideration of Euro 3,277,246.61 or equivalent to RM16.1 million (based on the bank correspondence daily exchange rate) in the open market on the Stock Exchange of Frankfurt.

The gain to the Group arising from the disposal is approximately RM16.1 million as the cost of investment had been fully impaired in financial year 2016.

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.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 - unaudited****8. Dividend Paid**

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 30 September 2021.

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 2020.

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.

The Company held a total of 12,817,648 units of Treasury Shares as at 30 September 2021 at a value of RM3,911,977.

11. Subsequent Event

There was no material event subsequent to the financial quarter ended 30 September 2021.

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

There was no commitments for the purchase of property, plant and equipment not provided for in the interim financial statements as at 30 September 2021.

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	270,125
Corporations for trade credit facilities granted to subsidiary companies	139,100
	<u>409,225</u>

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

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

1. Performance Review

For the quarter ended 30 Sep 2021, the Group recorded an increase in revenue by 42.3% to RM83.4 million from RM58.6 million and a loss before tax of RM4.1 million as compared to a profit of RM1.0 million recorded in the previous corresponding quarter ended 30 Sep 2020.

For the 9 months under review, the Group recorded an increase in revenue by 34.2% to RM221.0 million from RM164.6 million and loss before tax of RM1.3 million as compared to a loss before tax of RM6.3 million recorded 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		
	30/09/2021	30/09/2020	Changes	30/09/2021	30/09/2020	Changes (%)
Revenue	11,459	29,362	-61.0%	45,864	68,171	-32.7%
(Loss)/Profit before tax	(938)	1,085	-	(438)	1,510	-

During the quarter ended 30 Sep 2021, the Fire Services Division posted a decline of revenue by 61.0% to RM11.4 million from RM29.4 million and a loss before tax of RM0.9 million as compared to a profit before tax of RM1.1 million recorded in the same quarter in FY2020.

For the cumulative financial period, revenue recorded a decline of 32.7% with a loss before tax of RM0.4 million as compared to profit before tax of RM1.5 million recorded in the previous corresponding period.

The decline of revenue 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 trading sales and margin, compounded by deferred of goods delivery and delay in certification for work done during the Movement Control Order ("MCO") period and the total lockdown period under the National Recovery Plan("NRP").

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

	Third Quarter			Cumulative Quarter		
	30/09/2021	30/09/2020	Changes	30/09/2021	30/09/2020	Changes (%)
Revenue	1,886	4,798	-60.7%	6,064	8,618	-29.6%
(Loss)/profit before tax	(264)	2,494	-	(7,509)	3,651	-

During the quarter ended 30 Sep 2021, the Property Development & Construction Division posted a decline in revenue by 60.7% to RM1.9 million from RM4.8 million and loss before tax of RM0.3 million as compared to a profit before tax of RM2.5 million recorded in the same quarter in FY2020.

For the cumulative financial period, revenue reduced by 29.6% to RM6.1 million with a loss before tax of RM7.5 million as compared to profit before tax of RM3.7 million recorded in previous year.

The implementation of MCO and NRP had delayed the construction work progress of Phase 2 of Taman Putra, resulted to a decline in both revenue and profit.

**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		
	30/09/2021	30/09/2020	Changes	30/09/2021	30/09/2020	Changes (%)
Revenue	69,170	25,131	175.2%	168,386	90,546	86.0%
Profit/(Loss) before tax	2,713	165	1544.2%	2,802	(4,338)	-

The Renewable & Waste-to-Energy Division recorded an increase in revenue by 175.2% to RM69.2 million from RM25.1 million and a profit before tax of RM2.7 million as compared to RM0.2 million recorded in the same quarter in FY2020.

For the cumulative financial period, the division recorded RM168.4 million in revenue, an increase of 86.0% and a profit before tax of RM2.8 million as compared to loss before tax of RM4.3 million in the previous financial period.

The Division obtained better OER for the current period as compared to previous year which was caused by the extreme weather in Northern Peninsula during the first quarter of FY2020. Parts replacement expenses of RM1.5 million also resulted to higher loss in FY2020.

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

	Third Quarter			Cumulative Quarter		
	30/09/2021	30/09/2020	Changes	30/09/2021	30/09/2020	Changes (%)
Revenue	2,088	307	580.1%	3,738	766	388.0%
(Loss) before tax	(3,004)	(2,745)	-	(8,837)	(6,266)	-

HYPRO[®] PVC-O Pipes Manufacturing & Distribution Division recorded a revenue of RM2.1 million, an increase of 580.1% and registered a loss before tax of RM3.0 million as compared to RM2.7 million in the previous corresponding quarter.

