FITTERS Diversified Berhad (149735-M)

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FITTERS Diversified Berhad (149735-M)

Annual Report **2010**

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Annual Report 2010

Diversified Growth Through
Innovation & Technology

www.fittersgroup.com

Contents

FITTERS Diversified Berhad
(149735-M)

VISION

To be a global driving force in bringing cutting edge technology to enhance the quality of life

MISSION

Provide engineering and creative solutions through innovation and technology

CORE VALUES

F forefront in engineering
I innovative in meeting business challenges
T technology driven management and workforce – talent
T training the team to meet future challenges
E exceptional returns for stakeholders
R research emphasis towards delivery of reliable services
S social responsibility at the centre of the business model

COMPANY PROFILE

FITTERS is recognized as Malaysia's leading fully integrated fire protection and prevention specialist. Incorporated in 1970, FITTERS started out as a trading company and was listed on the Second Board of Bursa Malaysia in 1994 and subsequently promoted to the Main Board in 2007.

FITTERS humble beginnings started in the fire protection industry and through the years, it has established itself as a "one-stop" fire protection specialist; that comprises of (1) manufacturing and trading of fire resistant door sets, fire extinguishers, fire safety apparels, foam systems, sprinkler systems, smoke/heat detectors and fire alarm & monitoring systems; (2) fire prevention engineering, maintenance and upgrading services and (3) operation of a privatized computerized fire alarm monitoring system linked up with fire stations.

This bread-and-butter core business, while profitable and cash-generative, is unable to take FITTERS to a higher level due to its restrictive growth prospects. Realising the need to explore new growth areas to enhance shareholders' value, FITTERS has over the years moderately diversify into selected new ventures and also identified green energy as the way forward for the company. This is mirrored in its tagline ***"Diversified Growth Through Innovation & Technology".***

Today, FITTERS is strategically focused and organized into three core businesses :

(1) Manufacturing, Trading & Services
(2) Construction, Engineering & Property Development
(3) Renewable Energy and Green Palm Oil Mill

The Group's Corporate Head Office is located at Bandar Sri Damansara, Kuala Lumpur with branches in Ipoh, Penang, Johor Bahru, Kuching, Kota Kinabalu and Singapore.

CORE BUSINESS - MANUFACTURING, TRADING & SERVICES

FITTERS manufacturing and trading division is made up of a group of companies involved in the manufacturing and trading of safety, fire-fighting equipment and industrial products to meet the needs of industrial, commercial, petrochemical, marine, housing and the automotive sectors.

PYRODOR fire resistant doorset

Fire Equipment

TITAN Hi-Ten Raised Access Flooring
"Tested and passed to be fully compliant with PSA MOB-PF2 PS/SPU specification"

Fire Alarm System

MANUFACTURING

- Pyrodor Fire Resistant Doorset
- TITAN Hi-Ten Access Flooring System
- FITTERS FIRE-X Fire Extinguisher
- Fire Safety Apparel
- Foam System

TRADING

- Fire Equipment & Protection
- Water Mist System
- Building Material

Chemguard FOAM SYSTEM - UL Approved Sole foam blending facility in South East Asia and serves as "National Disaster Response Center"

FITTERS FIRE-X Fire Extinguisher
Hand-held aerosol can

Fire Safety Apparel

Centralised Monitoring System

COMPANY PROFILE

SERVICES - SPECIALIST THEMED WORKS

Z'odd Design Sdn Bhd offers the full range of design, art direction, manufacture and installation of themed construction for facades, show sets, theme parks, rock work and water designs. The team with more than 20 years of experience, provides a one-stop turnkey design and build solution.

As a one-stop solution provider, Z'odd provides maximum project coordination and flexibility while ensuring the highest level of design consistency. A combination of experienced management with master craftsmen and creative support, Z'odd works with owners, design architects and contractors to deliver quality projects on time and on budget.

CORE BUSINESS - CONSTRUCTION, ENGINEERING & PROPERTY DEVELOPMENT


Festival City Mall

CONSTRUCTION

FITTERS maiden construction project, the 3-storey Festival City Mall is a vibrant focal point of shopping, recreational, leisure, entertainment and dining activities. The lakeside setting provides a serene and eco-friendly environment which adds quality of lifestyle for its residents.

Festival City Mall is scheduled to open in 2011.

MECHANICAL & ELECTRICAL ENGINEERING SERVICES

FITTERS Engineering Services Sdn Bhd (FESSB) is an engineering services and contracting unit with 30 years experience in the building and construction industry. FESSB is principally involved in Mechanical & Electrical Engineering Services contracting, and also undertakes design and build projects. Our maintenance services team provides warranty support and preventive maintenance services.

Our services in ***Mechanical Engineering Building Services*** include Air Conditioning & Ventilation Installation, Fire Protection Installation, Water Supply & Sanitary Installation and Gas Supply Installation.

Our services in ***Electrical Engineering Building Services*** include Electrical Power (HT, MV and LV installation), Extra Low Voltage Installation and Uninterruptable Power Supply and Power Engineering Solutions.


KLCC Twin Tower


Tasik Selatan Bus Terminal


PJ Trade Centre

COMPANY PROFILE

PROPERTY DEVELOPMENT

FITTERS through its subsidiary ZetaPark Development Sdn Bhd is undertaking its maiden property development project on a 8.43 acres prime commercial land in Setapak,KL, beside a beautiful lake with panoramic views of the KL city skyline and majestic view of the quartz ridge, atop of the KL Festival City mall. **ZetaPark** is an integrated commercial, retail & residential development that signify our key objectives of being creative & innovative. It offers an ultramodern, multi-facet mixed development consisting of SOHOs, work suites and service apartments.

The 1st phase, SOHO work suites comprising of 136 units of Small Office Home Office has been fully taken up within 3 months of soft launch. The 2nd phase, ZEN Suites, comprising 288 units of wide and distinct spaces of multiple designs is well received. The final phase being service apartments is scheduled to launch in 2011.

CORE BUSINESS - RENEWABLE ENERGY AND GREEN MILL

Future NRG is a technology integrator and developer of renewable and alternative Waste-To-Energy projects using advanced, proprietary technologies to produce renewable and alternative energy. Future NRG secures project opportunities, manages the permitting processes, carries out the Engineering, Procurement and Construction (EPC) activities including the commissioning, operations and maintenance of the plants.

The market segments in which Future NRG focuses on are:

- **Biomass to Renewable Energy**
  (rural electrification, captive power and grid-connected plants)
- **Waste To Energy**
  - Plasma Gasification of industrial, medical and hazardous wastes
  - Total solution for municipal solid wastes utilizing Plasma Gasification or "Plasma Hybrid" (depending on specific aspects of a project)
  - High-solids anaerobic digestion biogas capture for food and green wastes
- **Sustainable GREEN MILL**
  - Empty fruit bunch processing into Dry Long Fibres (DLF) and biomass pellets
  - Anaerobic digestion biogas capture of palm oil mill effluents (POME) produces renewable energy for DLF, Pellet Plants and for running of the palm oil mill

CORPORATE INFORMATION

BOARD OF DIRECTORS

En. Mohammad Nizar Bin Idris	*Chairman – Independent Non-Executive Director*
Dato' Wong Swee Yee	*Managing Director*
Tan Sri Datuk Paduka Dr. Hajjah Saleha Binti Haji Mohamed Ali	*Non-Independent Non-Executive Director (Demise on 21/3/2011)*
Mr. Kong Sin Seng	*Independent Non-Executive Director*
En. Mohamad Jamil Bin Mohd Yusof	*Independent Non-Executive Director*
Datin Goh Hooi Yin	*Executive Director*
Datuk Dr. Soh Chai Hock	*Non-Independent Non-Executive Director (Appointed on 1/4/2011)*
En. Zahedi Bin Haji Mohd Zain	*Independent Non-Executive Director (Appointed on 1/4/2011)*

COMPANY SECRETARY
Mr. Ng Yim Kong (LS 0009297)

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CMS / Maintenance Services
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50490 Kuala Lumpur

PRINCIPAL BANKERS
AmBank (M) Berhad
EON Bank Berhad
Malayan Banking Berhad
CIMB Bank Berhad
United Overseas Bank (M) Berhad
RHB Bank Berhad

SOLICITORS
Azlan Shah Sukhdev & Co.
Nasir, Kenzin & Tan
Soon Eng Thye & Co.
Soon Gan Dion & Partners
Susanna Lim & Partners

WEBSITE
http:// www.fittersgroup.com

STOCK EXCHANGE LISTING
Main Market of
Bursa Malaysia Securities Berhad
Stock Short Name : Fitters
Stock Code : 9318

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

It has been an exciting year for the FITTERS Group as we achieved a revenue record of *RM189.76 million* for FY2010. This represents a 50 percent increase from FY2009. Our revenue increase is testament of the Group's direction in diversification into selected niche and growth areas. This move has and will bear fruit especially our diversification into the renewable and green palm oil mill venture.

I am pleased to announce that the Group achieved a ***Profit Before Tax of RM18.93 million*** on the back of **revenue totalling RM189.76 million**; representing an increase of 90 percent and 50 percent respectively over the results of the preceding year. The increase was mainly from an additional gain from the Setapak option sale, higher revenue recognition from the completion of projects from the Construction division and profits contribution from our recent lease agreement with Norstar Palm Oil Mill Sdn Bhd. The gross margins for the FITTERS core fire protection and prevention business continue to be profitable and remains stable.

It is with great regret that I have to announce to our shareholders, the demise of Tan Sri Datuk Paduka Dr. Hajjah Saleha binti Haji Mohamed Ali; who has been with the Board since 1994. The Board wishes to extend its condolences to the family of the late Tan Sri and and to our Director, Encik Zahedi Mohd Zain on the demise of his beloved mother. The Board wishes to record the invaluable contributions made by Tan Sri over the past many years.

The Company welcomes the appointment of Encik Zahedi bin Haji Mohd Zain and Datuk Dr. Soh Chai Hock to the Board. Encik Zahedi and Datuk Soh brings with them invaluable insight and diverse experience. The Board will benefit from their contribution.

CORPORATE AND BUSINESS DEVELOPMENT

FITTERS Diversified Berhad (FITTERS) had undertaken a private placement of up to 13,115,000 placement shares representing approximately 10% of the issued and paid-up share capital of FITTERS at RM0.51 per placement share. The private placement had been completed upon the listing of and quotation for the 13,115,000 placement shares on the Main Market of Bursa Malaysia Securities Berhad on 13 April 2010.

FITTERS had undertaken a bonus issue of up to 104,925,388 bonus shares which credited as fully paid-up, on the basis of one (1) bonus share for every two (2) existing FITTERS shares. Up to 32,789,296 new warrants have been allotted and issued on 28 September 2010, on the basis of one (1) new warrant for every two (2) existing warrants held, to the entitled holders of the warrants whose names appeared on the Record of Depositors at 5.00 pm on 27 September 2010. The exact number of bonus shares listed and quoted on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") with effect from 9.00 am on 28 September 2010 was 72,136,054 bonus shares. The exact number of additional warrants listed and quoted on the Main Market of Bursa Securities with effect from 9.00 am on 28 September 2010 was 32,789,296 warrants. The bonus shares and the additional warrants 2007/2012 of FITTERS have been listed on the Main Market of Bursa Malaysia Securities Berhad, and the bonus issue was completed on 28 September 2010.

Solid Orient Holdings Sdn Bhd ("SOH"), a FITTERS wholly owned subsidiary, had on 28 September 2010 entered into a lease agreement ("Agreement") with Norstar Palm Oil Mill Sdn Bhd (Company No. 430501-M) ("Norstar") for its buildings, equipments, machineries and vehicles.

The Agreement with a lease period of six months is to enable FITTERS the opportunity to confirm the assumptions and the commercial viability of the venture before it commits with the option to purchase. This venture is in line with FITTERS entry into the renewable energy sector (and in particular the biomass to energy sub-sector). The Agreement and the eventual acquisition of the palm oil mill will lend much synergy and will further complement FITTERS thrust into the renewable energy sector. The acquisition of the palm oil mill will enable FITTERS to showcase its proposed "GREEN MILL" programme besides demonstrating its business model in achieving a profitable sustainable zero waste "Green Mill" solution for palm oil millers. The acquisition will give FITTERS much creditability in marketing the "GREEN MILL" business model, besides benefiting from the cashflows generated from the palm oil mill business.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is an integral part of FITTERS's business model. As a good corporate citizen, the Group is continuing its programs with the Housing & Local Government's ***"One-Home-One-Extinguisher" and "One-Car-One-Extinguisher"*** campaigns. The objective is to create fire safety and prevention awareness and equip Malaysian homes and cars with "first line of fire defence tools".

FITTERS has been extended the privilege to sponsor the FIRE Station Pavilion at Kidzania Malaysia, an educational theme park; scheduled to be opened in the last quarter of 2011. This pavilion allows kids to learn basic fire prevention and awareness skills, given hands-on experience in putting out fires, driving fire engines, amongst others. This pavilion, when operational will further promote fire safety and awareness to the public; especially the younger generation.

CHAIRMAN'S STATEMENT

ECONOMIC TRENDS AND DEVELOPMENTS

The Malaysian Gross Domestic Product (GDP) grew by a commendable 7.2 % in 2010 due mainly to the RM67 Billion stimulus package and easy monetary stance which boosted business activities. Malaysia GDP is forecasted to grow by 6% for 2011. The RM67 Billion stimulus package via the Malaysian Economic Transformation Program (ETP) focuses on 12 national key economic activities (NKEA). These NKEAs are expected to make substantial contribution to the country's economic performance which would be led by the private sector (92%).

NKEAs in the areas of palm oil, MRT, communications & infrastructure will augur well for FITTERS businesses; especially in the areas of Construction, Engineering, Renewable Energy and Green Palm Oil Mill. FITTERS hopes to be able to garner a slice of the action from the Government's aggressive targets and favourable policies set in the renewable and waste to energy sectors.

FUTURE OUTLOOK

"Diversified Growth Through Innovation & Technology" – this tagline will continue to form the cornerstone of the Group's development and resilience through good or turbulent times. The Group needs to maintain a balanced portfolio of winning businesses, strategically and competitively positioned to take advantage of the changing centre of economic activities.

The Group's journey of continuous improvements, streamlining and simplifying processes and investment in the Information, Communication and Technology (ICT) infrastructure will ensure that FITTERS continues to be lean, productive, efficient and effective.

FITTERS ***bread-and-butter core business in the manufacturing, trading and services*** businesses for the fire protection and prevention industry will continue to be profitable and cash-generative. It will continue to provide a steady and stable stream of income.

Z'odd Design Sdn Bhd, specialist themed works contractor which specializes in themed finishes, artificial rockworks, façade construction, fabrication & installation of custom speciality props is today recognized by international theme park operators for their quality finishes and successful performance for some recent iconic projects in the region. Z'odd's current order book includes packages for additional attractions for Universal Studios, Kidzania Malaysia and many others. We expect a significant contribution towards the Group's revenue.

The Construction, Engineering and Property division is expected to contribute prominently towards the Group's revenue and profitability for 2011. The construction of the podium and towers of ZetaPark are in progress. The 1st phase, SOHO work suites comprising 136 units of Small Office Home Office (SOHO) has been fully taken. The 2nd phase, ZEN Suites, comprising 288 units of wide and distinct spaces of multiple designs; is well received. We expect to launch the Service Apartments in 2011. The Engineering team has a current healthy order book and is expected to secure more contracts; as a result of the Government's rollout of its stimulus package.

The Group has identified ***green renewable energy*** as the way forward to substantially increase its revenue stream and profitability. **Future NRG is a technology integrator and developer of renewable and alternative Waste-To-Energy projects using advanced, proprietary technologies to produce renewable / alternative energy.**

Since its incorporation in 2008, Future NRG has been involved in numerous projects in the region. The Biomass Power Plant (Phase 1) in Liangshan County, China is expected to be operational this year. The Plasma Gasification of industrial, medical and hazardous wastes project in Sendayan, Nilai is at its EIA approval stage. With timely approvals, we expect the project to roll out in the last quarter of 2011.

FITTERS "GREEN MILL" intends to provide palm oil millers a **zero waste sustainable Green Mill solution (waste-to-money proposition).** In order to demonstrate the commercial viability of the "GREEN MILL" business model, FITTERS has taken steps in owning its own mill via a lease agreement with Norstar Palm Oil Mill Sdn Bhd with the option to purchase. FITTERS will showcase its GREEN MILL concept upon successful acquisition. At the same time, it will form Joint Ventures with palm oil millers to convert their existing conventional palm oil mills into "GREEN MILLS" to fully exploit the potential of palm oil wastes. We envisage that this venture will deliver a sustainable performance for the Group in the medium to long term.

We expect FY2011 to be an exciting, challenging and busy period for the Group as we move into new frontiers. With the commitment and support of the entire FITTERS team, we are confident of meeting the high targets set. We look forward to an outstanding year where we can continue to scale greater heights for the benefits of our stakeholders.

ACKNOWLEDGEMENT

Finally, on behalf of the board of FITTERS, I wish to extend my sincere thanks and appreciation to the management and staff for their contribution, dedication and commitment to our Company.

I also like to thank our valued customers, shareholders, associates and partners for their continued confidence and support through the years.

Lastly, I also like to thank the distinguished members of the Board for their valuable advice and contributions to the Company.

MOHAMMAD NIZAR BIN IDRIS
Chairman
Dated this : 9 May 2011

BOARD OF DIRECTORS' PROFILE

ENCIK MOHAMMAD NIZAR BIN IDRIS

Encik Mohammad Nizar bin Idris, 68, a Malaysian is the **Chairman of the Board** and an **Independent Non-Executive Director**. He was first appointed to the Board on 21st November 2000. He is also the Chairman of the Nomination and Remuneration Committee and is a member of the Audit Committee.

He holds a Bachelor of Law (Honours) degree, AMP (Harvard) and he is a member of the Malaysian Bar.

He started his career in the Civil Service and the Judicial and Legal Service. Prior to joining the private sector, he was the Senior Federal Counsel responsible for tax and treasury matters. In 1976, he joined the Royal Dutch Shell Group. He worked in Malaysia, The Hague (Netherlands) and London. He was the first non-European to head the Legal Division of Shell International Petroleum Co. Ltd in London which dealt with the Royal Dutch Shell Group's business, investments and joint ventures for the world. Before retiring from Shell, he returned to Malaysia to assume the position of Deputy Chairman and Executive Director of Shell Companies in Malaysia and the Chairman of Shell Chemicals. He retired in 1997.

After his retirement, he served on the boards of several companies including a bank, investment bank, insurance and unit trust management companies. He was also a director of Khazanah Nasional Bhd.

He has no other directorship in other public companies and neither is there any family relationship with any director and/or substantial shareholder. There is no conflict of interest with the Company. There are no convictions for any offences within the last 10 years.

DATO' WONG SWEE YEE, DSSA

Dato' Wong Swee Yee, 53, a Malaysian is the founder of the company. He is the **Managing Director** and an **Executive Non-Independent Director**. He was first appointed to the Board on 18th January 1986. He is the Chairman of the Executive Committee and the Employee Share Option Scheme (ESOS) Committee, member of the Remuneration and Risk Management Committees.

He is an Associate Member of Harvard Business School Alumni Club of Malaysia and Vice-President of the Table Tennis Association of Malaysia.

He has been in the fire safety and prevention industry since 1979. As the founder, he has been instrumental in building up FITTERS Group. His visionary entrepreneurial skills and foresight has led the Company to move into both upstream and downstream activities in the fire fighting industry. He has also contributed greatly to the fire safety industry by bringing into Malaysia state-of-the-art technology and he is instrumental in setting up a comprehensive network of distributorship rights for specialised fire fighting equipment and systems for FITTERS. He is instrumental in taking the Group to greater heights by diversifying into new areas of property and renewable energy development.

He has no other directorship in other public companies. Datin Goh Hooi Yin, his spouse, is also a member of the Board. Save for recurrent related party transactions noted in the Annual Report, there is no conflict of interest with the Company. There are no convictions for any offences within the last 10 years.

TAN SRI DATUK PADUKA DR. HAJJAH SALEHA BINTI HAJI MOHAMED ALI
PSM, DPMS, AMN, PJK, JP (Demise on 21/3/2011)

Tan Sri Datuk Paduka Dr. Hajjah Saleha Binti Haji Mohamed Ali, 88, a Malaysian was first appointed to the Board on 26th January 1994. She ceased as a **Non-Independent** and **Non-Executive Director** on her demise on 21st March 2011.

She held a Diploma in Social Science & Economics from London School of Economics, University of London. She was a fellow of the Faculty of Building, England and Institute of Management Consultants Malaysia. She was also awarded the Doctorate, Honoris Causa from the University of Southern Queensland, Australia in 1997.

She had served in many public, social and welfare organizations including the National Council of Religious Affairs, Malaysia; member of the National Welfare Council, Malaysia and was the President of the Spastic Children's Association of Selangor and Federal Territory. She was also the President of the Institute of Management Consultants, Malaysia; Trustee of Sunway College; Executive Chairman of Help International Corporation Berhad and Chairman of the Association of Promotion of Higher Education in Malaysia (APHEM). She was also an advisor to The Asian Strategy and Leadership Institute (ASLI), and the Malaysian Strategic Research Centre (MSRC).

She sat on the board of Leong Hup Holdings Berhad, Hirotako Holdings Berhad and Malaysia Land Development Co. Berhad. Encik Zahedi Bin Haji Mohd Zain, her son, was an alternate director to her. There was no conflict of interest with the Company. There were no convictions for any offences within the last 10 years.

BOARD OF DIRECTORS' PROFILE

MR KONG SIN SENG

Mr Kong Sin Seng, 55, a Malaysian was first appointed to the Board on 22nd December 2001. He is an **Independent Non-Executive Director**. He is the Chairman of the Audit and Risk Management Committee and is a member of the Nomination Committee and ESOS Committee.

Mr Kong holds a Bachelor of Accounting (Hons) from the University of Kent, England. He is a member of the Institute of Chartered Accountants in England & Wales.

He started his career as an article clerk with Reeves & Neylan, Chartered Accountants in the United Kingdom from 1978 to 1982 and subsequently joined Price Waterhouse in 1983. He joined Promet Berhad as Group Financial Executive in 1983 and United Detergent Industries as Financial Controller in 1986. In 1987 he was attached to Promet Petroleum Ltd in Jakarta and subsequently with the Dharmala Group, Indonesia in 1989 as Group Financial Controller. He subsequently became the Managing Director of Heavy Equipment Division and the Director of Financial Services Division. He joined FACB Berhad as the Chief Financial Officer in 1995 and in 1997 was the PA to the Chief Executive Officer of MBF Capital Berhad and as Senior Vice President in MBF Finance Berhad. Since 2000, he became the Chief Executive Officer of Goldwealth Capital Sdn Bhd and is currently the Chief Executive Officer of Widetech (M) Berhad.

He is also on the Board of Widetech (M) Berhad since September 2004. He has no other directorship in other public companies. He has no family relationship with any director and/or substantial shareholder. There is no conflict of interest with the Company. There are no convictions for any offences within the last 10 years.

ENCIK MOHAMAD JAMIL BIN MOHD YUSOF

Encik Mohamad Jamil bin Mohd Yusof, 68, a Malaysian was first appointed to the Board on 15th September 1997. He is an **Independent Non-Executive Director**. He is a member of the Audit Committee, Nomination Committee and the Remuneration Committee.

He holds a Bachelor of Science degree in Electrical Engineering from the University of Strathclyde and a Diploma in Radio Engineering from Technical College, Kuala Lumpur.

He started his career with Radio TV Malaysia (RTM) as a Technical Assistant and later became a Regional Engineer and Project Engineer. During his tenure with RTM from 1963 to 1974, he was involved in the operations and maintenance of Radio/ TV equipment and later in establishing new broadcasting stations. He then joined Chubb Malaysia Sdn Bhd as a Manager in the Electronics Division. In 1982, he was appointed as Deputy Managing Director and subsequently became the Managing Director. In 1994, he joined G-Five Security Consultancy Sdn Bhd as its Managing Director.

He has no other directorship in other public companies. There is no family relationship with any director and/or substantial shareholder. He has no conflict of interest with the Company and there are no convictions for any offences within the last 10 years.

ENCIK ZAHEDI BIN HAJI MOHD ZAIN

(Cease as Alternate Director to Tan Sri Datuk Paduka Dr. Hajjah Saleha Binti Haji Mohamed Ali on 21/3/2011, appointed as Director to the Board on 1/4/2011)

Encik Zahedi Bin Haji Mohd Zain, 56, a Malaysian was first appointed to the Board on 26th January 1994. On 22nd December 2001, he was appointed as the Alternate Director to the late Tan Sri Datuk Paduka Dr Hajjah Saleha binti Haji Mohd Ali and ceased on 21st March 2011 after her demise. He was appointed as an **Independent Non-Executive Director** on 1st April 2011.

He holds a Bachelor of Science Honours Degree (Applied Science) from Brighton Polytechnic, United Kingdom.

He started his career as a production engineer with Petronas in 1981. In 1985 he joined Perusahaan Dapat Sdn Bhd (now known as Autoliv Hirotako Safety Sdn Bhd) as an Executive Director, a position which he still holds.

He is also a Director of Hirotako Holdings Berhad since 1994. He has no other directorships in other public companies. He is the son of the late Tan Sri Datuk Paduka Dr. Hajjah Saleha Binti Haji Mohamed Ali. There is no conflict of interest with the Company. There are no convictions for any offences within the last 10 years.

BOARD OF DIRECTORS' PROFILE

DATUK DR. SOH CHAI HOCK

PJN, DSSA, DSM, JSM, KMN, AMN, PBM, LLD (USA), HON F.I. (FIRE), E (UK) MMIM

Datuk Dr. Soh Chai Hock, 66, a Malaysian was first appointed to the Board on 1st April 2011. He is a **Non-Independent Non Executive Director**.

Datuk Dr. Soh is National Chairman of the Malaysian Fire Prevention Council, a Government link NGO. He was conferred a 'Doctorate of Laws' (LLD) by the Anna Maria College, Paxton, Massachusetts, USA in 1998. He is professionally trained on FEMA's highest level of Command and Control program in the United States and on "Senior Crisis Management – Anti Terrorism" with the Department of State, Bureau of Diplomatic Security and Louisiana State University, USA.

He was also the co-founder and Adjunct Professor for the Master of Science ("ERP") program in University Putra Malaysia and Chief Editor for the "Guide for Fire Protection in Malaysia". In 1996, he was appointed as Vice President of the Fire Chiefs Association of Asia (IFCAA) and was invited to sit in the United Nations Fire Expert Committee, Geneva, Switzerland during the Indonesian wild land fire and South East Asian haze disaster in 1997.

He was also a Post Cabinet committee member for the Ministry of Housing and Local Government, Malaysia. In 1999, he retired as the Director General of the Malaysian Fire and Rescue Services and was appointed 'Fire Expert' by the Asian Productivity Organization for 20 Asia-Pacific countries. In 2010, he was conferred the 'Fellow of the Institute of Fire Engineers, United Kingdom.

Since his retirement from the public sector, he has continued to be active in both the public and private sector. He served as an Independent Director for Proton Automobile (M) Bhd and Proton Edar Sdn Bhd, Asia Insurance (M) Bhd, HOPU Investment Management Co Ltd and Executive Chairman for ZODD Design Sdn Bhd.

At present, he has no other directorship in other public companies. There is no family relationship with any director and/or substantial shareholder. He has no conflict of interest with the Company and there are no convictions for any offences within the last 10 years.

DATIN GOH HOOI YIN

Datin Goh Hooi Yin, 50, a Malaysian is an **Executive Non-Independent Director**. She was first appointed to the Board on 15 December 2008. She is a member of the Executive Committee and the Employee Share Option Scheme (ESOS) Committee. She holds a Bachelor of Science (Mathematics), 1st class Honours degree from University of Malaya.

She started her career as an analyst with an insurance company. She subsequently joined an IT organization and effectively served in various positions spanning across sales & marketing, project management, consulting, customer service and profit center responsibilities. She joined the Group's subsidiary (Master Pyroserve Sdn Bhd) for a period of 3 years; assisting in the ISO accreditation and overseeing the maintenance operations.

She has no other directorship in other public companies. She is the spouse of Dato' Wong Swee Yee, the Managing Director and a substantial shareholder of the company. There is no conflict of interest with the company. There are no convictions for any offences within the last 10 years.

GROUP FINANCIAL SUMMARY
AS AT 31 DECEMBER 2010

RM'000	2010	2009	2008	2007	2006
Revenue	189,756	126,226	163,789	146,452	128,421
Profit before taxation	18,929	9,975	24,520	8,598	16,081
Taxation	(4,939)	(1,675)	(1,164)	(2,749)	(3,880)
Profit after taxation	13,990	8,300	23,356	5,849	12,201
Minority interests	(829)	(284)	(1,726)	(320)	(169)
Profit for the year	13,161	8,016	21,630	5,529	12,032
Share capital	108,204	65,579	65,579	65,579	62,177
Treasury shares	-	(2,277)	(4,454)	-	-
Distributable reserves	20,251	43,388	38,047	20,299	18,600
Non-distributable reserves	7,033	7,862	7,890	7,885	1,943
Shareholders' Fund	135,488	114,552	107,062	93,763	82,720
Property, plant and equipment	31,684	14,658	14,242	10,680	7,996
Land held for property development	-	30,922	30,569	-	-
Investments properties	1,109	1,607	1,177	1,403	1,430
Intangible assets	4,531	4,702	4,848	15,113	14,992
Land use rights	3,481	-	-	-	-
Trade and other receivables	17,260	582	589	-	-
Investments securities	19,294	19,295	15,497	17,370	3,886
Deferred tax asset	-	285	450	-	4
Current assets	162,260	114,632	133,901	141,763	116,804
Total Assets	239,619	186,683	201,273	186,329	145,112
Bank Borrowings	14,689	19,376	34,636	52,061	31,817
Net Assets	136,713	114,974	107,203	94,081	84,399
Net Assets per share (sen)	63.17	91.21	88.47	71.73	67.87
Weighted Average Number of Ordinary Shares Issue ('000)	203,440	194,920	129,436	128,530	124,355
Earnings per share (sen)	6.47	4.11	16.71	4.30	9.68

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("Board") of FITTERS Diversified Berhad ("FITTERS" or "the Company") recognises the exercise of good corporate governance in conducting the affairs of FITTERS with integrity, transparency and professionalism for the protection and enhancement of shareholder's value and the financial performance of the Group.

The Company is fully committed to good corporate governance practices and fair dealings in all its activities. It subscribes fully to the principles and Best Practices promoted by the Malaysian Code of Corporate Governance ("the Code") which was revised on 1 October 2007. This statement describes the Best Practices that the Company had adopted with respect to each of the key principles of the Code and the extent of its compliance during the financial year.

1. BOARD OF DIRECTORS

1.1 Responsibilities

The Board assumes full responsibilities for the overall performance of the FITTERS Group by setting strategic plans for the company and overseeing the conduct of the Company's businesses. The Board also focuses on reviewing the adequacy and integrity of the Company's internal control systems and management information system, succession planning, identifying key risks and ensuring implementation of appropriate systems to manage these risks and developing shareholder's communication policy for the Company. The concept of transparency, accountability and integrity forms the foundation to which the Board discharges its duties.

The Board has appropriately delegated specific task to six Committees, i.e. Audit Committee, Executive Committee (EXCO), Nomination Committee, Remuneration Committee, Risk Management Committee and Employee Share Option Scheme ("ESOS") Committee. These Committees have wide ranging authorities and make recommendations to the Board which holds the ultimate responsibility.

The Board maintains a supervisory control over management through the guardianship of the Executive Committee which ensures implementation of standard operating procedures and efficient management of the FITTERS Group.

1.2 Board Balance

The Board has seven members providing a balanced mix of two Executive Directors, one Non-Independent Non-Executive Director and four Independent Non-Executive Directors, whose varied skills and vast experiences are relevant to the Group's business operations. There is a clear segregation of responsibilities between the Chairman and the Managing Director to ensure a balance of power and authority. The Board is led by Encik Mohammad Nizar Bin Idris as the Independent Non-Executive Chairman. Dato' Wong Swee Yee, the Managing Director, leads the executive management of the Company. No one individual or small group of individual Directors dominate the Board's decisions. The composition of the Board fairly reflects the interest of the majority and minority shareholders. The Board has identified Encik Mohamad Jamil Bin Mohd Yusof as the Senior Independent Non-Executive Director to whom, concerns may be conveyed in accordance with the requirement of the Code.

The Independent Directors are independent of management and free from any relationship or any transaction, which may interfere with their independent judgement. The Board complies with the Listing Requirements of paragraph 15.02 whereby at least one-third of the Board is independent.

STATEMENT ON CORPORATE GOVERNANCE

1.3 Board Meetings

The Board met on a scheduled basis of six times a year for the financial year ended 31 December 2010, at the registered office. Details of attendance of these meetings are as follows:

Directors	No. of Meetings Attended
Encik Mohammad Nizar Bin Idris	6 / 6
Dato' Wong Swee Yee	6 / 6
Datin Goh Hooi Yin	6 / 6
Tan Sri Datuk Paduka Dr. Hajjah Saleha Binti Haji Mohamed Ali	2 / 6
Mr Kong Sin Seng	6 / 6
Encik Mohamad Jamil Bin Mohd Yusof	6 / 6

Alternate Directors	
Encik Zahedi Bin Haji Mohd Zain	4 / 6

The Board meets on matters reserved specifically for its decision to ensure that the overall strategic direction and control of the FITTERS Group is firmly in its hands. These include matters such as dividend policy, major asset acquisitions and disposals, joint ventures and investments decisions, issue of new shares, related party transactions, financial performance and other important matters which fall under the purview of the Board.

1.4 Supply of Information

Prior to each Board meeting, every Director is given an agenda and a set of Board Papers for each agenda to be deliberated. The Board Papers include minutes of the previous meeting, quarterly financial results and issues requiring the Board's deliberation and approval and other ad-hoc reports. For example, minutes of the Executive Committee, Audit Committee and Nomination Committee are extended to the members of the Board at the conclusion of each of the meetings. The findings of the Risk Management Committee are also extended to the Board.

The Board members have unrestricted access to timely and accurate information, necessary in the performance of their duties as a full board as well as in their individual capacities. Whenever the need arises, senior management will be invited to board meetings to further assist the Board in understanding the Company's operations.

All Directors have access to the advice and services of the Company Secretary, the Internal Auditor and the External Auditors. In the execution of their duties as Directors, whenever independent professional advice is required, external independent expert may be engaged at the expense of the Company. However, no such advice was sought by any Director for the financial year 2010.

1.5 Company Secretary

The Company Secretary provides guidance to the Board on matters pertaining to the Board's responsibilities in order to ensure that they are effectively discharged within relevant legal and regulatory requirements. This includes updating the Board on the Listing Requirements, circulars from Bursa Malaysia Securities Berhad and other legal and regulatory developments and their impact on the Group and its business.

The Company Secretary or his representative attends all Board Committee meetings where he records and circulates the minutes of the meetings. He is also responsible for the safekeeping of the minutes by ensuring that they are kept at the registered office of the Company and are available for inspection, if required.

STATEMENT ON CORPORATE GOVERNANCE

1.6 Appointments to the Board

The appointment of new Directors is under the purview of the Nomination Committee which is responsible for making recommendations to the Board of suitable candidates for appointment as Director of the Company. Suitable candidates must be approved by the Board.

As part of the process of assessing the suitability of candidate for Board membership, the Nomination Committee takes into account various factors such as the individual's educational background, experience, Listing Requirements and general knowledge of the Company's business and market.

1.7 Re-election of Directors

In accordance with the Company's Articles of Association, all newly appointed Directors shall retire from office but shall be eligible for re-election in the next Annual General Meeting subsequent to their appointment. The Articles also provides that at least one third of the remaining Directors be subject to re-election by rotation at each Annual General Meeting. Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

1.8 Directors' Training

All directors have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. As an integral element in the process of appointing new Directors, there will be a period of orientation and education for the new Board members.

The Company acknowledges that continuous education is vital for the Directors to gain insight into the state of the economy, technological development, latest regulatory developments, corporate governance developments and management strategies in relation to the FITTERS Group's core businesses.

During the year ended 31 December 2010, the Directors had attended training conducted by the Company Secretary on "Corporate Governance Guide - Towards Boardroom Excellence" or more commonly known as the "CG Guide" for the purpose of providing the Directors with an idea of what are the contents that are covered in the 9 chapters and 11 exhibits of the CG Guide.

The Directors had also been given a presentation/update on the renewable/alternative energy business on plasma and biomass gasification by the Group's in-house Chief Technology Officer.

In addition, the directors had also attended seminars (both Bursa and external), talks and visits to principals' offices / plant to first hand understand the technology of the new businesses that the Group is diversifying into.

The directors will continue to undergo other relevant training programs and seminars to ensure that they remain well equipped with the relevant knowledge as well as emergent strategic directions and ideas to discharge their duties effectively.

1.9 Board Committees

1.9.1 Audit Committee

The Company has an Audit Committee whose composition meets with the Bursa Malaysia Listing Requirements, where Independent Directors form the majority and a member is a qualified accountant. The Audit Committee reviews issues related to accounting policies, external financial reporting, monitors the work of the internal audit department and ensures an objective and professional relationship is maintained with the External Auditors. The Audit Committee has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the Audit Committee. The role of the Audit Committee and the number of meetings held during the financial year as well as the attendance record of each member are set out in the Audit Committee Report in the Annual Report.

STATEMENT ON CORPORATE GOVERNANCE

1.9.2 Nomination Committee

The Company had on 22 December 2001 established a Nomination Committee in line with the Code. The composition of the Nomination Committee, which consists of Independent Non-Executive Directors, is as follows:

Chairman	Encik Mohammad Nizar Bin Idris
Members	Encik Mohamad Jamil Bin Mohd Yusof
	Mr Kong Sin Seng

The Nomination Committee's functions are to:-

(a) recommend to the Board, candidates for all directorships to be filled by the shareholders or the Board after considering the candidates' skills, knowledge, expertise, experience, professionalism and integrity. In the case of the candidates for the position of the Independent Non-Executive Directors, the Nomination Committee should also evaluate the candidates' ability to discharge such responsibilities/ functions as expected from Independent Non-Executive Directors.
(b) consider, in making its recommendations, candidates for directorship proposed by the Managing Director and within the bounds of practicality, by any other senior executive or any Director or any shareholder.
(c) recommend to the Board, Directors to fill the seats on Board Committees.
(d) review the Board's structure and balance between Executive and Non Executive Directors.
(e) assess the effectiveness of the Board as a whole, the effectiveness of the committees of the Board and the contribution of each individual Director, including Independent Non-Executive Directors and Managing Director.
(f) review the required mix of skills and experience and other qualities including core competencies which Non-Executive Directors shall bring to the Board.
(g) perform any other ad-hoc duties that may be required by the Board.

During the financial year 2010, the Nomination Committee met and deliberated on the composition and performance of the Board members. It was concluded that the calibre, experiences, qualifications and the present mix of Board members are sufficiently adequate and capable in managing the Company and ensuring the Group's strategies are properly considered and implemented.

1.9.3 Remuneration Committee

The Company had on 22 December 2001 established a Remuneration Committee in line with the Code. The composition of the Committee is as follows:

Chairman	Encik Mohammad Nizar Bin Idris
Members	Dato' Wong Swee Yee
	Encik Mohamad Jamil Bin Mohd Yusof

The Remuneration Committee's functions are to:-

(a) assist the Board in discharging its responsibilities in ensuring that the Company's and the Group's Executive Directors and senior management team are fairly rewarded for their individual contributions to the Company's and the Group's overall performance and the levels of remuneration is sufficient to attract and retain the best personnels to run the Company and the Group successfully.
(b) recommend to the Board on the policies and framework for the Company and the Group in relation to staff remuneration and rewards.
(c) oversee and review the scope and quality of human resource programmes of the Company.

STATEMENT ON CORPORATE GOVERNANCE

1.9.4 Executive Committee ("EXCO")

Executive Committee ("EXCO") is the principal decision making body for the day-to-day operational matters that cannot be dealt with by the respective operational heads due to the significance and/or magnitude of the issue or transaction involved. The EXCO's functions are:

1. To review operational and financial performance of all operating units under the Company.
2. To discuss operational issues, business development, business plans and budgets, personnel and all matters relating to the running of the operating units.
3. To act as a check and balance for major operational decisions that requires an independent and objective evaluation.
4. To act as an evaluation and consultation panel to facilitate prompt and effective decision making by the Board of Directors.
5. To enable faster response to operational issues.
6. To provide approvals based on authority levels sanction by the Board of Directors in order to facilitate effective management of the operational units.

The composition of the EXCO is as follows: -

Chairman:	Dato' Wong Swee Yee
Members:	Datin Goh Hooi Yin
	Mr. Fong Kum Kuan
	Mr. Law Jenn Dong
	Ms. Chong Wei Wei

1.9.5 Risk Management Committee

The Risk Management Committee assist the Board to carry out its responsibilities in relation to managing the Company's risk in a systematic and methodical manner. This includes risk assessment evaluation and the setting up of a risk management framework for monitoring of risk on a regular basis.

The Committee consist of at least one Independent Non Executive Director, members of EXCO and senior management team/profit centre managers.

1.9.6 Employee Share Option Scheme ("ESOS") Committee

The ESOS Committee was established to administer and implement the Company's ESOS in accordance with the approved by-laws, to determine participation, eligibility, option offers, share allocations and to attend to such other matters as may be required.

The members of the ESOS Committee are as follows:

Chairman:	Dato' Wong Swee Yee
Members:	Datin Goh Hooi Yin
	Mr. Kong Sin Seng

STATEMENT ON CORPORATE GOVERNANCE

2. DIRECTORS' REMUNERATION

During the financial year 2010, Remuneration Committee met to review and deliberate on the remuneration scheme. The Committee concluded that the levels of remuneration set for each individual Director is sufficient to attract and retain the Directors. The component parts of the remuneration are structured so as to link rewards to responsibilities, contribution, corporate and individual performance, in the case of Executive Directors. The level of remuneration of Non-Executive Directors would reflect their contribution, relevant experience and level of responsibilities undertaken.

The details of the remuneration for Directors of the Company during the financial year ended 31 December 2010 are as follows:

Aggregate Remuneration Categorization	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	-	-
Salaries	433	156
Bonuses	90	-
Benefits-in-kind	7	-
Total	530	156

The number of Directors of the Company whose total remuneration falls within the following bands:

Range of Remuneration	No. of Executive Directors	No. of Non-Executive Directors
Below RM50,000	-	3
RM50,001 to RM200,000	-	2
RM200,001 to RM500,000	2	-
Above RM500,001	-	-

3. SHAREHOLDERS

3.1 Dialogue between the Company and Investors

The Company recognises the importance of establishing a direct line of communication with shareholders and investors through timely dissemination of information of the Company's performance and major developments through:

(a) the Annual Report;
(b) the various disclosures and announcements made to Bursa Securities including the Quarterly Results and the Annual Results;
(c) explanatory circulars on business requiring shareholders' approval; and
(d) the Company's website www.fittersgroup.com

As part of the Company's continuous investor relations and communications program, the Company held dialogues and briefed various research and investment analysts on the FITTERS Group's strategies, performance and major developments.

3.2 The Annual General Meeting

The Company's Annual General Meeting ("AGM") has served as a principal forum for dialogue with the shareholders. The Chairman and the Board encourage all shareholders to attend and participate at the AGM in order to know the latest developments and have a clear and complete picture pertaining to the Company's performance and their plans for the future. This also provides an opportunity for shareholders to have a dialogue with the Directors to share and exchange their views and opinions at the AGM.

STATEMENT ON CORPORATE GOVERNANCE

4. ACCOUNTABILITY AND AUDIT

4.1 Internal Control

The Company adopts a comprehensive, purpose driven management system, whereby the Company's mission is incorporated into its objectives which are supported by strategies, action plans, controls and monitoring systems encompassing internal controls and risk management.

The system of internal control is continuously being reviewed and improved in line with the changing business environment, industry practices and risk-rewards profiles. The Company has a Group Internal Audit Department (which reports directly to the Audit Committee) to conduct regular reviews on compliance with internal control procedures and practices and to review the effectiveness of the risk management and governance processes within the Company. The Statement on Internal Control in this Annual Report provides an overview of the state of internal controls within the Group.

4.2 Financial Reporting

The Board aims to present a balance and meaningful assessment of the Company's position and prospects to the shareholders primarily through the annual financial statements, quarterly financial reporting as well as the Chairman's Statement on review of operations in the Annual Report. The Board is assisted by the Audit Committee to oversee the FITTERS Group's financial reporting process and the quality of its financial reporting. This applies to price-sensitive public reports and reports to regulators.

4.3 Relationship with the Auditors

The Company works closely with the External Auditors and maintains a transparent relationship with them in seeking professional advice and ensuring compliance with applicable approved accounting standards and statutory requirements.

The Group Internal Audit Department is independent with unrestricted access to information and is rendered full cooperation by all levels of management in order to carry out their functions effectively. The Company is aware that the Internal Audit function forms an integral part of an effective system of corporate governance. Thus the External Auditors and Internal Auditors' impartiality, integrity and objectivity are greatly respected and being reciprocated by their professionalism in conducting audits of the Company.

The Board is satisfied that the Company has, in all material aspects, complied with the Best Practices of the Code. The statement was approved by the Board on 12 May 2011.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to paragraph 15.26(a) of the Listing Requirements of Bursa Malaysia Securities Berhad

The Directors are required by the Companies Act, 1965, to prepare financial statements for each financial year which have been made out in accordance with the applicable Approved Accounting Standards which give a true and fair view of the state of affairs, the results and the cash flows of the Group and of the Company at the end of the financial year.

In preparing the financial statements, the Directors have :

- selected accepted accounting policies and applied them consistently;
- ensured that all applicable accounting standards have been followed and if there are any material departures, to disclose and explain in the financial statements;
- made judgements and estimates that are reasonable and prudent; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time, the financial position of the Group and of the Company and are in compliance with the Companies Act, 1965. The Directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and have taken reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT ON CORPORATE GOVERNANCE

6. ADDITIONAL COMPLIANCE INFORMATION

1. Status of utilization of proceeds raised from corporate proposals during the financial year 2010

The proceeds of RM6,688,650 was raised from the Private Placement of 13,115,000 new ordinary shares during the financial year 2010. The total proceeds raised have been fully utilised for working capital.

2. Share Buy-Back

During the financial year ended 31 December 2010, the Company resold a total of 5,108,300 treasury shares of RM0.50 each ("FITTERS shares") which are listed on the Main Board of Bursa Malaysia Securities Berhad on the open market. The details of the shares resold during the year are as follow :

Monthly breakdown	No of "FITTERS shares" resold	Resold price per share (RM)		Average cost per share (RM)	Total Proceeds (net of commission and brokerage paid)
		Lowest	Highest		
March	5,108,300	0.630	0.650	0.64	3,243,419.61

As at 31 December 2010, a total of 76 "FITTERS shares" were held as treasury shares. None of the treasury shares held were cancelled during the financial year.

3. Options or convertible securities

Employees Share Option Scheme ("ESOS") of the Company came into effect on 9 May 2001 and was extended for a further five years to 9 May 2011. No options have been granted and exercised during the financial year 2010.

On 28 November 2007, the Company issued a renounceable rights issue of 65,578,592 warrants at RM0.10 per warrant on the basis of one (1) new warrant for every two (2) existing ordinary shares of RM0.50 each. These warrants were listed on Bursa Malaysia Securities Berhad on 5 December 2007. The exercise period commenced on the date of issue of the warrants and it will mature five years from the date of issuance. On 7 October 2010, 32,789,296 new warrants were issued pursuant to the bonus issue of 72,136,054 new ordinary shares of RM0.50 each on the basis of one (1) bonus share for every two (2) existing shares held, together with an allotment of warrants on the basis of one (1) new warrant for every two (2) existing warrants held. All warrants remained unexercised as at 31 December 2010.

4. American Depository Receipt ("ADR") / Global Depository Receipt ("GDR") programme

During the financial year 2010, the Company did not sponsor any ADR or GDR programme.

5. Sanctions and / or penalties imposed on the company & its subsidiaries, directors or management by the relevant authorities

During the financial year 2010, there were no sanctions or penalties imposed on the Company and its subsidiaries, directors or management by the relevant authorities.

6. Non-Audit Fees

During the financial year 2010, the total non-audit fees paid to the external auditors of the Company was RM35,000.

7. Variation in results

There were no variances of 10% or more between the results for the financial year 2010 and the unaudited results previously announced.

8. Profit Guarantee

There were no profit guarantees made or given in relation to the financial year 2010.

STATEMENT ON CORPORATE GOVERNANCE

9. Material contracts awarded to directors and substantial shareholders

There were no material contracts entered into by the Company and its subsidiaries involving directors and/or substantial shareholders during the financial year nor any whose interest still subsist at the end of the financial year, as at 31 December 2010.

10. Revaluation Policy

Save as disclosed in Note 13 of the Notes to the Financial Statements on page 64, the Company does not have any other revaluation policy on landed properties.

11. Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPTs") conducted pursuant to the Shareholders' Mandate during the financial year ended 31 December 2010

Pursuant to Practice Note 12/2000 issued by the Bursa Malaysia Securities Berhad, the aggregate value of RRPTs made during the financial year in respect of the Shareholders' Mandate which was obtained on 17 June 2010, are set out below:

Nature of RRPT	Subsidiary of FITTERS Involved in the Transaction	Related Party	Interested Directors/ Major Shareholders/ Persons Connected to Directors and Major Shareholders	Estimated value as disclosed in the Circular to shareholders dated 17 June 2010 (3) (RM'000)		Actual value transacted during the financial year ended 31/12/2010 (RM'000)	
Subcontract works (1)				Subcontract From	Subcontract To	Subcontract From	Subcontract From
	FSB Group, PTS	Wai Soon Engineering	Wong Swee Loy and Dato' Wong Swee Yee	-	8,000	-	2,774
Sales and purchases of goods and services (2)				Sale To	Purchase From	Sale To	Sale To
	FSB Group	Fsabah	Dato' Wong Swee Yee and Datin Goh Hooi Yin	1,000	-	682	-
	FMKT			800	-	492	-
	MPS			100	-	76	-
	FSPL			100	-	-	-
	PTS	Wai Soon Engineering	Wong Swee Loy	20	-	-	-
	FMKT			30	-	19	-
Aggregate				**2,050**	**8,000**	**1,269**	**2,774**

Notes: -

(1) Portions of certain contracts secured are subcontracted due to certain product expertise is unique to that particular company inclusive of manpower and miscellaneous items, which are used in the installation of fire fighting, protection and prevention equipment and systems, and in the manufacture of fire rated doors by the Related Party. Transaction prices are determined based on market rates, which are not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders.

(2) Sale of finished goods of certain fire safety and protection equipment, fire rated doors and maintenance services are to meet the needs of the customers at various geographical locations.

In addition, centralised purchasing for raw materials and parts or components of certain fire safety and protection equipment required in their normal course of business to optimise efficiency and to derive pricing economies.

Transaction prices for sales and purchases are determined based on cost plus taking into consideration the nature, complexity and urgency required and it is not more favourable to the Related Party than those generally available to the public and are not to the detriment of the minority shareholders.

		Seller	Purchaser
(i)	Sale of finished goods	FSB Group, PTS, FMKT	Fsabah, Wai Soon Engineering
(ii)	Centralised Sales	MPS, FSPL	Fsabah

(3) The estimated transaction values are based on prevailing rates/prices obtained from the Related Party which are at reasonable market-competitive prices based on the normal level of transactions entered into by the FITTERS Group. The estimated amounts are further based on the assumptions that the current levels of operations will continue and all external conditions remain constant. Due to the nature of the transactions, the actual value of transactions may vary from the estimated value disclosed above.

(4) Abbreviations used above

Fsabah	FITTERS (Sabah) Sdn Bhd
FSBGroup	FITTERS Sdn Bhd & its subsidiaries
FMKT	FITTERS Marketing Sdn Bhd
MPS	Master Pyroserve Sdn Bhd
PTS	Pyro-Tech Systems Sdn Bhd
Wai Soon	Wai Soon Engineering Sdn Bhd
FSPL	FITTERS (S) Pte Ltd

The above recurrent related party transactions of a revenue or trading in nature were undertaken on terms not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

The Board of Directors of FITTERS Diversified Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2010.

COMPOSITION, MEETINGS AND ATTENDANCE

The Audit Committee was formed in June 1994. The current Audit Committee comprises of three members of the Board of which all are Independent Non-Executive Directors. The Chairman of the Audit Committee is a member of one of the professional accounting body as stipulated in Part II of the 1st Schedule of the Accountants Act, 1967. All members of the Audit Committee are able to analyse and interpret financial statements and data without difficulties so as to properly discharge their duties as the said members.

During the financial year under review, four Audit Committee meetings were held. The attendance of each Committee member is tabulated below:

Members	No. of Meetings Attended
Mr. Kong Sin Seng (Chairman)	4 / 4
Encik Mohammad Nizar Bin Idris	4 / 4
Encik Mohamad Jamil Bin Mohd Yusof	4 / 4

The Company Secretary shall be the Secretary of the Committee.

Meetings shall be held not less than four times a year. When necessary or as required, the External Auditors may have meetings with the Committee to discuss matters pertaining to the Company. The Committee shall meet with the External Auditors without the executive board members present at least twice a year.

Representatives from senior management, the Finance Manager and the Internal Audit Manager were normally invited to attend the meetings.

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee is set out as follows:-

1. Membership

In the event of any vacancy in an Audit Committee resulting in the non-compliance of the membership composition of the Audit Committee, the Company must fill the vacancy within 3 months.

The term of office and performance of an Audit Committee and each of its members are subject to the Board of Directors' review at least once every 3 years to determine whether the Committee members have carried out their duties in accordance with their terms of reference.

2. Authority

The Committee shall have explicit authority to investigate any activities within the terms of reference. It has unrestricted access to all employees, internal and external auditors.

The Committee is authorised to obtain outside legal or independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if considered necessary.

3. Responsibilities

The duties and responsibilities of the Audit Committee are:

(a) Financial Review

To review the quarterly and year-end financial statements of the Company, prior to recommendation to the Board on their release and adoption, focusing particularly on:–

- any change in accounting policies and practices;
- significant adjustments arising from the audit;
- the going concern assumption;
- compliance with accounting standards and other legal requirements; and
- major judgemental areas.

AUDIT COMMITTEE REPORT

(b) External Audit

- To review with External Auditors:
  - the Audit Plan and their evaluation of the system of accounting controls,
  - the management letter, management responses and Audit Report,
  - any problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management where necessary).
- To ensure there is proper coordination where more than one audit firm is involved;
- To review with the External Auditors the Statement of Internal Control for inclusion in the Annual Report;
- To assess the performance of External Auditors and make recommendations to the Board with regards to their audit fees, engagement and removal; and
- Meeting External Auditors without Management or Executive Director.

(c) Internal Audit

- To review the adequacy of the scope, functions and resources of the Company's Internal Audit Department and that it has the necessary authority to carry out its work. This includes having unrestricted accessibility to the Company's records, activities, assets and personnel in the course of carrying out audit exercises;
- To review the internal audit's plan or programme in order to ensure that auditable areas are adequately covered;
- To review the Internal Audit Reports and to ensure that appropriate actions are taken on the Internal Auditor's recommendations;
- To assess the performance and decide on the remuneration of internal audit staff; and
- To approve any appointment or termination of internal audit staff.

(d) Related Party Transactions

- To review any related party transaction and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity.

(e) Other Matters

- To review the effectiveness of management information and other systems of control within the Company;
- To verify the allocation of options as being in compliance with the criteria pursuant to the ESOS, at the end of each financial year; and
- To perform such other functions as may be agreed by the Audit Committee and the Board of Directors.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year 2010, four meetings were convened to review and discuss the following:

(i) The External Auditors' scope of work and audit plans for the year, prior to the commencement of the audit.
(ii) The results of the audit, the Audit Report and the management letter including management's responses to the External Auditors' report.
(iii) The Audited Financial Report of the Company.
(iv) The announcement of the unaudited financial results for all the quarters before recommending them for the Board's approval, upon being satisfied that the financial reporting standards and disclosure requirements by Bursa Malaysia Securities Berhad have been adhered to.
(v) Related party transactions and the shareholders' circular in relation to the recurrent related party transactions.
(vi) The Group Internal Audit Department's resource requirements, audit programme and plan (based on risk assessment) for the financial year.
(vii) The internal control weaknesses, risk issues, recommendations proposed by the Group Internal Audit Department and management's responses. The actions taken by management to improve the system of internal control based on the Internal Audit Reports were also discussed.
(viii) The Statement on Corporate Governance and Internal Control for disclosure in the Annual Report.
(ix) Meetings with External and Internal Auditors without the presence of the Management and Executive Director.

SUMMARY OF ACTIVITIES OF THE INTERNAL AUDIT FUNCTIONS

The primary function of Group Internal Audit Department is to assist the Audit Committee in discharging its duties and responsibilities. Its role is to undertake systematic and independent review of the following:

(i) The adequacy and integrity of the internal control system, in managing key risk areas, to provide reasonable assurance that the system continues to operate satisfactorily, effectively and in compliance with the Group's established policies.

(ii) Internal controls of each activity based on the risk profiles established under the risk management framework as identified by the respective head of operations.

For the financial year ended 31 December 2010, the Group Internal Audit Department carried out audits and follow-up audits on various operating units in the Group in accordance to the Annual Internal Audit Plan.

Internal Audit Reports incorporating audit recommendations and management responses with regards to audit findings were issued to the Audit Committee and the Management of the respective operating units. Improved procedures and practices were recommended to strengthen the internal controls and follow-up audits were carried out to assess the status of implementation of the agreed audit recommendations by Management.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

The scheme came into effect on 9 May 2001. At the Annual General Meeting held on 27 June 2005, the ESOS was extended for a further period of five years, till 9 May 2011. To date no options have been granted and exercised during the financial year 2010.

STATEMENT ON INTERNAL CONTROL

Pursuant to Paragraph 15.26 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad

RESPONSIBILITY

The Board of Directors acknowledges its responsibility for maintaining sound internal control procedures to safeguard shareholders' investment and the Group's assets. This includes reviewing the strategic direction, financial, operational and compliance controls, risk profile and management policies and procedures. However, there are limitations that are inherent in any system of internal controls and that such control systems are designed to manage and control risks to an acceptable level. Accordingly, it should be noted that these systems could only provide reasonable and not absolute assurance against material misstatement or loss.

The Group has put in place an ongoing risk management process for identifying, documenting, evaluating, monitoring and managing significant risks affecting the achievement of the Group's business objectives.

GROUP RISK MANAGEMENT FRAMEWORK

The Group believes in establishing an effective risk management framework in order to ensure continuity in business growth and enhancement of shareholders' value.

Being an integral part of the Group's operations, each employee is entrusted with the responsibility for managing or mitigating risks and internal controls associated with operations and ensuring compliance with the applicable laws and regulations. Management is responsible for creating a risk awareness culture and to build the necessary environment for effective risk management.

The Risk Management Committee closely monitors the risk management function and there are continuous plans to enhance the level of knowledge of risk management and understanding of risks affecting the Group among senior management and the Board.

Using a guided risk management framework, the risk rating and corrective actions are reviewed on a regular basis by the risk owners to identify and evaluate any emerging new risks, update the risk profiles and follow-up with the implementation of the proposed action plans. Periodically, all risks that are rated as "high" and "significant" together with their corrective measures will be summarised and compiled by the Group Internal Audit Department for review by the Risk Management Committee and subsequent presentation to the Board.

GROUP INTERNAL AUDIT FUNCTION

The Group internal audit function is carried out by the Group Internal Audit Department which reports directly to the Audit Committee. The descriptions of its functions are detailed in the Audit Committee Report in this Annual Report.

The internal audit function provides assurance of the effectiveness of the system of internal controls within the Group. The Group Internal Audit Department conducts independent reviews of the key activities within the Group's operating units based on an annual internal audit plan which was approved by the Audit Committee.

KEY INTERNAL CONTROL PROCESSES

The Group has an established system of internal control that enables the management to ensure that established policies, guidelines and procedures are followed and complied with. Some key processes are as follows:

- **Organisation:** The Group's structure is designed to clearly delineate various subsidiaries/divisions, authorisation levels and proper segregation of duties.
- **Authority Level:** The Group has set authority levels for different categories of transactions such as acquisitions, disposals, tenders, capital expenditures and other material/significant transactions. Proper research, assessment and analysis will be carried out by relevant appointed parties for all major business transactions/ investment decisions.
- **Board Delegated Committees:** The Executive Committee ("EXCO") reviews and recommends high-level policies for the Group as well as monitors and reviews the performance of its business units. The Risk Management Committee ("RMC"), which comprises of all head of divisions, undertakes to oversee the Group's risk management process as guided by its Risk Management Framework.
- **Monthly Performance Review:** The monthly management meetings report on the performance and profitability of each business unit through the review of key performance indicators (KPI), budgets and management reports. Where it is relevant, the internal audit findings will also be communicated to relevant personnel for further actions.
- **Group Policies and Procedures:** The Group's policies and procedures laid down the objectives, scope, policies and operating procedures to be complied by the business units, which are regularly reviewed and updated. Certain companies within the Group have ISO 9001:2000 accreditation for their operational processes.
- **Centralisation of Functions:** Key functions such as accounts, tax, treasury, procurement of materials and human resource are controlled centrally to ensure compliance to approved procedures.
- **Audits:** Periodic reviews by the Group Internal Audit Department, providing independent assurance on the effectiveness of the Group's system of internal control and advising management on areas for further improvement.
- **Audit Committee ("AC"):** AC deliberates the findings and recommendations highlighted in the internal audit reports in quarterly meetings held for the purpose of reviewing the Group's quarterly unconsolidated results and other issues that warrant the AC's attentions.

CONCLUSION

The Board is of the opinion that the system of internal controls that are established throughout the Group is effective and manageable. The Board believes that the development of a sound system of internal controls is an ongoing process and continues to take appropriate action plans to improve the Group's system of internal control in order to safeguard shareholders' investments and the Group's assets.

This statement is made in accordance with the resolution of the Board of Directors passed on 12 May 2011.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2010.

Principal activities

The principal activities of the Company are that of investment holding and the trading of fire safety materials, equipment and fire prevention systems.

The principal activities of the subsidiaries are detailed in Note 16 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year except for the commencement of property development and palm oil refinery activities by certain subsidiaries.

Results

	Group RM	Company RM
Profit, net of tax	13,990,479	28,070,109
Profit attributable to:		
Owners of the parent	13,161,241	28,070,109
Minority interests	829,238	-
	13,990,479	28,070,109

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

No dividend was paid by the Company since 31 December 2009.

The directors do not recommend any payment of final dividend in respect of the financial year ended 31 December 2010.

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Mohammad Nizar bin Idris	Chairman
Dato' Wong Swee Yee	Managing Director
Kong Sin Seng	Independent Non-Executive Director
Mohamad Jamil bin Mohd Yusof	Independent Non-Executive Director
Datin Goh Hooi Yin	Non-Independent Executive Director
Tan Sri Datuk Paduka Dr. Hajjah Saleha binti Haji Mohamed Ali	Non-Independent Non-Executive Director (demised on 21 March 2011)
Zahedi bin Haji Mohd Zain (alternate director to Tan Sri Datuk Paduka Dr. Hajjah Saleha binti Haji Mohamed Ali)	Independent Non-Executive Director (ceased to be an alternative director on 21 March 2011, re-appointed as director on 1 April 2011)
Datuk Soh Chai Hock @ Soh Hai San	Non-Independent Non-Executive Director (appointed on 1 April 2011)

DIRECTORS' REPORT

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the Employee Share Option Plan.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 10 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which the director has a substantial financial interest, except as disclosed in Note 32 to the financial statements.

Directors' interests

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and options over shares in the Company and its related corporations during the financial year were as follows:

Name of director	Number of ordinary shares of RM0.50 each				
	1.1.2010	Acquired	Bonus issued	Sold	31.12.2010
Direct Interest:					
Dato' Wong Swee Yee	38,187,929	6,000,000	22,094,238	-	66,282,167
Zahedi bin Haji Mohd Zain	3,011	-	1,505	-	4,516
Datin Goh Hooi Yin	635,250	-	317,625	-	952,875
Deemed Interest:					
Dato' Wong Swee Yee [i]	3,246,604	-	1,603,302	(40,000)	4,809,906
Tan Sri Datuk Paduka Dr. Hajjah Saleha binti Haji Mohamed Ali (deceased) [ii]	121,136	-	60,567	-	181,703
Zahedi bin Haji Mohd Zain [iii]	118,125	-	59,062	-	177,187
Datin Goh Hooi Yin [iv]	38,187,929	6,000,000	22,094,238	-	66,282,167

Company	Number of warrants at RM0.10 each				
	1.1.2010	Acquired	Bonus issued	Sold	31.12.2010
Direct interest					
Dato' Wong Swee Yee	21,709,588	9,258,100	15,483,846	-	46,451,534
Zahedi bin Haji Mohd Zain	2,000	-	1,000	-	3,000
Datin Goh Hooi Yin	352,500	-	176,250	-	528,750
Indirect interest					
Dato' Wong Swee Yee [i]	1,596,002	-	176,250	(1,243,502)	528,750
Tan Sri Datuk Paduka Dr. Hajjah Saleha binti Haji Mohamed Ali (deceased) [ii]	68,300	-	34,150	-	102,450
Zahedi bin Haji Mohd Zain [iii]	66,300	-	33,150	-	99,450
Datin Goh Hooi Yin [iv]	21,709,588	9,258,100	15,483,846	-	46,451,534

[i] Interest in shares and warrants held by spouse and brother.

[ii] Interest in shares and warrants held by child and another body corporate, Sijas Holdings Sdn Bhd and Saleha & Anak-Anak Holdings Sdn Bhd.

DIRECTORS' REPORT

Directors' interests (contd.)

[iii] Interest in shares and warrants held by another body corporate, Sijas Holdings Sdn Bhd and Saleha & Anak-Anak Holdings Sdn Bhd.

[iv] Interest in shares and warrants held by spouse.

Dato' Wong Swee Yee by virtue of his interest in shares in the Company is deemed to have interests in shares in all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM65,578,592 to RM108,204,119 by way of :

(i) the issuance of 13,115,000 ordinary shares of RM0.50 each through a private placement at an issue price of RM0.51 per ordinary shares for cash, for additional working capital purposes;

(ii) the bonus issue of 72,136,054 ordinary shares of RM0.50 each through capitalisation of RM903,736 from share premium reserve and RM35,164,291 from retained earnings on the basis of one (1) new ordinary share for every two (2) ordinary shares held.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Warrants

Pursuant to the bonus issue, 32,789,296 new warrants were allotted on the basis of one (1) new warrant for every two (2) existing warrants.

Treasury shares

During the financial year, the Company resale 5,108,300 of its treasury shares in the open market at an average price of RM0.64 per share. The total amount received for the sale net of transaction costs was RM3,243,420.

As at 31 December 2010, the Company held as treasury shares a total of 76 units of its 216,408,238 issued ordinary shares. Such treasury shares are held at a carrying amount of RM34. Further relevant details are disclosed in Note 29(b) to the financial statements.

Employee Share Option Plan

The Company's Employee Share Options Plan ("ESOS") for eligible full time employee and executive directors of the Company and its subsidiaries was approved by shareholders at an Extraordinary General Meeting held on 27 November 2000 and the Securities Commission approved the Company's ESOS allocation list on 4 May 2001 which came into effect on 9 May 2001.

The ESOS was further extended for a period of five years up to 8 May 2011 and was approved at the Annual General Meeting held on 27 June 2005.

The ESOS has yet to be implemented as at the date of this report.

DIRECTORS' REPORT

Other statutory information

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

(ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events

Details of significant events are disclosed in Note 16 to the financial statements.

Subsequent event

Details of subsequent event is disclosed in Note 38 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 5 May 2011.

Dato' Wong Swee Yee   Datin Goh Hooi Yin

STATEMENT BY DIRECTORS/ STATUTORY DECLARATION

Statement by Directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Dato' Wong Swee Yee and Datin Goh Hooi Yin, being two of the directors of FITTERS Diversified Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 33 to 92 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and of their financial performance and cash flows for the year then ended.

The information set out in Note 40 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 5 May 2011.

Dato' Wong Swee Yee

Datin Goh Hooi Yin

Statutory Declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Chong Wei Wei, being the person primarily responsible for the financial management of FITTERS Diversified Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 33 to 92 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Chong Wei Wei at Kuala Lumpur
in the Federal Territory on 5 May 2011

Chong Wei Wei

Before me,

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FITTERS Diversified Berhad (INCORPORATED IN MALAYSIA)

Report on the financial statements

We have audited the financial statements of FITTERS Diversified Berhad, which comprise the statements of financial position as at 31 December 2010 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 33 to 92.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and of their financial performance and cash flows of the Group and of the Company for the year then ended.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' reports of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 16 to the financial statements, being financial statements that have been included in the consolidated financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

(d) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF FITTERS Diversified Berhad (INCORPORATED IN MALAYSIA)

Other matters

The supplementary information set out in Note 40 on page 92 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Lee Seng Huat
No. 2518/12/11(J)
Chartered Accountant

Kuala Lumpur, Malaysia

5 May 2011

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Revenue	4	189,756,485	126,225,961	30,000,000	6,300,000
Cost of sales	5	(154,122,576)	(98,417,890)	-	-
Gross profit		35,633,909	27,808,071	30,000,000	6,300,000
Other income	6	5,782,002	2,287,761	2,465,643	2,843,184
Administrative expenses		(21,303,928)	(19,699,599)	(4,195,120)	(2,669,856)
Finance costs	7	(1,182,191)	(420,721)	(127,126)	(44,765)
Profit before tax	8	18,929,792	9,975,512	28,143,397	6,428,563
Income tax expense	11	(4,939,313)	(1,674,643)	(73,288)	(1,023,833)
Profit, net of tax		13,990,479	8,300,869	28,070,109	5,404,730
Other comprehensive income:					
Foreign currency translation		(829,126)	(27,629)	-	-
Income tax relating to components of other comprehensive income		-	-	-	-
Other comprehensive income for the year, net of tax		(829,126)	(27,629)	-	-
Total comprehensive income for the year		13,161,353	8,273,240	28,070,109	5,404,730
Profit attributable to:					
Owners of the parent		13,161,241	8,016,376	28,070,109	5,404,730
Minority interests		829,238	284,493	-	-
		13,990,479	8,300,869	28,070,109	5,404,730
Total comprehensive income attributable to:					
Owners of the parent		12,332,115	7,988,747	28,070,109	5,404,730
Minority interests		829,238	284,493	-	-
		13,161,353	8,273,240	28,070,109	5,404,730
Earnings per share attributable to owners of the parent (sen per share)					
Basic	12	6.47	4.11		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

Group

	Note	2010 RM	2009 RM (restated)	1.1.2009 RM (restated)
Assets				
Non-current assets				
Property, plant and equipment	13	31,683,619	14,657,667	14,241,474
Land held for property development	21	-	30,922,416	30,569,263
Investment properties	14	1,108,791	1,607,306	1,177,046
Intangible assets	15	4,531,221	4,702,027	4,848,561
Land use rights	17	3,480,823	-	-
Trade and other receivables	18	17,259,991	582,165	588,880
Investment securities	19	19,294,474	19,294,474	15,496,474
Deferred tax assets	20	-	285,466	450,330
		77,358,919	72,051,521	67,372,028
Current assets				
Property development costs	21	54,628,315	-	-
Inventories	22	11,591,585	7,873,377	11,684,479
Trade and other receivables	18	70,801,909	69,524,805	83,184,446
Other current assets	23	10,532,949	16,071,750	-
Investment securities	19	650	650	650
Income tax recoverable		699,190	2,977,375	2,377,388
Deposits, cash and bank balances	25	14,005,210	18,184,157	36,654,000
		162,259,808	114,632,114	133,900,963
Total assets		239,618,727	186,683,635	201,272,991
Equity and liabilities				
Current liabilities				
Loans and borrowings	26	14,326,920	18,591,349	33,974,395
Trade and other payables	27	59,646,442	47,895,518	58,550,848
Other current liabilities	28	25,583,110	3,569,970	-
Income tax payable		2,686,323	373,069	411,241
		102,242,795	70,429,906	92,936,484
Net current assets		60,017,013	44,202,208	40,964,479
Non-current liabilities				
Deferred tax liabilities	20	301,598	494,952	471,730
Loans and borrowings	26	361,800	784,702	661,750
		663,398	1,279,654	1,133,480
Total liabilities		102,906,193	71,709,560	94,069,964
Net assets		136,712,534	114,974,075	107,203,027
Equity attributable to owners of the parent				
Share capital	29	108,204,119	65,578,592	65,578,592
Treasury shares	29(b)	(34)	(2,277,204)	(4,453,602)
Other reserves	30	7,032,806	7,861,932	7,889,561
Retained earnings	31	20,251,471	43,387,981	38,047,321
		135,488,362	114,551,301	107,061,872
Minority interests		1,224,172	422,774	141,155
Total equity		136,712,534	114,974,075	107,203,027
Total equity and liabilities		239,618,727	186,683,635	201,272,991

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2010

Company

	Note	2010 RM	2009 RM
Assets			
Non-current assets			
Property, plant and equipment	13	8,761,535	8,978,358
Investment in subsidiaries	16	56,920,653	31,196,113
		65,682,188	40,174,471
Current assets			
Trade and other receivables	18	82,634,793	56,462,833
Income tax recoverable		84,048	107,284
Cash and bank balances	25	2,690,623	282,001
		85,409,464	56,852,118
Total assets		151,091,652	97,026,589
Equity and liabilities			
Current liabilities			
Loans and borrowings	26	5,048,917	5,045,588
Trade and other payables	27	25,961,461	9,659,325
		31,010,378	14,704,913
Net current assets		54,399,086	42,147,205
Non-current liabilities			
Deferred tax liabilities	20	170,431	170,431
Loans and borrowings	26	88,889	137,806
		259,320	308,237
Total liabilities		31,269,698	15,013,150
Net assets		119,821,954	82,013,439
Equity attributable to owners of the parent			
Share capital	29	108,204,119	65,578,592
Treasury shares	29(b)	(34)	(2,277,204)
Other reserves	30	6,448,418	6,448,418
Retained earnings	31	5,169,451	12,263,633
Total equity		119,821,954	82,013,439
Total equity and liabilities		151,091,652	97,026,589

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		Attributable to equity holders of the Company										
			<------------------------ Non-distributable ---------------------->									
	Note	Share capital (Note 29) RM	Share premium (Note 29) RM	Treasury shares (Note 29) RM	Capital reserve (Note 30) RM	Warrant reserve (Note 30) RM	Asset revaluation reserve (Note 30) RM	Foreign currency translation reserve (Note 30) RM	Distributable Retained earnings (Note 31) RM	Total RM	Minority interests RM	Total equity RM
Group												
At 1 January 2010		65,578,592	-	(2,277,204)	1,360,010	5,915,239	533,179	53,504	43,387,981	114,551,301	422,774	114,974,075
Effects of adopting FRS 139		-	-	-	-	-	-	-	(1,133,460)	(1,133,460)	-	(1,133,460)
At 1 January 2010 (restated)		65,578,592	-	(2,277,204)	1,360,010	5,915,239	533,179	53,504	42,254,521	113,417,841	422,774	113,840,615
Total comprehensive income		-	-	-	-	-	-	(829,126)	13,161,241	12,332,115	829,238	13,161,353
Transactions with owners:												
Shares issued during the year	29	6,557,500	131,150	-	-	-	-	-	-	6,688,650	-	6,688,650
Gain on resale of treasury shares transferred to share premium reserve		-	966,250	2,277,170	-	-	-	-	-	3,243,420	-	3,243,420
Bonus issue during the year	29	36,068,027	(903,736)	-	-	-	-	-	(35,164,291)	-	-	-
Share issuance expense	29	-	(193,664)	-	-	-	-	-	-	(193,664)	-	(193,664)
Issuance of shares to minority interest		-	-	-	-	-	-	-	-	-	40,000	40,000
Arising from strike off of a subsidiary		-	-	-	-	-	-	-	-	-	(67,840)	(67,840)
At 31 December 2010		108,204,119	-	(34)	1,360,010	5,915,239	533,179	(775,622)	20,251,471	135,488,362	1,224,172	136,712,534

		Attributable to equity holders of the Company									
			<---------------- Non-distributable ---------------->								
	Note	Share capital (Note 29) RM	Treasury shares (Note 29) RM	Capital reserve (Note 30) RM	Warrant reserve (Note 30) RM	Asset revaluation reserve (Note 30) RM	Foreign currency translation reserve (Note 30) RM	Distributable Retained earnings (Note 31) RM	Total RM	Minority interests RM	Total equity RM
At 1 January 2009		65,578,592	(4,453,602)	1,360,010	5,915,239	533,179	81,133	38,047,321	107,061,872	141,155	107,203,027
Total comprehensive income		-	-	-	-	-	(27,629)	8,016,376	7,988,747	284,493	8,273,240
Transactions with owners:											
Distribution of treasury shares as dividend	29	-	2,675,716	-	-	-	-	(2,675,716)	-	-	-
Purchase of treasury shares	29	-	(499,318)	-	-	-	-	-	(499,318)	-	(499,318)
Transfer of shareholding in a subsidiary		-	-	-	-	-	-	-	-	(2,874)	(2,874)
At 31 December 2009		65,578,592	(2,277,204)	1,360,010	5,915,239	533,179	53,504	43,387,981	114,551,301	422,774	114,974,075

			<---- Non-distributable --->				
	Share capital (Note 29) RM	Share premium (Note 29) RM	Treasury shares (Note 29) RM	Asset revaluation reserve (Note 30) RM	Warrant reserve (Note 30) RM	Distributable Retained earnings (Note 31) RM	Total equity RM
Company							
At 1 January 2010	65,578,592	-	(2,277,204)	533,179	5,915,239	12,263,633	82,013,439
Total comprehensive income	-	-	-	-	-	28,070,109	28,070,109
Transactions with owners:							
Shares issued during the year	6,557,500	131,150	-	-	-	-	6,688,650
Bonus issue during the year	36,068,027	(903,736)	-	-	-	(35,164,291)	-
Gain on resale of treasury shares transferred to share premium reserve	-	966,250	2,277,170	-	-	-	3,243,420
Share issuance expense	-	(193,664)	-	-	-	-	(193,664)
At 31 December 2010	108,204,119	-	(34)	533,179	5,915,239	5,169,451	119,821,954
At 1 January 2009	65,578,592	-	(4,453,602)	533,179	5,915,239	9,534,619	77,108,027
Total comprehensive income	-	-	-	-	-	5,404,730	5,404,730
Dividend paid	-	-	2,675,716	-	-	(2,675,716)	-
Purchase of treasury shares	-	-	(499,318)	-	-	-	(499,318)
At 31 December 2009	65,578,592	-	(2,277,204)	533,179	5,915,239	12,263,633	82,013,439

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Operating Activities				
Profit before tax	18,929,792	9,975,512	28,143,397	6,428,563
Adjustments for:				
Amortisation of intangible assets	170,806	170,806	-	-
Bad debts written off	900	18,008	-	7,647
Deposits written off	-	179,025	-	-
Investment properties:				
- depreciation	41,781	43,040	-	-
- net gain on disposal	(51,165)	-	-	-
Property, plant and equipment:				
- net gain on disposal	(88,514)	(197,996)	(499)	-
- depreciation	1,154,802	1,269,193	283,133	293,730
- written off	-	3,301	-	-
Interest income from:				
- short term deposits	(49,692)	(313,891)	(5,144)	(227,184)
Impairment loss on investment in subsidiaries	-	-	1,650,463	-
Dividend income	-	-	(30,000,000)	(6,300,000)
Interest expense	1,182,191	420,721	127,127	44,765
Inventories written back	(116,035)	(166,402)	-	-
Impairment loss on trade receivables	619,516	-	-	-
Net gain on disposal/strike off of subsidiaries	(309,013)	-	-	-
Overprovision of cost in prior years	4,000,000	-	-	-
Reversal of impairment loss on trade receivables	(823,581)	(1,578,862)	-	-
Net loss/(gain) on foreign exchange:				
- unrealised	179,069	(84,865)	-	-
Operating profit before working capital changes	24,840,857	9,737,590	198,477	247,521
Construction contracts	24,660,117	(2,181,923)	-	-
Development property	(20,814,075)	-	-	-
Inventories	(3,602,173)	3,977,504	-	-
Trade and other receivables	(19,518,685)	(1,103,761)	152,591	1,324,485
Trade and other payables	7,713,183	(5,938,816)	16,302,136	617,070
Subsidiaries	-	-	(16,324,551)	(685,951)
Cash generated from operations carried forward	13,279,224	4,490,594	328,653	1,503,125

Cash generated from operations brought forward	13,279,224	4,490,594	328,653	1,503,125
Interest paid	(606,701)	(1,097,804)	(127,127)	(721,848)
Income tax refunded	1,707,089	-	-	-
Income tax paid	(2,095,511)	(2,124,716)	(50,052)	(1,011,654)
Net cash generated from/(used in) operating activities	12,284,101	1,268,074	151,474	(230,377)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Investing activities					
Additional investment in subsidiaries		-	-	(27,375,003)	(200,001)
Interest received		49,692	313,891	5,144	227,184
Dividend received		-	-	20,000,000	-
Issuance of share capital to minority interests		40,000	(2,874)	-	-
Proceeds from disposal of property, plant and equipment		213,220	198,000	500	-
Proceeds from disposal of investment properties		507,899	-	-	-
Purchase of computer software		-	(24,272)	-	-
Purchase of land and related development expenditure		-	(353,153)	-	-
Purchase of property, plant and equipment (Note a)		(18,306,775)	(1,422,853)	(66,311)	(144,337)
Purchase of land use rights		(3,480,823)	-	-	-
Subscription of additional unquoted preference shares in other investments		-	(1,974,000)	-	-
Net cash inflow arising from disposal of a subsidiary		378,437	-	-	-
Net cash used in investing activities		(20,598,350)	(3,265,261)	(7,435,670)	(117,154)
Financing activities					
Purchase of treasury shares		-	(499,318)	-	(499,318)
Issuance of ordinary shares		6,688,650	-	6,688,650	-
Share issuance expense		(193,664)	-	(193,664)	-
Proceed from sale of treasury shares		3,243,420	-	3,243,420	-
Repayment of finance lease obligations		(433,975)	(458,338)	(45,588)	(42,259)
Repayment of term loans		(33,754)	(25,043,172)	-	(25,000,000)
Revolving credits and bankers' acceptance		(249,130)	5,115,079	-	5,000,000
Net cash generated from/(used in) financing activities		9,021,547	(20,885,749)	9,692,818	(20,541,577)
Net increase/(decrease) in cash and cash equivalents		707,298	(22,882,936)	2,408,622	(20,889,108)
Effect of foreign exchange rate changes		(915,773)	25,756	-	-
Cash and cash equivalents at beginning of the year		12,334,400	35,191,580	282,001	21,171,109
Cash and cash equivalents at end of the year	25	12,125,925	12,334,400	2,690,623	282,001

Note a:
Purchases of property, plant and equipment during the year were by way of:

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Cash	18,306,775	1,422,853	66,311	144,337
Finance lease obligations	-	739,000	-	-
	18,306,775	2,161,853	66,311	144,337

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

1. Corporate information

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities. The registered office of the Company is located at No 1, Jalan Tembaga SD 5/2, Bandar Sri Damansara, 52200 Kuala Lumpur.

The principal activities of the Company are that of investment holding and the trading of fire safety materials, equipment and fire prevention system.

The principal activities of the subsidiaries are detailed in Note 16.

There have been no significant changes in the nature of these principal activities during the financial year except for the commencement of property development and palm oil refinery activities by certain subsidiaries.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Group and the Company adopted new and revised FRS which are mandatory for financial periods beginning on or after 1 January 2010 as described fully in Note 2.2.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM).

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2010, the Group and the Company adopted the following applicable new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2010.

- FRS 7 Financial Instruments: Disclosures
- FRS 8 Operating Segments
- FRS 101 Presentation of Financial Statements (Revised)
- FRS 123 Borrowing Costs
- FRS 139 Financial Instruments: Recognition and Measurement
- Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of and Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2 Share-based Payment – Vesting Conditions and Cancellations
- Amendments to FRS 132 Financial Instruments: Presentation
- Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives
- Improvements to FRS issued in 2009
- IC Interpretation 9 Reassessment of Embedded Derivatives
- IC Interpretation 10 Interim Financial Reporting and Impairment
- IC Interpretation 11 FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 14 FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

Adoption of the above standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except for those discussed below:

FRS 7 Financial Instruments: Disclosures

Prior to 1 January 2010, information about financial instruments was disclosed in accordance with the requirements of FRS 132 Financial Instruments: Disclosure and Presentation. FRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk.

The Group and the Company have applied FRS 7 prospectively in accordance with the transitional provisions. Hence, the new disclosures have not been applied to the comparatives. The new disclosures are included throughout the Group's and the Company's financial statements for the year ended 31 December 2010.

FRS 8 Operating Segments

FRS 8, which replaces FRS 114 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The Standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the reportable operating segments determined in accordance with FRS 8 are the same as the business segments previously identified under FRS 114. The Group has adopted FRS 8 retrospectively. These revised disclosures, including the related revised comparative information, are shown in Note 36.

FRS 101 Presentation of Financial Statements (Revised)

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 also requires the Group to make new disclosures to enable users of the financial statements to evaluate the Group's objectives, policies and processes for managing capital (see Note 35).

The revised FRS 101 was adopted retrospectively by the Group and the Company.

FRS 139 Financial Instruments: Recognition and Measurement

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

- **Equity instruments**

  Prior to 1 January 2010, the Group classified its investments in equity instruments which were held for non-trading purposes as non-current investments. Such investments were carried at cost less impairment losses. Upon the adoption of FRS 139, those investments whose fair value cannot be reliably measured, are designated at 1 January 2010 as available-for-sale financial assets amounting to RM19,294,474 which continued to be carried at cost less impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

FRS 139 Financial Instruments: Recognition and Measurement (contd.)

- Impairment of trade receivables

  Prior to 1 January 2010, allowance for doubtful debts was recognised when it was considered uncollectible. Upon the adoption of FRS 139, an impairment loss is recognised when there is objective evidence that an impairment loss has been incurred. The amount of the loss is measured as the difference between the receivable's carrying amount and the present value of the estimated future cash flows discounted at the receivable's original effective interest rate. As at 1 January 2010, the Group has remeasured the allowance for impairment losses as at that date in accordance with FRS 139 and the difference is recognised as adjustments to the opening balance of retained earnings as at that date.

The following are effects arising from the above changes in accounting policies:

	Decrease	
	31.12.2010	**1.1.2010**
	RM	**RM**
Statements of financial position		
Group		
Trade and other receivables	(1,708,950)	(1,133,460)
Retained earnings	(1,708,950)	(1,133,460)

	Increase/ (decrease) Group 2010 RM
Statements of comprehensive income	
Interest expense	575,490
Profit before tax	(575,490)
Profit, net of tax	(575,490)
Earnings per share (sen per share):	
Basic	(0.28)

Amendments to FRS 117 Leases

Prior to 1 April 2010, for all leases of land and buildings, if title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all of the risks and rewards incidental to ownership. Hence, all leasehold land held for own use was classified by the Company as operating lease and where necessary, the minimum lease payments or the up-front payments made were allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represented prepaid lease payments and were amortised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

Amendments to FRS 117 Leases (contd.)

The amendments to FRS 117 Leases clarify that leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets. They also clarify that the present value of the residual value of the property in a lease with a term of several decades would be negligible and accounting for the land element as a finance lease in such circumstances would be consistent with the economic position of the lessee. Hence, the adoption of the amendments to FRS 117 has resulted in all unexpired land leases to be reclassified as finance leases. The Group has applied this change in accounting policy retrospectively and certain comparatives have been restated. The following are effects to the consolidated statement of financial position as at 31 December 2010 arising from the above change in accounting policy:

	2010 **RM**
Increase/(decrease) in:	
Property, plant and equipment	240,001
Land use rights	(240,001)

The following comparatives have been restated:

	As previously stated **RM**	**Adjustments** **RM**	**As restated** **RM**
Consolidated statements of financial position			
31 December 2009			
Property, plant and equipment	14,900,525	242,858	14,657,667
Land use rights	242,858	(242,858)	-
1 January 2009			
Property, plant and equipment	13,995,759	245,715	14,241,474
Land use rights	245,715	(245,715)	-

2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
FRS 1 First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 Business Combinations (Revised)	1 July 2010
Amendments to FRS 2 Share-based Payment	1 July 2010
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendments to FRS 127 Consolidated and Separate Financial Statements	1 July 2010
Amendments to FRS 138 Intangible Assets	1 July 2010
Amendments to IC Interpretation 9 Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 12 Service Concession Arrangements	1 July 2010
IC Interpretation 16 Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17 Distributions of Non-cash Assets to Owners	1 July 2010
Amendments to FRS 132: Classification of Rights Issues	1 March 2010

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.3 Standards issued but not yet effective (contd.)

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 1: Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters	1 January 2011
Amendments to FRS 1: Additional Exemptions for First-time Adopters	1 January 2011
Amendments to FRS 2: Group Cash-settled Share-based Payment Transactions	1 January 2011
Amendments to FRS 7: Improving Disclosures about Financial Instruments	1 January 2011
IC Interpretation 4 Determining whether an Arrangement contains a Lease	1 January 2011
IC Interpretation 18 Transfers of Assets from Customers	1 January 2011
IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	1 January 2011
Improvements to FRSs (2010) issued in November 2010	1 January 2011
IC Interpretation 14 Prepayments of a Minimum Funding Requirement	1 July 2011
FRS 124 Related Party Disclosures	1 January 2012
IC Interpretation 15 Agreements for the Construction of Real Estate	1 January 2012

Except for the changes in accounting policies arising from the adoption of the revised FRS 3, the amendments to FRS 127 and IC Interpretation 15, as well as the new disclosures required under the Amendments to FRS 7, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 3, the amendments to FRS 127 and IC Interpretation 15 are described below.

Revised FRS 3 Business Combinations and Amendments to FRS 127 Consolidated and Separate Financial Statements

The revised standards are effective for annual periods beginning on or after 1 July 2010. The revised FRS 3 introduces a number of changes in the accounting for business combinations occurring after 1 July 2010. These changes will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. The Amendments to FRS 127 require that a change in the ownership interest of a subsidiary (without loss of control) is accounted for as an equity transaction. Therefore, such transactions will no longer give rise to goodwill, nor will they give rise to a gain or loss. Furthermore, the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Other consequential amendments have been made to FRS 107 Statement of Cash Flows, FRS 112 Income Taxes, FRS 121 The Effects of Changes in Foreign Exchange Rates, FRS 128 Investments in Associates and FRS 131 Interests in Joint Ventures. The changes from revised FRS 3 and Amendments to FRS 127 will affect future acquisitions or loss of control and transactions with minority interests. The standards may be early adopted. However, the Group does not intend to early adopt.

IC Interpretation 15 Agreements for the Construction of Real Estate

This Interpretation clarifies when and how revenue and related expenses from the sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. Furthermore, the Interpretation provides guidance on how to determine whether an agreement is within the scope of FRS 111 Construction Contracts or FRS 118 Revenue.

The Group currently recognises revenue arising from property development projects using the stage of completion method. Upon the adoption of IC Interpretation 15, the Group may be required to change its accounting policy to recognise such revenues at completion, or upon or after delivery. The Group is in the process of making an assessment of the impact of this Interpretation.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full, except for unrealised losses which are not eliminated in the event that there are indications of impairment.

Acquisitions of subsidiaries are accounted for by applying the purchase method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination. Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.9(a). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.5 Transactions with minority interests

Minority interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with minority interests are accounted for using the parent entity extension method, whereby, on acquisition of minority interests, the difference between the consideration and book value of the share of the net assets acquired is recognised in goodwill. Gain or loss on disposal to minority interests is recognised in profit or loss.

2.6 Foreign currency

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.6 Foreign currency (contd.)

(b) Foreign currency transactions (contd.)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Certain land and buildings were subsequently revalued and stated at their revalued amounts. However, these properties have not been revalued since as the Group availed itself to the transitional provisions of FRS 116 (Revised): Property, plant and equipment, by virtue of which these properties continue to be stated at their revalued amount less accumulated depreciation and impairment.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold lands are depreciated over the period of their respective lease term. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	2%
Plant and equipment	20%
Motor vehicles	20%
Tools and office equipment	10% - 33.33%
Furniture and fittings	10%
Renovations	10%

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.7 Property, plant and equipment (contd.)

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.8 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment up to the date of change in use.

2.9 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.9 Intangible assets (contd.)

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2.10 Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation and accumulated impairment losses. The land use rights are amortised over their lease terms.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.12 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.13 Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that is held primarily for trading purposes are presented as current whereas financial assets that is not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(b) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(c) Available-for-sale financial assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.13 Financial assets (contd.)

(c) Available-for-sale financial assets (contd.)

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

2.14 Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Trade and other receivables and other financial assets carried at amortised cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.14 Impairment of financial assets (contd.)

(c) Available-for-sale financial assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.16 Construction contracts

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

2.17 Land held for property development and property development costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.17 Land held for property development and property development costs (contd.)

(b) Property development costs

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is measured at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings within trade receivables and the excess of billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

2.18 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost is determined using the first in, first out method. The cost of raw materials comprises costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.20 Financial liabilities (contd.)

Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.22 Employee benefits

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.23 Leases

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.24(d).

2.24 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method.

(b) Sale of goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership to the buyer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) Revenue from services

Revenue from services rendered (including administrative services) is recognised net of discounts as and when services are performed.

(d) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(e) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(f) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.25 Income taxes

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

2. Summary of significant accounting policies (contd.)

2.26 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.27 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.28 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.29 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Judgements made in applying accounting policies

There were no significant judgements made by management in the process of applying the accounting policies of the Group and the Company which may have significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill

The Group determines whether goodwill are impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units ("CGU") to which goodwill are allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of goodwill as at 31 December 2010 were RM4,360,416 (2009: RM4,360,416). Further details are disclosed in Note 15.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

3. Significant accounting judgements and estimates (contd.)

3.2 Key sources of estimation uncertainty (contd.)

(b) Impairment of loans and receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the reporting date is disclosed in Note 18.

(c) Construction contracts

The Group recognises construction revenue and costs, including rendering of services, in the income statement by using the stage of completion method. The stage of completion is determined by the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Significant judgement is required in determining the stage of completion, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of the contract projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(d) Property development

The Group recognises property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the stage of completion, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

e) Impairment of property, plant and equipment and investment property

The Group reviews the carrying amounts of its plant and equipment and investment property at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount which is the higher of its fair value less costs to sell or its value in use is estimated. In determining the assets' fair value, the Group will obtain the best available quotation for the amount at which the assets could be exchanged between knowledgeable, willing sellers in an arm's length transaction at the date of valuation.

In determining the value in use of an asset, which requires the determination of future economic benefits expected to be derived from the continued use and ultimate disposition of such asset, the Group makes estimates and assumption that involves significant judgement and estimation. While the Group believes that the assumptions are appropriate and reasonable, changes in these assumptions may affect the assessment of the value in use and could have an impact on the Group's financial position and results of operations.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

4. Revenue

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Sale of goods	50,235,873	45,783,160	-	-
Construction contract revenue	93,930,870	71,591,873	-	-
Rendering of services	11,375,509	8,850,928	-	-
Property development	4,329,064	-	-	-
Sale of palm oil	29,885,169	-	-	-
Dividend income from subsidiaries				
- tax-exempt	-	-	30,000,000	2,550,000
- non tax-exempt	-	-	-	3,750,000
	189,756,485	126,225,961	30,000,000	6,300,000

5. Cost of sales

	Group 2010 RM	Group 2009 RM
Cost of goods sold	34,841,274	31,125,175
Construction contract costs	83,970,795	65,658,595
Cost of services rendered	2,595,218	1,634,120
Property development costs (Note 21(b))	3,574,949	-
Cost of palm oil sold	29,140,340	-
	154,122,576	98,417,890

6. Other income

Included in other income of the Group and of the Company are:

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Interest income from:				
- short term deposits	49,692	313,891	5,144	227,184
- others	48,000	-	48,000	-
Administrative charges received from subsidiaries	-	-	1,380,000	1,440,000
Bad debts recovered	14,691	19,584	-	-
Commission received	-	65,000	-	-
Foreign exchange gain:				
- realised	199,341	214,268	-	-
- unrealised	-	84,865	-	-
Net gain on disposal/strike off of subsidiaries	309,013	-	-	-
Net gain on disposal of property, plant and equipment	88,514	197,996	499	-
Rental income from investment properties on minimum lease payments	7,200	-	-	-
Rental income from operating leases other than those relating to investment properties	81,600	30,000	1,032,000	1,176,000
Net gain on disposal of investment property	51,165	-	-	-
Overprovision of cost in prior year	4,000,000	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

7. Finance costs

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Interest expense on:				
- bankers' acceptances	291,007	213,407	-	-
- obligations under finance lease	48,844	58,736	10,680	14,009
- bank overdrafts	147,114	117,822	-	-
- revolving credits	116,447	30,756	116,446	30,756
- term loans	3,289	677,083	-	677,083
- loan and receivables	575,490	-	-	-
	1,182,191	1,097,804	127,126	721,848
Less: Amount capitalised *	-	(677,083)	-	(677,083)
Total finance costs	1,182,191	420,721	127,126	44,765

* This represent interest paid on a term loan for a subsidiary which was disposed of in the financial year ended 31 December 2008. This amount was accounted for in the financial year ended 31 December 2008 in arriving at the gain on disposal.

8. Profit before tax

The following amounts have been included in arriving at profit before tax:

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Auditors' remuneration				
- statutory audits	151,000	154,620	28,000	27,000
- underprovision in prior year	11,100	4,069	1,000	-
- other services	5,000	-	5,000	-
Operating lease:				
- minimum lease payments on land and buildings	32,500	772,961	-	-
Employee benefits expense (Note 9)	12,367,198	11,526,177	1,425,985	1,423,529
Non-executive directors' remuneration (Note 10)	509,800	476,700	156,000	176,000
Depreciation of investment properties (Note 14)	41,781	43,040	-	-
Property, plant and equipment				
- depreciation (Note 13)	1,154,802	1,269,193	283,133	293,730
- written off	-	3,301	-	-
Direct operating expenses arising from investment properties				
- rental generating properties	3,989	59	-	-
- non-rental generating properties	23,270	6,441	-	-
Amortisation of intangible assets (Note 15)	170,806	170,806	-	-
Impairment loss on trade receivables (Note 18)	619,516	-	-	-
Bad debts written off	900	18,008	-	7,647
Reversal of impairment loss on trade receivables (Note 18)	(823,581)	(1,578,862)	-	-
Net loss/(gain) on foreign exchange				
- realised	69,127	(214,268)	-	-
- unrealised	179,069	(84,865)	-	-
Deposits written off	-	17,025	-	-
Impairment loss on investment in subsidiaries	-	-	1,650,463	-
Inventories written down	10,021	-	-	-
Inventories written back	(116,035)	(166,402)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

9. Employee benefits expense

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Wages and salaries	10,537,087	10,032,758	1,108,366	1,096,022
Social security contributions	91,182	82,849	7,518	7,646
Contributions to defined contribution plan	1,162,328	1,039,355	143,363	136,218
Other benefits	576,601	371,215	166,738	183,643
	12,367,198	11,526,177	1,425,985	1,423,529

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM1,902,351 (2009: RM2,259,616) and RM522,620 (2009: RM485,660) respectively as further disclosed in Note 10.

10. Directors' remuneration

	Group		Company	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Executive:				
Salaries and other emoluments	1,353,861	1,843,978	360,620	368,120
Fees	-	14,071	-	-
Bonus	300,316	194,000	90,000	57,000
Defined contribution plan	248,174	207,567	72,000	60,540
Total executive directors' remuneration (excluding benefits-in-kind) (Note 9)	1,902,351	2,259,616	522,620	485,660
Estimated money value of benefits-in-kind	7,600	7,600	7,600	7,600
Total executive directors' remuneration (including benefits-in-kind)	1,909,951	2,267,216	530,220	493,260
Non-Executive:				
Fees	60,000	53,500	-	6,000
Other emoluments	442,000	416,000	156,000	170,000
Defined contribution plan	7,800	7,200	-	-
Total non-executive directors' remuneration (Note 8)	509,800	476,700	156,000	176,000
Total directors' remuneration	2,419,751	2,743,916	686,220	669,260

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2010	**2009**
Executive directors:		
RM200,001 - RM250,000	-	1
RM300,001 - RM350,000	1	-
RM850,001 - RM900,000	1	1
Non-Executive directors:		
RM0 - RM50,000	3	3
RM50,001 - RM100,000	2	2

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

11. Income tax expense

The major components of income tax expense for the years ended 31 December 2010 and 2009 are:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Current income tax:				
- Malaysian income tax	5,197,406	1,806,079	58,116	1,060,949
- Foreign tax	-	69,405	-	-
	5,197,406	1,875,484	58,116	1,060,949
(Over)/underprovision in prior years:				
- Malaysian income tax	(217,545)	(388,927)	15,172	(37,116)
	4,979,861	1,486,557	73,288	1,023,833
Deferred tax (Note 20):				
- Origination and reversal of temporary differences	(11,977)	(72,210)	41,943	14,949
- (Over)/underprovision in prior year	(28,571)	260,296	(41,943)	(14,949)
	(40,548)	188,086	-	-
Total income tax expense	4,939,313	1,674,643	73,288	1,023,833

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Profit before tax	18,929,792	9,975,512	28,143,397	6,428,563
Tax at Malaysian statutory tax rate of 25% (2009: 25%)	4,732,448	2,493,878	7,035,849	1,607,141
Different tax rates in other countries	-	(65,341)	-	-
Expenses not deductible for tax purposes	1,613,298	1,164,412	564,210	106,257
Income not subject to tax	(1,113,725)	(586,236)	(7,500,000)	(637,500)
Utilisation of previously unrecognised deferred tax assets	(110,556)	(1,490,996)	-	-
Deferred tax assets not recognised in respect of deductible temporary differences	63,964	287,557	-	-
(Over)/underprovision of income tax in prior years	(217,545)	(388,927)	15,172	(37,116)
(Over)/underprovision of deferred tax in prior year	(28,571)	260,296	(41,943)	(14,949)
Income tax expense for the year	4,939,313	1,674,643	73,288	1,023,833

Domestic current income tax is calculated at the statutory tax rate of 25% (2009: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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12. Earnings per share

(a) Basic

Basic earnings per share amounts are calculated by dividing profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2010	**2009 (restated)**
Profit attributable to owners of the parent (RM)	13,161,241	8,016,376
Weighted average number of ordinary shares in issue	203,440,470	194,920,307
Basic earnings per share (sen)	6.47	4.11

As of the result of the issuance of ordinary shares through a bonus issue during the financial year, the weighted average number of shares have been adjusted retrospectively in accordance with FRS 133- Earnings Per Share.

(b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. warrants granted to shareholders.

The Company has potential ordinary shares in the form of warrants. The effect on the basic earning per share for the current and previous financial years arising from the assumed conversion of warrants is anti-dilutive. Accordingly, the diluted earning per share for the current and previous financial years are not presented.

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13. Property, plant and equipment

	Freehold land RM	Buildings RM	Long term leasehold land RM	Plant and equipment RM	Motor vehicle RM	Tools and office equipment RM	Furniture and fittings RM	Renovation RM	Capital work-in-progress RM	Total RM
Group										
31 December 2010										
Cost or valuation:										
At 1 January 2010	2,527,217	9,655,089	280,000	4,620,445	3,153,680	5,445,753	1,550,071	472,207	178,376	27,882,838
Arising from strike off of subsidiary companies	-	-	-	(21,090)	-	(74,419)	(12,490)	-	-	(107,999)
Additions	51,748	50,154	-	11,832	151,009	131,120	7,523	-	17,903,389	18,306,775
Disposals	-	(88,990)	-	(24,000)	(62,939)	(9,040)	-	-	-	(184,969)
Exchange differences	-	-	-	-	(1,172)	(2,143)	(763)	-	-	(4,078)
At 31 December 2010	2,578,965	9,616,253	280,000	4,587,187	3,240,578	5,491,271	1,544,341	472,207	18,081,765	45,892,567
Accumulated depreciation and impairment losses:										
At 1 January 2010	-	1,237,388	37,142	3,798,421	1,618,422	4,812,507	1,186,008	395,783	139,500	13,225,171
Arising from strike off of subsidiary companies	-	-	-	(21,067)	-	(74,415)	(12,439)	-	-	(107,921)
Depreciation charge for the year (Note 8)	-	196,400	2,857	184,465	414,854	231,077	51,003	74,146	-	1,154,802
Disposals	-	(17,947)	-	(11,200)	(22,159)	(8,957)	-	-	-	(60,263)
Exchange differences	-	-	-	(2)	(150)	(1,944)	(745)	-	-	(2,841)
At 31 December 2010	-	1,415,841	39,999	3,950,617	2,010,967	4,958,268	1,223,827	469,929	139,500	14,208,948
Net carrying amount	2,578,965	8,200,412	240,001	636,570	1,229,611	533,003	320,514	2,278	17,942,265	31,683,619
31 December 2009 - Restated										
Cost or valuation:										
At 1 January 2009	1,967,844	9,550,079	-	4,635,145	2,691,520	5,217,532	1,570,486	472,207	612,800	26,717,613
Effect of adopting the amendments to FRS 117	-	-	280,000	-	-	-	-	-	-	280,000
At 1 January 2009 (restated)	1,967,844	9,550,079	280,000	4,635,145	2,691,520	5,217,532	1,570,486	472,207	612,800	26,997,613
Additions	559,373	105,010	-	3,100	1,171,460	281,745	2,289	-	38,876	2,161,853
Disposals	-	-	-	(17,800)	(709,300)	-	-	-	-	(727,100)
Write off	-	-	-	-	-	(52,993)	(25,000)	-	-	(77,993)
Transfer to investment properties (Note 14)	-	-	-	-	-	-	-	-	(473,300)	(473,300)
Exchange differences	-	-	-	-	-	(531)	2,296	-	-	1,765
At 31 December 2009	2,527,217	9,655,089	280,000	4,620,445	3,153,680	5,445,753	1,550,071	472,207	178,376	27,882,838
Accumulated depreciation and impairment losses:										
At 1 January 2009	-	1,041,929	-	3,629,981	1,830,836	4,603,543	1,154,436	321,629	139,500	12,721,854
Effect of adopting the amendments to FRS 117	-	-	34,285	-	-	-	-	-	-	34,285
At 1 January 2009 (restated)	-	1,041,929	34,285	3,629,981	1,830,836	4,603,543	1,154,436	321,629	139,500	12,756,139
Depreciation charge for the year (Note 8)	-	195,459	2,857	186,239	496,854	260,638	52,992	74,154	-	1,269,193
Disposals	-	-	-	(17,799)	(709,297)	-	-	-	-	(727,096)
Write off	-	-	-	-	-	(52,817)	(21,875)	-	-	(74,692)
Exchange differences	-	-	-	-	29	1,143	455	-	-	1,627
At 31 December 2009	-	1,237,388	37,142	3,798,421	1,618,422	4,812,507	1,186,008	395,783	139,500	13,225,171
Net carrying amount										
At 31 December 2009	2,527,217	8,417,701	242,858	822,024	1,535,258	633,246	364,063	76,424	38,876	14,657,667
At 1 January 2009	1,967,844	8,508,150	245,715	1,005,164	860,684	613,989	416,050	150,578	473,300	14,241,474

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13. Property, plant and equipment (contd.)

	Freehold land RM	Buildings RM	Plant and equipment RM	Motor vehicles RM	Tools and office equipment RM	Furniture and fittings RM	Total RM
Company							
Cost or valuation:							
At 1 January 2010	767,844	8,590,457	101,949	262,054	870,522	687,639	11,280,465
Additions	-	50,154	-	5,400	10,757	-	66,311
Disposals	-	-	-	(4,173)	-	-	(4,173)
At 31 December 2010	767,844	8,640,611	101,949	263,281	881,279	687,639	11,342,603
Accumulated depreciation and impairment loss:							
At 1 January 2010	-	920,021	101,945	72,941	823,264	383,936	2,302,107
Depreciation charge for the year (Note 8)	-	172,645	-	52,116	24,363	34,009	283,133
Disposals	-	-	-	(4,172)	-	-	(4,172)
At 31 December 2010	-	1,092,666	101,945	120,885	847,627	417,945	2,581,068
Net carrying amount	767,844	7,547,945	4	142,396	33,652	269,694	8,761,535
Cost or valuation:							
At 1 January 2009	767,844	8,485,447	101,949	262,054	832,495	686,339	11,136,128
Additions	-	105,010	-	-	38,027	1,300	144,337
At 31 December 2009	767,844	8,590,457	101,949	262,054	870,522	687,639	11,280,465
Accumulated depreciation and impairment loss:							
At 1 January 2009	-	748,466	101,945	21,365	786,660	349,941	2,008,377
Depreciation charge for the year (Note 8)	-	171,555	-	51,576	36,604	33,995	293,730
At 31 December 2009	-	920,021	101,945	72,941	823,264	383,936	2,302,107
Net carrying amount	767,844	7,670,436	4	189,113	47,258	303,703	8,978,358

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

13. Property, plant and equipment (contd.)

(a) Except for certain land and buildings which are carried at valuation, all other assets of the Group and Company are carried at cost. Analysis of cost and valuation for land and buildings are as follows:

	Freehold land RM	Building RM	Total RM
Group			
31 December 2010			
Cost or valuation			
- Cost	1,814,090	7,186,356	9,000,446
- At 1994 valuation	764,875	2,429,897	3,194,772
	2,578,965	9,616,253	12,195,218
Net carrying amount	2,578,965	8,200,412	10,779,377
31 December 2009			
Cost or valuation			
- Cost	1,762,342	7,225,192	8,987,534
- At 1994 valuation	764,875	2,429,897	3,194,772
	2,527,217	9,655,089	12,182,306
Net carrying amount	2,527,217	8,417,701	10,944,918
Company			
31 December 2010			
Cost or valuation			
- Cost	2,969	6,210,714	6,213,683
- At 1994 valuation	764,875	2,429,897	3,194,772
	767,844	8,640,611	9,408,455
Net carrying amount	767,844	7,547,945	8,315,789
31 December 2009			
Cost or valuation			
- Cost	2,969	6,160,560	6,163,529
- At 1994 valuation	764,875	2,429,897	3,194,772
	767,844	8,590,457	9,358,301
Net carrying amount	767,844	7,670,436	8,438,280

(a) Revaluation of land and buildings

Certain land and buildings of the Group and the Company have not been revalued since they were first revalued in 1994. The directors have not adopted a policy of regular revaluations of such assets. As permitted under the transitional provision of FRS 116 (Revised): Property, plant and equipment, these assets continue to be stated at their 1994 valuation less accumulated depreciation and impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
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13. Property, plant and equipment (contd.)

(b) Net carrying amounts of property, plant and equipment held under hire purchase and finance lease arrangements are as follows:

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Motor vehicles	969,947	1,393,294	137,536	189,113

(c) As at reporting date, titles to certain land and building with net book value of RM117,216 (2009: RM1,886,214) have yet to be registered in the subsidiaries' name.

(d) Included in the capital work in progress of the Group is an amount of RM16,735,527 which represents the cost of a biomass-power-plant under construction located on certain plots of state-owned land in the People's Republic of China ("PRC").

14. Investment properties

	Group	
	2010 RM	2009 RM
Cost		
At 1 January	2,170,450	1,697,150
Disposal	(473,300)	-
Transfer from property, plant and equipment (Note 13)	-	473,300
At 31 December	1,697,150	2,170,450
Accumulated depreciation and impairment		
At 1 January	563,144	520,104
Depreciation charge for the year (Note 8)	41,781	43,040
Disposal	(16,566)	-
At 31 December	588,359	563,144
Net carrying amount	1,108,791	1,607,306
Estimated fair value of investment properties by directors	1,308,000	1,965,579

<u>Properties pledged as security</u>

Certain investment properties of the Group amounting to RM343,100 (2009: RM304,964) are mortgaged to secure bank loans (Note 26).

<u>Titles to properties</u>

As at reporting date, titles to investment properties with carrying amount of RM1,108,791 (2009: RM1,607,306) have yet to be registered in the subsidiaries' name.

NOTES TO THE FINANCIAL STATEMENTS
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15. Intangible assets

Group	Goodwill RM	Computer software RM	Total RM
At 1 January 2009	4,360,416	488,145	4,848,561
Additions	-	24,272	24,272
Amortisation during the year (Note 8)	-	(170,806)	(170,806)
At 31 December 2009	4,360,416	341,611	4,702,027
Amortisation during the year (Note 8)	-	(170,806)	(170,806)
At 31 December 2010	4,360,416	170,805	4,531,221

Computer software

The computer software is amortised over 3 years on straight-line basis.

Goodwill

During the financial year, the management has carried out a review of the recoverable amount of goodwill. The recoverable amount was based on value-in-use and was determined at the cash-generating unit ("CGU") of the Malaysian based assets.

Impairment testing of goodwill

Goodwill has been allocated to the Group's CGU identified according to country of operation as follows:

Malaysia - Contracting	2010 RM	2009 RM
At 1 January/31 December	4,360,416	4,360,416

Key assumption used in value-in-use calculations

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The key assumptions used for value-in-use calculations are:

	Gross margin		Growth rate		Discount rate	
	2010	2009	2010	2009	2010	2009
Contracting	8.15%	10.63%	4.00%	4.00%	12.00%	8.00%

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budgeted year, adjusted for market and economic conditions and internal resource efficiency.

NOTES TO THE FINANCIAL STATEMENTS
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15. Intangible assets (contd.)

(ii) Growth rate

The weighted average growth rates used are consistent with the long-term average growth rate for the industry.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Sensitivity to changes in assumptions

With regards to the assessment of value-in-use of contracting unit, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

16. Investment in subsidiaries

	Company 2010 RM	2009 RM
Unquoted shares, at cost		
In Malaysia	58,625,193	31,250,190
Outside Malaysia	32,536	32,536
	58,657,729	31,282,726
Less: Accumulated impairment losses	(1,737,076)	(86,613)
	56,920,653	31,196,113

Details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	Proportion of ownership interest 2010 %	2009 %
Direct subsidiaries				
FITTERS Sdn Bhd	Malaysia	Trading and installation of fire safety materials and equipment, manufacture and assembly of fire fighting, protection and prevention systems and equipment	100	100
Master Pyrodor Sdn Bhd	Malaysia	Property holdings	100	100
FITTERS (S) Pte Limited #	Singapore	Trading and installation of fire safety materials and equipment	100	100
FITTERS Industries Sdn Bhd	Malaysia	Ceased operations	100	100
FITTERS Engineering Services Sdn Bhd	Malaysia	Design, manufacture, assemble, supply and installation of fire fighting, protection and prevention systems and equipment	100	100

NOTES TO THE FINANCIAL STATEMENTS
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16. Investment in subsidiaries (contd.)

Name	Country of incorporation	Principal activities	Proportion of ownership interest 2010 %	2009 %
Direct subsidiaries (contd.)				
FITTERS Marketing Sdn Bhd	Malaysia	Marketing of fire resistant doors and general building materials	100	100
FITTERS Building Services Sdn Bhd	Malaysia	Design, manufacture, assemble, supply and installation of fire fighting, protection and prevention systems and equipment	100	100
FITTERS-MPS Sdn Bhd	Malaysia	Design, installation and maintenance of fire protection systems	51	51
Master Pyroserve Sdn Bhd	Malaysia	Install, operate and transfer the computerised fire alarm monitoring and communication systems for Jabatan Perkhidmatan Bomba dan Penyelamat Malaysia	100	100
Armatrade Sdn Bhd	Malaysia	Installing and servicing of fire fighting systems	100	100
Wintip Sdn Bhd #	Malaysia	Investment holding	100	100
Future NRG Sdn Bhd	Malaysia	Renewable energy development	100	83
Premier Equity Holdings Limited *	British Virgin Island	Investment holding	100	100
FITTERS-NRG Sdn Bhd	Malaysia	Renewable energy development	100	100
Solid Orient Holdings Sdn Bhd	Malaysia	Operation of palm oil mill	100	-
Subsidiaries of FITTERS Sdn Bhd:				
Jagapi Sdn Bhd @	Malaysia	Ceased operations	70	70
FITTERS Property Development Sdn Bhd	Malaysia	Property development	100	100
FITTERS (Ipoh) Sdn Bhd	Malaysia	Trading and installation of fire safety materials and equipment	100	100
FITTERS (Sarawak) Sdn Bhd	Malaysia	Trading of fire safety materials and equipment	100	100
The Safety Shop Sdn Bhd	Malaysia	Trading and marketing of safety apparatus and apparels	100	100

NOTES TO THE FINANCIAL STATEMENTS
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16. Investment in subsidiaries (contd.)

Name	Country of incorporation	Principal activities	Proportion of ownership interest 2010 %	2009 %
Subsidiaries of FITTERS Sdn Bhd (contd.):				
IT-Vault Solutions Sdn Bhd @	Malaysia	Ceased operations	100	100
FITTERS Fire Technology Sdn Bhd	Malaysia	Manufacture and supply of fire fighting equipment and materials	100	100
Modular Floor Systems (M) Sdn Bhd	Malaysia	Manufacture and trading of raised access-flooring systems	100	100
Subsidiary of FITTERS Building Services Sdn Bhd:				
Pyro-Tech Systems Sdn Bhd	Malaysia	Manufacture of fire rated doors including fire rated wooden doors with or without frames	100	100
Subsidiary of Modular Floor Systems (M) Sdn Bhd:				
Titan Access Floors Limited #	United Kingdom	Ceased operations	100	100
Subsidiaries of FITTERS Engineering Services Sdn Bhd:				
FITTERS Engineering and Maintenance Services Sdn Bhd	Malaysia	Maintenance of all types of fire protection systems	100	100
FITTERS Engineering Services (Johor) Sdn Bhd	Malaysia	Design, supply, installation, repair and maintenance of fire protection systems	100	100
FITTERS-Malnaga Sdn Bhd #	Malaysia	Supply, installation and maintenance of rail-road	-	51
Z'odd Design Sdn Bhd #	Malaysia	Design, production, construction and installation for theme concept solutions contracting and turnkey projects	100	51
FITTERS-MCCT Sdn Bhd	Malaysia	Mechanical engineering works contractors and fabricators	55	55
Subsidiary of FITTERS -MPS Sdn Bhd:				
Fimatic-MPS (East Coast) Sdn Bhd @	Malaysia	Ceased operations	60	60

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

16. Investment in subsidiaries (contd.)

Name	Country of incorporation	Principal activities	Proportion of ownership interest 2010 %	2009 %
Subsidiary of Wintip Sdn Bhd				
ZetaPark Development Sdn Bhd (formerly known as Cosmopolitan Noble Sdn Bhd)	Malaysia	Dormant	-	100
Subsidiaries of Future NRG Sdn Bhd				
Future Biomass Gasification Sdn Bhd	Malaysia	Renewable energy development	60	100
Liangshan Future NRG Biology Electric Power Co., Ltd #	People's Republic of China	Build and operate the Liangshan Biomass Power Plant	100	100
Subsidiary of FITTERS Property Development Sdn Bhd				
ZetaPark Development Sdn Bhd (formerly known as Cosmopolitan Noble Sdn Bhd)	Malaysia	Property development	100	-

\# Audited by a firm other than Ernst & Young
* Not audited as it is a British Virgin Island company
@ Striking off during the financial year

(a) Acquisition of subsidiary

On 24 September 2010, the Company acquired 2 ordinary shares of RM1.00 each of Solid Orient Holdings Sdn Bhd ("SOH"), representing 100% equity interest of SOH, a company incorporated in Malaysia, for a total consideration of RM2.00. SOH is involved in the operation of palm oil mill.

On 28 September 2010, SOH had entered into an agreement with Norstar Palm Oil Mill Sdn Bhd for the lease of palm oil mill and fibre plant for a term of 3 months commencing on 1 October 2010 with a reserved rent of RM400,000 per month and an option to renew for a further period of 3 months at the expiration of the term, together with an option to purchase the palm oil mill and fibre plant at any time during the duration of the term of the lease at a total consideration of RM67.5 million. As stipulated in the agreement, SOH paid a refundable deposit of RM6.75 million, representing 10% of the purchase consideration.

Upon the expiry of lease period on 31 December 2010, SOH had further extended the lease term for a period of 3 months lease as stipulated in the lease agreement, expiring on 31 March 2011. On 7 March 2011, SOH had further extended the lease term for a period of 6 months, expiring on 30 September 2011.

The acquisition of the subsidiary has contributed to the Group's revenue of RM29,885,169 and profit, net of tax RM329,807.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

16. Investment in subsidiaries (contd.)

(b) Acquisition of minority interests

On 23 November 2010, the Company through its subsidiary, FITTERS Engineering Services Sdn Bhd enter into a Share Sale Agreement to acquire the remaining 490,000 ordinary shares of RM1.00 each of Z'odd Design Sdn Bhd ("Zodd") from the minority shareholders for a cash consideration of RM3.00 together with all assets and liabilities therein. Upon the acquisition, Zodd became a wholly owned subsidiary of the Group.

On 27 December 2010, the Company enter into a Share Sale Agreement to acquire the remaining 106,250 ordinary shares of RM1.00 each of Future NRG Sdn Bhd ("FNRG") from a minority shareholder for a cash consideration of RM1.00 together with all assets and liabilities therein. Upon the acquisition, FNRG became a wholly owned subsidiary of the Company. On 30 December 2010, the Company subscribed for an additional 27,375,000 of ordinary shares of RM1.00 each issued by FNRG.

(c) Striking off and dissolution of dormant subsidiaries

Pursuant to Section 308(4) of the Companies Act 1965, publication of the notices of striking off had been made to strike off and dissolved the following dormant subsidiary companies: Fimatic-MPS (East Coast) Sdn Bhd, IT-Vault Solutions Sdn Bhd and Jagapi Sdn Bhd. The notice of struck off were received from the Companies Commission of Malaysia on 19 July 2010 for Fimatic-MPS (East Coast) Sdn Bhd and IT-Vault Solutions Sdn Bhd; and 27 July 2010 for Jagapi Sdn Bhd.

The effective date of the striking off of the above subsidiaries were 18 February 2010, 18 February 2010 and 4 March 2010, respectively.

(d) Disposal of a subsidiary

On 2 August 2010, FITTERS Engineering Services Sdn Bhd, a wholly owned subsidiary of the Company, disposed of 51 ordinary shares of RM1.00 each in FITTERS-Malnaga Sdn Bhd ("FMaL"), representing 51% of the equity capital of Fmal to Malnaga Sdn Bhd at a total cash consideration of RM300,000.

The disposal and the striking off of subsidiaries resulted in a net gain of RM309,013 and net cash inflow of RM378,437.

(e) Group reorganisation

On 5 May 2010, Wintip Sdn Bhd disposed of its 100% ownership in ZetaPark Development Sdn Bhd (formerly known as Cosmopolitan Noble Sdn Bhd) to a fellow subsidiary, FITTERS Property Development Sdn Bhd for a consideration of RM2.00. The disposal of the subsidiary did not have any material effect on the financial results and financial position of the Group.

17. Land use rights

		Group	
	2010	**2009**	**1.1.2009**
	RM	**RM (restated)**	**RM (restated)**
At 1 January	-	-	245,715
Effect of adopting amendments to FRS117	-	-	(245,715)
Addition during the year	3,480,823	-	-
At 31 December	3,480,823	-	-

The Group has land use rights over certain plots of state-owned land in the People's Republic of China ("PRC") where the Group's biomass-power-plant under construction is located. The land use rights are not transferable and have a remaining tenure of 49 years.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

18. Trade and other receivables

	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Current				
Trade receivables				
Third parties	55,917,681	46,688,550	-	-
Less: Allowance for impairment	(17,888,432)	(20,730,156)	-	-
	38,029,249	25,958,394	-	-
Amounts due from related companies	432,021	295,119	-	-
Retention sum on contracts (Note 24)	1,544,274	9,488,893	-	-
Trade receivables, net	40,005,544	35,742,406	-	-
Other receivables				
Amounts due from subsidiaries	-	-	82,466,987	56,142,436
Sundry receivables	16,232,033	32,856,779	111,234	263,825
Refundable deposits	14,501,285	472,998	39,881	39,881
Prepayment	63,047	452,622	16,691	16,691
	30,796,365	33,782,399	82,634,793	56,462,833
	70,801,909	69,524,805	82,634,793	56,462,833
Non-current				
Trade receivables				
Retention sum on contracts (Note 24)	16,735,796	-	-	-
Trade receivables, net	16,735,796	-	-	-
Other receivables				
Sundry receivables	524,195	582,165	-	-
	17,259,991	582,165	-	-
Total trade and other receivables (current and non-current)	88,061,900	70,106,970	82,634,793	56,462,833
Add: Deposits, cash and bank balances (Note 25)	14,005,210	18,184,157	2,690,623	282,001
Total loans and receivables	102,067,110	88,291,127	85,325,416	56,744,834

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2009: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group 2010 RM	Group 2009 RM
Neither past due nor impaired **	48,566,856	29,432,623
1 to 30 days past due not impaired	3,465,819	1,620,449
31 to 60 days past due not impaired	1,621,433	1,474,034
61 to 90 days past due not impaired	723,508	729,150
91 to 120 days past due not impaired	2,096,063	1,832,997
More than 121 days past due not impaired	267,661	653,153
	8,174,484	6,309,783
Impaired	17,888,432	20,730,156
	74,629,772	56,472,562

** Included in neither past due nor impaired are retention sums amounted to RM18,280,070 (2009: RM9,488,893).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

18. Trade and other receivables (contd.)

(a) Trade receivables (contd.)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM8,174,484 (2009: RM6,309,783) that are past due at the reporting date but not impaired.

In assessing the extent of non-recoverable debts, the directors have given due consideration to all pertinent information relating to the ability of the debtors to settle the debts. Notwithstanding the overdue nature of these debts, the directors have assessed these debts as fully recoverable. Accordingly, no further impairment has been made for doubtful recovery in respect of these debts.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired 2010 RM	 2009 RM
Group		
Trade receivables - nominal amounts	17,888,432	20,730,156
Less: Allowance for impairment	(17,888,432)	(20,730,156)
	-	-

Movement in allowance accounts:

	Group 2010 RM	 2009 RM
At beginning of financial year	20,730,156	22,653,819
Allowance made during the financial year (Note 8)	619,516	-
Written off	(2,637,659)	(344,801)
Reversal of allowance for impairment losses (Note 8)	(823,581)	(1,578,862)
At end of financial year	17,888,432	20,730,156

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Included in other receivables is an amount of RM6,520,922 (2009: RM27,676,533) which is the balance of the consideration receivable for the disposal of building and strata title rights on the land held for development properties in the financial year ended 31 December 2008. Based on the information available at the date of the financial statements, the directors are of the opinion that the amount is recoverable after making the necessary assessment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

18. Trade and other receivables (contd.)

(b) Amounts due from subsidiaries and related parties

Amounts due from subsidiaries and related parties are unsecured, non-interest bearing and are repayment on demand.

19. Investment securities

	2010		2009	
	Carrying amount RM	Market value of quoted investments RM	Carrying amount RM	Market value of quoted investments RM
Group				
Current				
Held for trading investments				
- Equity instruments (quoted in Malaysia) *	650	650	650	976
Total current investment securities	650		650	
Non-current				
Fair value through profit or loss				
- Convertible redeemable preference shares (unquoted), at cost	18,582,334	#	18,582,334	#
	18,582,334		18,582,334	
Available-for-sale financial assets				
- Equity instruments (unquoted), at cost	607,140	#	607,140	#
- Corporate memberships in golf club	105,000	#	105,000	#
Total non-current investment securities	19,294,474		19,294,474	
Total investment securities	19,295,124		19,295,124	

* Prior to 1 January 2010, the current investments were carried at lower of cost and market value, determined on aggregate basis. The non-current investments are stated at costs less impairment.

The fair value information has not been disclosed for these financial instruments as their fair value cannot be measured reliably.

Their fair value cannot be measured reliably due to the lack of quoted market price in an active market and assumptions required for valuing these financial instruments using valuation techniques are subject to material uncertainties.

20. Deferred tax liabilities/(assets)

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
At beginning of financial year	209,486	21,400	170,431	170,431
Recognised in the profit or loss (Note 11)	(40,548)	188,086	-	-
Arising form disposal of a subsidiary	132,660	-	-	-
At end of financial year	301,598	209,486	170,431	170,431
Presented after appropriate offsetting as follows:				
Deferred tax assets	-	(285,466)	-	-
Deferred tax liabilities	301,598	494,952	170,431	170,431
	301,598	209,486	170,431	170,431

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

20. Deferred tax liabilities/(assets) (contd.)

The components and movements of deferred tax (assets) and liabilities during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Inventories RM	Provisions RM	Unutilised tax losses and unabsorbed capital allowances RM	Total RM
At 1 January 2009	(346,518)	(103,812)	-	(450,330)
Recognised in profit or loss	301,943	3,127	(140,206)	164,864
At 31 December 2009	(44,575)	(100,685)	(140,206)	(285,466)
Recognised in profit or loss	44,575	(54,830)	140,206	129,951
Arising form disposal of a subsidiary	-	132,660	-	132,660
At 31 December 2010	-	(22,855)	-	(22,855)

Deferred tax liability of the Group:

	Property, plant and equipment RM
At 1 January 2009	471,730
Recognised in profit or loss	23,222
At 31 December 2009	494,952
Recognised in profit or loss	(170,499)
At 31 December 2010	324,453

Deferred tax liability of the Company:

	Property, plant and equipment RM
At 1 January 2009/2010	170,431
Recognised in profit or loss	-
At 31 December 2009/2010	170,431

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

20. Deferred tax liabilities/(assets) (contd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group 2010 RM	Group 2009 RM
Unutilised tax losses	13,079,772	13,521,995
Unabsorbed capital allowances	300,215	62,510
Other deductible temporary differences	75,056	56,907
	13,455,043	13,641,412

Deferred tax assets have not been recognised in respect of these items as they have arisen in companies that have a recent history of losses or in companies where future taxable profits may be insufficient to trigger the utilisation of these items.

21. Land held for property development and property development costs

(a) Land held for property development

Group	Leasehold land RM	Development cost RM	Total RM
At cost:			
At 1 January 2010	22,167,944	8,754,472	30,922,416
Transfer to property development costs (Note 21(b))	(22,167,944)	(8,754,472)	(30,922,416)
At 31 December 2010	-	-	-
At 1 January 2009	22,167,944	8,401,319	30,569,263
Additions	-	353,153	353,153
At 31 December 2009	22,167,944	8,754,472	30,922,416

(b) Property development costs

Group	Leasehold land RM	Development cost RM	Total RM
At 31 December 2010			
Cumulative property development costs			
At 1 January 2010	-	-	-
Costs incurred during the year	-	27,280,848	27,280,848
Transfer from land held for property development (Note 21(a))	22,167,944	8,754,472	30,922,416
At 31 December 2010	22,167,944	36,035,320	58,203,264
Cumulative costs recognised in profit or loss			
At 1 January 2010	-	-	-
Recognised during the year (Note 5)	(281,604)	(3,293,345)	(3,574,949)
At 31 December 2010	(281,604)	(3,293,345)	(3,574,949)
Property development costs at 31 December 2010	21,886,340	32,741,975	54,628,315

NOTES TO THE FINANCIAL STATEMENTS
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22. Inventories

	Group	
	2010 RM	2009 RM
Cost		
Raw materials	5,966,717	4,918,703
Work-in-progress	628,533	-
Finished goods	4,996,335	2,431,019
	11,591,585	7,349,722
Net realisable value		
Raw materials	-	400,328
Finished goods	-	123,327
	11,591,585	7,873,377

23. Other current assets

	Group	
	2010 RM	2009 RM
Amount due from customers for contract (Note 24)	10,532,949	16,071,750

24. Gross amount due from/(to) customers for contract work-in-progress

	Group	
	2010 RM	2009 RM
Construction contract costs incurred to date	440,787,339	386,298,699
Attributable profits	42,185,451	34,675,758
	482,972,790	420,974,457
Less: Progress billings	(495,131,127)	(408,472,677)
	(12,158,337)	12,501,780
Presented as:		
Gross amount due from customers on contracts (Note 23)	10,532,949	16,071,750
Gross amount due to customers on contracts (Note 28)	(22,691,286)	(3,569,970)
	(12,158,337)	12,501,780
Retention sums on construction contract, included within trade receivables (Note 18)	18,280,070	9,488,893
Advance received on contracts, included within other payables (Note 27)	16,052,612	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

24. Gross amount due from/(to) customers for contract work-in-progress (contd.)

The costs incurred to date on construction contracts include the following charges made during the financial year:

	Group	
	2010	2009
	RM	RM
Hire of plant and machinery	139,891	90,534
Wages and salaries	1,926,446	2,040,432
Social security contributions	5,302	2,985
Contribution to defined contribution plans	87,878	75,247
Rental expense for building	151,903	-

25. Deposits, cash and bank balances

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Cash at bank and on hand	12,071,210	17,564,157	2,690,623	282,001
Short term deposits with licensed banks	1,934,000	620,000	-	-
	14,005,210	18,184,157	2,690,623	282,001

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between 7 and 15 days depending on the immediate cash requirements of the Group and the Company, and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2010 for the Group were 2.5% (2009: 1.12%).

Short term deposits with licensed banks of the Group amounting to RM20,000 (2009: RM20,000) are pledged as securities for borrowings (Note 26).

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
Cash and short term deposits:	14,005,210	18,184,157	2,690,623	282,001
Bank overdrafts (Note 26)	(1,879,285)	(5,849,757)	-	-
Cash and cash equivalents	12,125,925	12,334,400	2,690,623	282,001

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

26. Loans and borrowings

		Group		Company	
		2010	2009	2010	2009
	Maturity	RM	RM	RM	RM
Current					
Secured:					
Obligations under finance leases (Note a)	2011	400,905	445,732	48,917	45,588
Term loans	2011	25,860	25,860	-	-
		426,765	471,592	48,917	45,588
Unsecured:					
Bank overdrafts	On demand	1,879,285	5,849,757	-	-
Revolving credit	On demand	5,000,000	5,000,000	5,000,000	5,000,000
Bankers' acceptances	On demand	7,020,870	7,270,000	-	-
		13,900,155	18,119,757	5,000,000	5,000,000
		14,326,920	18,591,349	5,048,917	5,045,588
Non-current					
Secured:					
Obligations under finance leases (Note a)	2012-2014	339,930	729,078	88,889	137,806
Term loans	2012-2014	21,870	55,624	-	-
		361,800	784,702	88,889	137,806
Total loans and borrowings		14,688,720	19,376,051	5,137,806	5,183,394

The remaining maturities of the loans and borrowings as at 31 December 2010 are as follows:

	Group		Company	
	2010	2009	2010	2009
	RM	RM	RM	RM
On demand or within one year	14,326,920	18,591,349	5,048,917	5,045,588
More than 1 year and less than 2 years	229,222	389,275	52,246	48,917
More than 2 year and less than 5 years	132,578	395,427	36,643	88,889
	14,688,720	19,376,051	5,137,806	5,183,394

Obligations under finance leases

The average discount rate implicit in the leases is 2.71% p.a. (2009: 2.71% p.a.). These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

Bank overdrafts

Bank overdrafts are denominated in RM, bear interest at BLR + 1.0 to 2.0% p.a. and are secured by corporate guarantee of the Company.

NOTES TO THE FINANCIAL STATEMENTS
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26. Loans and borrowings (contd.)

Term loan

The term loan bear a weighted average effective interest rate of 4.93% (2009: 6.75%) per annum. This loan is secured by a first mortgage over a freehold land and building of the Group's investment properties (Note 14), and corporate guarantee provided by the Company. The term loan is repayable on monthly basis and final repayment is due on 26 January 2014.

Revolving credit

The revolving credits of the Company are secured by corporate guarantees from FITTERS Sdn Bhd and Master Pyroserve Sdn Bhd.

(a) Obligations under finance leases

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Future minimum lease payments:				
Not later than 1 year	429,963	495,177	56,268	56,268
Later than 1 year and not later than 2 years	241,781	418,285	56,268	56,268
Later than 2 years and not later than 5 years	116,013	357,795	37,475	93,743
Total minimum lease payments	787,757	1,271,257	150,011	206,279
Less: Future finance charges	(46,922)	(96,447)	(12,205)	(22,885)
Present value of finance lease liabilities	740,835	1,174,810	137,806	183,394
Analysis of present value of finance lease liabilities:				
Not later than 1 year	400,905	445,732	48,917	45,588
Later than 1 year and not later than 2 years	229,222	389,275	52,246	48,917
Later than 2 years and not later than 5 years	110,708	339,803	36,643	88,889
	740,835	1,174,810	137,806	183,394
Less: Amount due within 12 months	(400,905)	(445,732)	(48,917)	(45,588)
Amount due after 12 months	339,930	729,078	88,889	137,806

27. Trade and other payables

	Group		Company	
	2010 RM	2009 RM	2010 RM	2009 RM
Current				
Trade payables				
Third parties	20,493,454	20,785,386	-	-
Amounts due to related parties	865,945	775,860	-	-
	21,359,399	21,561,246	-	-
Other payables				
Accrued operating expenses	20,182,153	23,819,834	386,389	470,026
Other payables	18,084,840	2,496,688	219,818	329,247
Deposits received	20,050	17,750	-	-
Amount due to related subsidiaries	-	-	25,355,254	8,860,052
	38,287,043	26,334,272	25,961,461	9,659,325
Total trade and other payables	59,646,442	47,895,518	25,961,461	9,659,325
Add: Loans and borrowings (Note 26)	14,688,720	19,376,051	5,137,806	5,183,394
Total financial liabilities carried at amortised cost	74,335,162	67,271,569	31,099,267	14,842,719

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

27. Trade and other payables (contd.)

(a) Trade payables

These amounts are non-interest bearing. Trade payables are normally settled on 30 to 90 days (2009: 30 to 90 days) terms.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 3 months (2009: average term of 3 months).

(c) Amounts due to related parties

These amounts are unsecured, non-interest bearing and are repayable on demand.

28. Other current liabilities

	Group 2010 RM	Group 2009 RM
Progress billings in respect of property development cost	2,891,824	-
Gross amount due to customers on contracts (Note 24)	22,691,286	3,569,970
	25,583,110	3,569,970

29. Share capital, share premium and treasury shares

	Number of ordinary share of RM0.50 each 2010 Units	Number of ordinary share of RM0.50 each 2009 Units	Amount 2010 RM	Amount 2009 RM
Authorised share capital				
At 1 January/31 December	1,000,000,000	1,000,000,000	500,000,000	500,000,000

Group and Company	Number of ordinary share of RM0.50 each: Share capital (Issued and fully paid) Units	Number of ordinary share of RM0.50 each: Treasury shares Units	Amount: Share capital (Issued and fully paid) RM	Amount: Share premium RM	Amount: Total share capital and share premium RM	Amount: Treasury shares RM
At 1 January 2009	131,157,184	9,987,700	65,578,592	-	65,578,592	(4,453,602)
Purchase of treasury shares	-	1,123,000	-	-	-	(499,318)
Distribution as dividends	-	(6,002,324)	-	-	-	2,675,716
At 31 December 2009 and 1 January 2010	131,157,184	5,108,376	65,578,592	-	65,578,592	(2,277,204)
Bonus share issue	72,136,054	-	36,068,027	(903,736)	35,164,291	-
Shares issue during the year	13,115,000	-	6,557,500	131,150	6,688,650	-
Share issuance expense	-	-	-	(193,664)	(193,664)	-
Gain on reissuance of treasury shares transferred to share premium reserve	-	(5,108,300)	-	966,250	966,250	2,277,170
At 31 December 2010	216,408,238	76	108,204,119	-	108,204,119	(34)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

29. Share capital, share premium and treasury shares (contd.)

(a) Share capital

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM65,578,592 to RM108,204,119 by way of:

(i) the issuance of 13,115,000 ordinary shares of RM0.50 each through a private placement at an issue price of RM0.51 per ordinary shares for cash, for additional working capital purposes;

(ii) the bonus issue of 72,136,054 ordinary shares of RM0.50 each through capitalisation of RM903,736 from share premium reserve and RM35,164,291 from retained earnings on the basis of one (1) new ordinary share for every two (2) ordinary shares held.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

During the financial year, the Company resale 5,108,300 of its treasury shares in the open market at an average price of RM0.64 per share. The total amount received for the resale including transaction costs was RM3,243,420.

As at 31 December 2010, the Company held as treasury shares a total of 76 units of its 216,408,238 issued ordinary shares. Such treasury shares are held at a carrying amount of RM34.

30. Other reserves

	Asset valuation reserve RM	Capital reserve RM	Foreign currency translation reserve RM	Warrant reserve RM	Total RM
Group					
At 1 January 2010	533,179	1,360,010	53,504	5,915,239	7,861,932
Other comprehensive income: Foreign currency translation	-	-	(829,126)	-	(829,126)
At 31 December 2010	533,179	1,360,010	(775,622)	5,915,239	7,032,806
At 1 January 2009	533,179	1,360,010	81,133	5,915,239	7,889,561
Other comprehensive income: Foreign currency translation	-	-	(27,629)	-	(27,629)
At 31 December 2009	533,179	1,360,010	53,504	5,915,239	7,861,932
Company					
At 31 December 2009/2010	533,179	-	-	5,915,239	6,448,418

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

30. Other reserves (contd.)

The nature and purpose of each category of reserve are as follows:

(a) Asset revaluation reserve

Asset revaluation reserve represents the cumulative net change in fair value of land and buildings, net of deferred tax.

(b) Capital reserve

This represents a reserve set aside for bonus issues made by subsidiaries.

(c) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

(d) Warrant reserve

On 28 November 2007, the Company issued 65,578,592 warrants at RM0.10 per warrant. These warrants were listed on the Bursa Malaysia Securities on 5 December 2007. The issuance resulted in a net proceed of RM5,935,239 to the Company.

Principal terms of the warrants are as follows:

(a) The exercise period commenced on the date of issue of the warrants and it will end five years from the date of issuance. Warrants that are not exercised during the exercise period will thereafter lapse and cease to be valid.

(b) The warrants are issued in registered form and constituted by a Deed Poll date 18 October 2007.

(c) The exercise price will be RM0.80 payable in full in respect of each new share of the Company issued upon the exercise of the warrant. Each warrant carries the entitlement to subscribe of one (1) new ordinary share of the Company.

(d) In the event of an issue of shares or other securities convertible to shares by the Company, the warrant holders shall not have any participating right in respect of such issue although the exercise price and the number of additional warrants to be issued shall be adjusted, calculated and determined as per the Deed Poll, unless otherwise resolved by the Company in general meeting.

Pursuant to the bonus issue, 32,789,296 new warrants were allotted on the basis of one (1) new warrant for every two (2) existing warrants. The terms of new warrants are similar to the existing warrants.

31. Retained earnings

Prior to the year of assessment 2008, Malaysian companies adopted the full imputation system. In accordance with the Finance Act 2007 which was gazetted on 28 December 2007, companies shall not be entitled to deduct tax on dividends paid, credited or distributed to its shareholders, and such dividends will be exempted from tax in the hands of the shareholders ("single tier system"). However, there is a transitional period of six years, expiring on 31 December 2013, to allow companies to pay franked dividends to their shareholders under limited circumstances. Companies also have an irrevocable option to disregard the 108 balance and opt to pay dividends under the single tier system. The change in the tax legislation also provides for the 108 balance to be locked-in as at 31 December 2007 in accordance with Section 39 of the Finance Act 2007.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

31. Retained earnings (contd.)

The Company did not elect for the irrevocable option to disregard the Section 108 balance. