



FITTERS DIVERSIFIED BERHAD

Registration No: 198601000595 (149735-M)

(Incorporated in Malaysia)

**Financial Report For The Period Ended
31 March 2023**

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

ANNOUNCEMENT OF UNAUDITED QUARTERLY REPORT ON CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

The Board of Directors are pleased to announce the unaudited consolidated results of the Company for the financial quarter ended 31 March 2023.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2023 - unaudited

	FOURTH QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER	PRECEDING YEAR CORRESPONDING QUARTER	CURRENT YEAR TO DATE	PRECEDING YEAR CORRESPONDING PERIOD
	31-Mar-2023 RM'000	31-Mar-2022 RM'000	31-Mar-2023 RM'000	31-Mar-2022 RM'000
Revenue	93,283	94,620	414,912	N/A
Cost of sales	(84,477)	(89,334)	(382,781)	N/A
Gross profit	8,806	5,286	32,131	N/A
Interest income	272	90	1,038	N/A
Other income	867	263	2,365	N/A
Net loss on disposal of quoted investment	(26,295)	-	(28,391)	N/A
Selling and marketing expenses	(210)	(218)	(1,187)	N/A
Impairment loss on receivables	(1,994)	(1,908)	(12,063)	N/A
Administrative expenses	(6,379)	(3,640)	(48,324)	N/A
Depreciation and amortisation	(1,353)	(2,311)	(5,449)	N/A
Forex (loss)/gain	(45)	43	(28)	N/A
Finance costs	(463)	(432)	(1,733)	N/A
Operating loss before exceptional items	(26,794)	(2,827)	(61,641)	N/A
Exceptional items :				
Loss on disposal of subsidiary investment in subsidiary company	-	-	(3,211)	N/A
Loss before tax	(26,794)	(2,827)	(64,852)	N/A
Income tax expense	(612)	26	(2,258)	N/A
Loss after tax	(27,406)	(2,801)	(67,110)	-
Profit/ (Loss) for the financial period for discontinued operation, net of tax	180	(2,412)	(2,004)	-
Loss for the financial period	(27,226)	(5,213)	(69,114)	N/A
Other comprehensive income	12	7	71	N/A
Total comprehensive loss for the financial period	(27,214)	(5,206)	(69,043)	N/A
Loss attributable to :				
Owners of the Company	(27,201)	(4,408)	(67,999)	N/A
Non-controlling interests	(25)	(805)	(1,115)	N/A
	(27,226)	(5,213)	(69,114)	N/A
Loss per share attributable to owners of the Company :				
Basic (sen)	(4.47)	(0.94)	(11.18)	N/A

Notes:

On 24 January 2022, Fitters Diversified Berhad ("FDB" or the "Company") announced the change of financial year end from 31 December 2021 to 31 March 2022. The current reporting financial period will be for a period of 12 months made up from 1 April 2022 to 31 March 2023. As such, there are no comparative figures for the cumulative preceding year corresponding periods.

(The Condensed Consolidated Statements Of Comprehensive Income should be read in conjunction with the Audited Financial Report for the financial period ended 31 March 2022 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 2023

	(Unaudited) AS AT END OF CURRENT QUARTER 31-Mar-2023 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Mar-2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	125,307	203,051
Investment properties	2,397	2,458
Right-of-use assets	12,083	12,520
Intangible assets	4,360	5,353
Investment securities	104	105
Deferred tax assets	205	264
Total non-current assets	144,456	223,751
Current assets		
Inventories	85,104	118,261
Current tax assets	3,050	2,503
Trade and other receivables	78,253	89,382
Contract assets	15,529	12,217
Assets of a disposal group classified as held for sales	45,483	-
Investment securities	1	1
Deposits, cash and bank balances	132,026	62,421
Total current assets	359,446	284,785
TOTAL ASSETS	503,902	508,536

FITTERS DIVERSIFIED BERHAD

Registration No. 198601000595 (149735-M)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	(Unaudited) AS AT END OF CURRENT QUARTER 31-Mar-2023 RM'000	(Audited) AS AT PRECEDING FINANCIAL YEAR END 31-Mar-2022 RM'000
EQUITY AND LIABILITIES		
Current liabilities		
Loans and borrowings	43,861	70,200
Current tax liabilities	2	178
Trade and other payables	140,733	36,123
Other current liabilities	12,142	15,722
Liabilities of a disposal group classified as held for sales	2,312	-
	199,050	122,223
Net current assets	160,396	162,562
Non-current liabilities		
Loans and borrowings	1,465	8,229
Deferred tax liabilities	4,936	5,905
	6,401	14,134
TOTAL LIABILITIES	205,451	136,357
NET ASSETS	298,451	372,179
Equity attributable to owners of the Company		
Share Capital	262,157	262,157
Treasury Shares	(3,912)	(3,912)
Revaluation Reserve	33,826	33,839
Capital Reserve	1,360	1,360
Exchange Reserve	622	551
Retained Earnings	3,867	71,853
	297,920	365,848
Non-controlling interests	531	6,331
Total equity	298,451	372,179
TOTAL EQUITY AND LIABILITIES	503,902	508,536
Net Assets per Share (RM) **	0.4900	0.6017

** 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 Audited Financial Report for the financial period ended 31 March 2022)

FITTERS DIVERSIFIED BERHAD

Registration No. 198601000595 (149735-M)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2023 - unaudited

	----- Attributable to owners of the Company -----							Non-Controlling Interests RM'000	Total Equity RM'000
	[----- 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		
<u>12 months ended 31 March 2023</u>									
Balance as at 1 April 2022	262,157	1,360	33,839	551	(3,912)	71,853	365,848	6,331	372,179
Realisation of revaluation reserve	-	-	(13)	-	-	13	-	-	-
Total comprehensive income/(loss)	-	-	-	71	-	(67,999)	(67,928)	(1,115)	(69,043)
Adjustment for disposal of subsidiary	-	-	-	-	-	-	-	(4,685)	(4,685)
Balance as at 31 March 2023	<u>262,157</u>	<u>1,360</u>	<u>33,826</u>	<u>622</u>	<u>(3,912)</u>	<u>3,867</u>	<u>297,920</u>	<u>531</u>	<u>298,451</u>
<u>15 months ended 31 March 2022</u>									
Balance as at 1 January 2021	240,662	1,360	34,108	528	(3,912)	84,515	357,261	10,266	367,527
Shares issued pursuant to private placement	21,975	-	-	-	-	-	21,975	-	21,975
Shares issuance expenses	(480)	-	-	-	-	-	(480)	-	(480)
Realisation of revaluation reserve	-	-	(269)	-	-	269	-	-	-
Total comprehensive income/ (loss)	-	-	-	23	-	(12,931)	(12,908)	(3,935)	(16,843)
Balance as at 31 March 2022	<u>262,157</u>	<u>1,360</u>	<u>33,839</u>	<u>551</u>	<u>(3,912)</u>	<u>71,853</u>	<u>365,848</u>	<u>6,331</u>	<u>372,179</u>

(The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Report for the financial period ended 31 March 2022)

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2023 - unaudited

	(Unaudited) 12 months ended 31-Mar-2023 RM'000	(Audited) 15 months ended 31-Mar-2022 RM'000
Loss before tax		
- Continuing operations	(64,852)	(3,514)
- Discontinued operation	(1,318)	(11,975)
	<u>(66,170)</u>	<u>(15,489)</u>
Adjustment for non-cash items:		
Operating items	48,751	27,654
Investing items	32,358	(14,159)
Operating profit/(loss) before changes in working capital	<u>14,939</u>	<u>(1,994)</u>
Changes in Working Capital:		
Inventories	(2,297)	4,429
Receivables	10,633	9,762
Payables	11,778	834
Property development	416	(1,961)
Construction contracts	(6,892)	4,925
Cash generated from operating activities	<u>28,577</u>	<u>15,995</u>
Net tax paid	(2,925)	(2,726)
Interest paid	(1,733)	(3,069)
Net cash generated from operating activities	<u>23,919</u>	<u>10,200</u>
Cash Flow from investing activities		
Interest received	1,038	1,153
Purchase of investment property	-	(575)
Purchase of other investment	(57,638)	-
Proceeds from disposal of associated companies	-	16,142
Proceeds from disposal of property, plant & equipment	44	477
Proceed from disposal of other investment	29,247	-
Proceed from disposal of subsidiary, net of cash	8,619	-
Purchase of property, plant & equipment	(1,360)	(1,006)
Net cash (used in)/generated from investing activities	<u>(20,050)</u>	<u>16,191</u>
Cash Flow from financing activities		
Proceed from issuance of shares via private placement	-	21,975
Hire Purchase & Lease repayment	(811)	(1,352)
Share issuance expenses	-	(480)
Net repayment of bank borrowings	(30,387)	(8,108)
Net cash (used in)/generated from financing activities	<u>(31,198)</u>	<u>12,035</u>
Net change in cash & cash equivalents	(27,329)	38,426
Cash & cash equivalents at beginning of year	59,188	20,739
Effect of foreign exchange rate changes on cash and cash equivalents	71	23
Cash & cash equivalents at end of year	<u>31,930</u>	<u>59,188</u>

Cash and cash equivalents comprises the followings:-

Deposits, cash and bank balances	132,026	62,421
Bank overdrafts	(1,620)	(3,233)
	<u>130,406</u>	<u>59,188</u>
Shareholder's Right Issue's application fund	(98,476)	-
	<u>31,930</u>	<u>59,188</u>

(The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Audited Financial Report for the financial ended 31 March 2022)

FITTERS DIVERSIFIED BERHAD

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2023 - unaudited****1. Basis of Preparation**

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards ("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 financial period ended 31 March 2022.

As announced on 24 January 2022, the Company has changed its financial year end from 31 December 2021 to 31 March 2022. The current financial year covers 12 months period from 1 April 2022 to 31 March 2023. There will be no comparison figures for the cumulative quarters and the current quarter results will be compared to the results of the preceding year corresponding quarter accordingly.

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 March 2022 except for the adoption of the following relevant new MFRSs, amendments to MFRSs and IC interpretations.

Amendments effective for annual periods beginning on or after 1 January 2022:-

- : Amendments to MRFS 3 : Reference to the Conceptual Framework, (Business Combinations)
- : Amendments to MRFS 9 : Financial Instruments
- : MRFS 116 : Property, Plant and Equipment - Proceeds before intended use
- : Amendments to MRFS 137 : Onerous Contracts - cost of fulfilling a contract

Amendments effective for annual periods beginning on or after 1 January 2023:-

- : Amendments to MRFS 101 : Presentation of Financial Statements - disclosure of accounting estimate
- : Amendments to MRFS 108 : Accounting Policies, Changes in Accounting Estimate and Errors
- : Amendments to MRFS 112 : Income Tax - Deferred tax related to assets and liabilities arising from a single transaction

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 period ended 31 March 2022 was not subject to any qualification.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2023 - unaudited

4. Segmental Information

Analysis of the Group's results by business segments:

	Fourth quarter		Cumulative Quarter	
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Fire Services	21,773	19,065	90,428	N/A
Property Development & Construction	17,959	4,419	48,369	N/A
Renewable & Waste-To-Energy	53,651	72,067	281,497	N/A
Investment holding and others	-	-	-	N/A
Total revenue including inter-segment sales	93,383	95,551	420,294	N/A
Elimination of inter-segment sales	(100)	(931)	(5,382)	N/A
Total	93,283	94,620	414,912	N/A
Segment Result				
Fire Services	(775)	(416)	2,434	N/A
Property Development & Construction	(26,623)	(810)	(56,115)	N/A
Renewable & Waste-To-Energy	(961)	(1,727)	452	N/A
Investment holding and others	1,392	(13)	(49,474)	N/A
Total result including inter-segment profit	(26,967)	(2,966)	(102,703)	N/A
Elimination of inter-segment profit	173	139	37,851	N/A
Total	(26,794)	(2,827)	(64,852)	N/A

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 year ended 31 March 2023.

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 March 2022.

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2023 - 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

There was no share buy-back and resale of treasury shares during the financial period.

As at 31 March 2023, the Company held a total of 12,817,648 units of Treasury Shares at a value of RM3,911,977.

11. Significant Event during and Subsequent to the Financial Period

There was no material event during and subsequent to the financial quarter ended 31 March 2023 other than the following:-

- i.) On 24 August 2022, FITTERS had entered into a Sale and Purchase Agreement with United Sapphire Sdn. Bhd ("USSB") for the disposal of the land and the buildings erected thereon at Lot No. 5/129 and 6/129, Jalan Gebeng 2/13, Kawasan Perindustrian Gebeng, Kuantan, Pahang Darul Makmur for a consideration of RM21,000,000.

The disposal has been completed on 5th May 2023.

- ii.) On 12 January 2023, Future NRG Sdn. Bhd., a wholly-owned subsidiary of FITTERS has entered into a sale and purchase agreement with KAB Energy Holdings Sdn Bhd for the sale of the whole of the issued share capital of Future Biomass Gasification Sdn Bhd at a consideration of RM15.00 million, completion is subject to terms and conditions of the agreement.

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:-

Incorporation of subsidiary company

- (a) On 6 April 2022, the Company has incorporated a 100% owned subsidiary know as FITTERS GIM Sdn. Bhd. ("FGSB") With an issued share capital of RM50,000 divided into 50,000 shares of RM1.00 each. The intended business activity of FGSB is investment holding.

The company has not commenced operation since the date of incorporation.

Disposal of subsidiary company

On 29th July 2022, FITTERS had entered into a Sale and Purchase Agreement with Molecor Tecnologia S.L. for the disposal of 79,500,000 ordinary shares, representing 72.27% of the total issued ordinary shares in of Molecor (SEA) Sdn Bhd ("MSSB") at a consideration of RM9,000,000.

The disposal of the MSSB's shares has been completed on 12 October 2022.

Effect of disposal on the financial position of the Group are as follow:

	RM'000
Non-current assets	29,203
Current assets	8,956
Current liabilities	(21,263)
Net assets and liabilities	<u>16,896</u>
Non-controlling interest	<u>(4,685)</u>
	12,211
Loss on sale of subsidiary	<u>(3,211)</u>
Consideration received, satisfied in cash	9,000
Cash and cash equivalents disposed off	<u>(381)</u>
	<u><u>8,619</u></u>

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**EXPLANATORY NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2023 - unaudited****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 2023 is as follows:

	RM'000
Approved and contracted for :	
Property, plant and equipment	833
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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	202,814
Corporations for trade credit facilities granted to subsidiary companies	139,100
	<hr/>
	341,914
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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 fourth quarter ended 31 March 2023, the Group recorded a decline in revenue by 1.4% to RM93.3 million from RM94.6 million and a loss before tax of RM26.8 million as compared to a loss of RM2.8 million recorded in the previous corresponding quarter ended 31 March 2022.

For the cumulative 12 months under review, the Group recorded a revenue of RM414.9 million with a loss before tax of RM64.9 million.

The loss recorded for the current quarter was mainly due to loss on disposal of quoted investment amounting to RM26.3 million. For the cumulative period, the loss included inventories written down for property under development in Rawang amounted to RM27.8 million, and loss on disposal of a subsidiary, Molecor (SEA) Sdn Bhd, amounted to RM3.2 million with debts written off arising thereon amounting to RM10.1 million.

Due to the change of the Group's financial year end from 31 December 2021 to 31 March 2022, there are no comparative figures for the cumulative proceeding year corresponding periods.

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		
	31/3/2023	31/3/2022	Changes	31/3/2023	31/3/2022	Changes (%)
Revenue	21,773	19,065	14.2%	90,428	N/A	-
Profit/(loss) before tax	(775)	(416)	-	2,434	N/A	-

During the quarter ended 31 March 2023, the Fire Services Division posted an increase of revenue by 14.2% to RM21.8 million from RM19.1 million and loss before tax of RM0.8 million as compared to a loss of RM0.4 million recorded in the corresponding quarter.

For the cumulative financial period, revenue recorded at RM90.4 million with a profit before tax of RM2.4 million.

With the reopening of economy sectors, project work progress has started to pick-up, improving the overall revenue of the division. However, overall performance of the division are still impacted by the labour shortage and drop in margin due to high competition and increase in material price.

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

	Fourth quarter			Cumulative Quarter		
	31/3/2023	31/3/2022	Changes	31/3/2023	31/3/2022	Changes (%)
Revenue	17,959	4,419	306.4%	48,369	N/A	-
(Loss) before tax	(26,623)	(810)	-	(56,115)	N/A	-

During the quarter ended 31 Mar 2023, the Property Development & Construction Division posted an increase in revenue by 306.4% to RM18.0 million from RM4.4 million and loss before tax of RM26.6 million as compared to a loss before tax of RM0.8 million recorded in the corresponding quarter.

For the cumulative financial period, revenue recorded at RM48.4 million with a loss before tax of RM56.1 million.

The progress of the construction work of Phase 2 of Taman Putra, The Belleza, is progressing well although still a delayed from the original work plan.

The loss recorded for the current quarter was mainly due to loss on disposal of quoted investment amounted to RM26.3 million. Loss for the cumulative period included inventories written down for property under development amounting to RM27.8 million for the development of a piece of land in Rawang which was rescinded.

**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)

	Fourth quarter			Cumulative Quarter		
	31/3/2023	31/3/2022	Changes	31/3/2023	31/3/2022	Changes (%)
Revenue	53,651	72,067	-25.6%	281,497	N/A	-
(Loss) before tax	(961)	(1,727)	-	452	N/A	-

The Renewable & Waste-to-Energy Division recorded a decline in revenue by 25.6% to RM53.7 million from RM72.1 million and a loss before tax of RM1.0 million as compared to a loss before tax of RM1.7 million recorded in the corresponding quarter.

For the cumulative financial period, the division recorded RM281.5 million in revenue, and a profit before tax of RM0.5 million.

The decline in revenue was mainly due to decline in crude palm oil price which drop to RM3,949 per ton as compared to previous year of RM6,070 per ton. The oil extraction rate also decline due to low oil palm crops season resulting to operational loss.

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	
	31/3/2023	31/12/2022	Amount	%
Loss before taxation	(26,794)	(12,054)	(14,740)	-122.3%

The material changes are mainly due to the following :

- i.) Property, Development & Construction division recorded a loss of RM26.6 million as compared to a profit of RM0.6 million in the previous quarter. The current quarter loss was mainly due to loss on disposal of quoted investment amounted to RM26.3 million.
- ii.) During the Immediate Preceding Quarter, the Group recorded a loss on disposal of a subsidiary amounting to RM3.2 million and debts written-off from the disposal amounting to RM10.1 million during the current quarter.

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

3. Commentary of Prospects

Despite the challenging market environment 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 had been impacted by the MCO imposed by the Government of Malaysia and labour shortage, which caused delay in work progress and certification of work done. Following thereto, the division is striving to catch-up on its order book work progress to generate revenue and profitability.

Property Development & Construction segment has achieved 75% overall progress work of Phase 2 Taman Putra in current quarter, 2023. The target to complete the whole project by Q3 2023 is achievable. The sales of phase 2, Taman Putra terrace house project has also recorded 90% take up rate by 1st quarter of 2023 and this good news further release the financial burden of this segment and boosted confident level of achievable profit by Q3 2023.

Renewable & Waste-To-Energy segment businesses remain robust despite the challenging economic and labour shortage. The CPO price is projected to remain around RM3,000 to RM4,000 per metric tonne supported by increase in the cost of labour and raw material. In the meantime, there has been development in the government sector to allow foreign workers to relief the labour shortage in the plantation sector. This will enable the mill to process more FFB and improve the efficiency of the palm oil mill. The oil extraction rate of the FFB and the operating margins in this milling industry have historically been seasonal. Changes in weather pattern and FFB seasons, both will affect the oil content in the FFB and the resulting oil extraction rate are key factors that influence the profitability of the milling industry.

The medical waste market (for non-concessionaires) continues to be strictly regulated by the authorities and highly competitive in pricing. There has been increase in the medical waste coming from regular Covid-19 self-tests and hence increase in the demand of our service. Moreover, we are improving our logistic to collect more medical waste as Malaysia is still a growing nation, the medical waste is expected to increase year on year. 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.

As the global economy continues to recover from the pandemic's impact and the reopening of economic sectors in Malaysia, the Group remains cautious but is optimistic about its prospects for the year.

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	
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	RM'000	RM'000	RM'000	RM'000
Income tax				
- Current year	649	97	1,927	N/A
- Prior year	(15)	(118)	273	N/A
	634	(21)	2,200	N/A
Deferred tax	(22)	(5)	58	N/A
Total income tax expense	612	(26)	2,258	N/A

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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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 2023:

(i) Proposed Private Placement and Share Issuance Scheme

On 17 December 2021, the Company announced the proposal to undertake the following:-

- (i) proposed private placement of up to 144,149,100 new FITTERS Shares, representing approximately 30% of the total number of issued Shares to independent third-party investor(s) to be identified later and at an issue price to be determined later; and
- (ii) proposed establishment of a share issuance scheme (SIS) of up to 15% of the total number of issued Shares of FITTERS (excluding treasury shares, if any) to the eligible directors and employees of FITTERS and its subsidiaries.

Bursa Securities had, vide its letter dated 3 January 2022, approved the listing of the Placement Shares and such number of additional shares to be issued pursuant to the Proposed SIS.

The Proposal were approved by shareholders at the EGM held on 28 January 2022.

On 28 January 2022, the Company announced that the effective date for the implementation of the SIS is 28 January 2022, being the date on which the Company is in full compliance with all relevant requirements including Paragraph 6.43(1) of the Listing Requirements.

The SIS shall 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.

On 21 March 2022 and 28 March 2022, 94,000,000 and 46,303,800 Placement Shares, being the first and second tranche of Placement Shares for the Private Placement have been listed on the Main Market of Bursa Securities respectively at RM0.159 per share and RM0.1518 per share.

On 28 March 2022, the Company announced that the Private Placement has been completed.

The utilisation of gross proceeds of RM21.97 million raised from the Private Placement on 28 March 2022, as at the end of reporting quarter is as follows:-

Utilisation of proceeds	Intended timeframe for utilisation	Proceeds raised (RM'000)	Actual utilisation (RM'000)	Deviation (RM'000)	Balance available for utilisation (RM'000)
(i) Repayment of borrowings	Within 12 months	19,852	19,972	120	-
(ii) Working capital for the Group's palm oil mill	Within 12 months	1,523	1,523	-	-
(iii) Estimated expenses	Immediate	600	480	(120)	-
Total		21,975	21,975	-	-

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6. Corporate Proposals (continued)

(ii) Proposed Rights Issue with Warrants

On 13 May 2022, the Company announced the proposal to undertake a renounceable rights issue of up to 1,862,420,877 new ordinary shares in FITTERS together with up to 1,241,601,918 free detachable warrants in FITTERS on the basis of 3 Rights Shares together with 2 free Warrants for every 1 existing Share held by the entitled shareholders of FITTERS on an entitlement date to be determined.

Bursa Securities had, vide its letter dated 31 May 2022, approved the listing and quotation of Rights Shares and Warrants to be issued pursuant to the Proposed Rights Issue with Warrants; and listing and quotation of up 1,241,601,918 new FITTERS Shares to be issued pursuant to the exercise of the Warrants.

The resolution for the Proposal was duly passed by the shareholders at the EGM held on 01 July 2022.

On 14 November 2022, the Company had submitted an application to seek Bursa Securities' approval for an extension of time of 6 months from 1 December 2022 up to 30 May 2023 for the Company to implement and complete the Rights Issue with Warrants. The approval was granted by Bursa Securities vide its letter dated 23 November 2022.

On 14 November 2022, the Company had submitted an application to seek Bursa Securities' approval for an extension of time of 6 months from 1 December 2022 up to 30 May 2023 for the Company to implement and complete the Rights Issue with Warrants. The approval was granted by Bursa Securities vide its letter dated 23 November 2022.

On 28 February 2023, the Company had announced to fix the issue price of the Rights Issue at RM0.065 per Rights Share and the exercise price of the Warrants at RM0.07 per Warrant; Entitlement date on 17 March 2023.

The Company announced that the Rights Issue with Warrants has been completed following the listing and quotation of 1,733,308,505 Rights Shares and 1,155,538,938 Warrants on the Main Market of Bursa Securities on 17 April 2023.

7. Group Borrowings

The total Group borrowings are as follows:

	As at 31/3/2023 RM'000	As at 31/03/2022 RM'000
Short term borrowings		
Secured		
Term Loans	5,802	19,865
Finance lease liabilities	1,835	543
Bank overdrafts	1,539	2,510
Bankers acceptance	10,505	15,189
Revolving credits	22,845	29,345
Unsecured		
Bank overdrafts	81	723
Bankers acceptance	1,254	2,025
	43,861	70,200
Long term borrowings		
Secured		
Term Loans	750	7,905
Finance lease liabilities	715	324
	1,465	8,229

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8. Material Litigation

The Group does not have any material litigation for the financial year under review except as disclosed below :

Writ and statement of claim served on Future NRG Sdn. Bhd. ("FNSB") from A.H.T. Syngas Technology N.V. ("AHT")

(i) Under Shah Alam High Court Civil No.: BA-22NCC-104-08/2021

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 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.

FNSB has entered its defence and counterclaim on 15 Dec 2021.

On 18 May 2022, AHT has informed the Court that they have filed their Affidavit in reply to FNSB's application for Security for Cost; FNSB will file the Affidavit in Reply on or before 24 May 2022.

During the case management on 24 June 2022, FNSB have informed the Court that both parties have agreed to enter into Consent Order for FNSB's application for security for cost. The hearing had been fixed on 4 July 2022, during which, the following has transpired :

- (a) The Plaintiff's solicitor has informed the Court that they have received the sum of RM100,000, being security for costs from the Plaintiff and requested for a next case management date for parties to update the Court on the opening of a trust account for purposes of holding the said sum; and

FNSB has informed the Court during the case management dated 19 August 2022 that FNSB has obtained the necessary approval from CIMB Bank Berhad to open a stakeholder account for the purpose of security for cost. FNSB is currently awaiting clarification from the Bank as well as the documents required by the Bank for the opening of account in order to proceed further.

FNSB has informed the Court that both parties are currently still awaiting clarification from the Bank for the opening of account and requested for a case management to be fixed 2 weeks from 5 September 2022 for parties to update the Court on the status of the matter and the Court has allowed the same.

On 4 October 2022, the Court has instructed the parties to file the Bundle of Pleadings, Common Bundle of Documents, Agreed Facts, Issues to be Tried, Case Summary and List of Witnesses within two months from 4 October 2022 and has fixed for Case Management two months from today for further directions.

Further to the case management on 5 January 2023 and 2 February 2023, the Plaintiff's solicitors have requested an extension of time of one month to get instruction from the Plaintiff and to finalise the Common Bundle of Documents and the Court has allowed and Case Management is fixed on 16 March 2023.

During the 16 March 2023 Case Management, the Court has given one month to finalise all pre-trial documents and at the same time instructed parties to consider whether parties agree to go for mediation.

In the 17 April 2023 Case Management, the Plaintiff's solicitors has informed the Court that parties are still in the midst of discussion (compilation of the Common Bundle of Documents) and the Plaintiff is agreeable to mediation.

The Court has fixed the matter for mediation on 26 May 2023 where it was decided that Trial is fixed on 15 January 2024 to 18 January 2024 and 22 January 2024 to 25 January 2024. Case Management is fixed on 31 July 2023 for parties to update the Court on the status of the filing of the Common Bundle of Documents.

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8. Material Litigation (continued)

(ii) Under Shah Alam High Court Civil No.: BA-22NCC-57-04/2022

On 29 April 2022, FNSB received a sealed Writ and Statement of Claim both dated 29 April 2022 from AHT through its solicitors claiming an amount of Euro 342,857.14, the balance sum under a Purchase and Sales Agreement with AHT Services GmbH ("AHT Services") in relation to the sale of 200KW Biomass Gasification Plant to FNSB at the consideration of Euro1,142,857.14. The transaction was not completed as AHT Services failed to test and commission the gasification plant.

As AHT Services is under liquidation, AHT has been assigned to claim against FNSB.

FITTERS is refuting AHT's allegations as AHT's claims are not substantiated and is premised upon AHT Services' own failure to fulfil its obligations under the Purchase and Sales Agreement.

Contrastingly, FITTERS shall be counterclaiming for the total sum of Euro800,000 previously paid by FNSB to AHT Services pursuant to the Purchase and Sales Agreement for material breach, the terms of which were not fulfilled by AHT Services.

FITTERS has appointed Messrs Ong, Ric & Partners to act for FNSB to refute AHT's claims.

During the Case Management on 26 July 2022 :

- (a) FNSB has filed the Defence and Counterclaim.
- (b) The solicitors for AHT had requested for an extension of time to file their reply and defence to counterclaim till 26 August 2022.
- (c) The Court allowed the extension and AHT is required to file the same on or before 26 August 2022.
- (d) The next case management date has been fixed on 29 August 2022.

On 29 August 2022, FNSB updated the Court that Plaintiff's Reply and Defence to Counterclaim was received on 26 August 2022. FNSB is to file and serve its Reply on or before 9 September 2022.

The Plaintiff has filed Notice of Application dated 26 September 2022 supported with Affidavit affirmed by Gero Ferges dated 23 September 2022 to strike out paragraphs 12-19 of our Statement of Defence and Counterclaim.

The Court has fixed the Hearing date on 12 January 2023 for the Plaintiff's Summary Judgment Application as well as the Plaintiff's application to strike out of FNSB's counterclaim, however, the hearing has been postponed to 4 April 2023 as the Plaintiff's Counsel has fallen ill.

The Court has fixed the case management via E-Review on 30 May 2023 for the parties to update the court on the status of mediation.

9. Dividend Payable

The Board of Directors does not recommend the payment of any dividend in respect of the financial period ended 31 March 2023.

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10. (Loss)/Earnings Per Share

(a) Basic (Loss)/Earnings Per Share

Basic (loss)/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	
	31/3/2023	31/3/2022	31/3/2023	31/3/2022
	RM'000	RM'000	RM'000	RM'000
Loss attributable to ordinary equity holders of the Company	(27,201)	(4,408)	(67,999)	N/A
Adjusted weighted average number of ordinary shares in issue 607,983,311 (FY2022: 467,679,511) ('000)	607,983	467,680	607,983	N/A
Basic Loss per share (sen)	(4.47)	(0.94)	(11.18)	N/A

(b) Diluted Earnings Per Share

There are no dilutive potential ordinary shares. As such, the diluted earnings per share of the Group is equivalent to basic earnings per share.

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DATO' SOK ONE A/L ESEN
CHAIRMAN
Kuala Lumpur
29 May 2023