For the cumulative financial period, the division recorded RM3.7 million in revenue, an increase of 388.0% and a loss before tax of RM8.8 million as compared to RM6.3 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/NRP period. Most of Molecor's contracts consist of Government-driven projects, which are facing challenges amidst the Covid-19 pandemic and current political situation. As a cost control measure, the Division had temporarily stopped the production process.

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	
	30/09/2021	30/06/2021	Amount	%
Profit/(loss) before taxation	(4,096)	7,500	(11,596)	154.6%

The material changes are mainly due to the following :

- i.) Renewable & Waste-To-Energy Division recorded a profit of RM2.7 million as compared to a RM0.9 million in the previous quarter as a result from higher oil palm processed and better OER.
- ii.) Exceptional gain recorded in the previous quarter amounting to RM16.1 million from the disposal of investment in associate company which had been fully impaired in FY2016. The disposal was via the open market of Stock Exchange of Frankfurt.

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

Despite the challenging market environment experienced in 2021 posed by the Covid-19 pandemic, the Group managed to keep the situation under control with the necessary mitigation actions taken particularly on cost rationalisation and business protection measures implemented earlier.

The fire services sector, being dependent on building and construction activities is impacted by the MCO, CMCO, RMCO and NRP which caused delay in work progress and certification of work done. The division will make every effort to catch-up on its order book work progress to generate revenue and profitability.

Property development & construction segment has completed 92% of earth work activities for Phase 2 of Taman Putra. The building foundation works has begun but activities were affected by bad weather, shortage of workers, raw materials price hike and working hours constraint. The client and consultants team has carried out value engineering to reduce resources in order to speed up the progress of works.

Renewable & Waste-To-Energy segment businesses are able to continue to operate during the current pandemic. The mill has received and processed higher crops this year due to better crop season. The management believes that the mill operation will continue to be sustainable as the crude palm oil (CPO) is still in high demand. The biogas plant will continue to provide steady revenue to the Group using Waste-To-Energy. The medical waste market (for non-concessionaires) continues to be strictly regulated by the authorities and highly competitive. The source of medical waste also coming from industry sector after regular Covid-19 self-tests were made mandatory for industries and hence increase in demand of our service. It is vital to ensure compliance of SOP for the safe handling and disposal of medical waste to prevent cross-contamination exposure to the public and operation staff. 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 prolonged movement control measures in second and third quarter have resulted in delays for awards and implementation of projects involving HYPRO PVC-O products. 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. The division has actively participated in several open tender exercises for the supply of the product, and the authorities are in the midst of awarding tender for the work packages, namely in the Non-Revenue Water, pipe rehabilitation programme and rural water supply projects and expecting the demand of the HYPRO PVC-O pipes to be gradually increased from Quarter 4 onwards.

With the easing of movement control and reopening of economic sectors in stages, the Group is hopeful that business conditions will return to normalcy.

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	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	(406)	1,231	138	2,040
- Prior year	44	(94)	44	(94)
	(362)	1,137	182	1,946
Deferred tax	12	14	468	193
Total income tax expense	(350)	1,151	650	2,139

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 2021:

(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 30/09/2021 RM'000	As at 30/09/2020 RM'000
Short term borrowings		
Secured		
Term Loans	16,540	15,849
Finance lease liabilities	773	874
Bank overdrafts	2,832	2,849
Bankers acceptance	12,227	12,936
Revolving credits	29,945	31,145
Unsecured		
Bank overdrafts	228	-
Bankers acceptance	2,036	3,112
	<u>64,581</u>	<u>66,765</u>
Long term borrowings		
Secured		
Term Loans	11,624	18,804
Finance lease liabilities	405	844
	<u>12,029</u>	<u>19,648</u>

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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 except as disclosed below :

Future NRG Sdn Bhd ("FNSB"), a wholly-owned subsidiary of FITTERS, had on 21 October 2021 received a sealed Writ and Statement of Claim both dated 30 August 2021 from AHT Syngas Technology ("AHT") through its solicitors claiming an amount of Euro 1.78 million based on a non-binding Heads of Agreement.

FITTERS is refuting AHT's allegations of claims as these claims are not substantiated and there was no Purchase Agreement signed.

FITTERS has appointed Messrs Raja Eleena Siew Ang & Associates to act for FNSB to rebut all AHT's claims.

9. Dividend Payable

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 30 September 2021.

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	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
Profit/(loss) attributable to ordinary equity holders of the Company	(2,898)	646	551	(6,469)
Adjusted weighted average number of ordinary shares in issue 467,679,511 (2020: 460,284,652) ('000)	467,680	460,285	467,680	460,285
Basic earnings/(loss) per share (sen)	(0.62)	0.14	0.12	(1.41)

(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 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 26 November 2021.

FITTERS DIVERSIFIED BERHAD

DATO' IR LOW KENG KOK
CHAIRMAN
Kuala Lumpur
26 November 2021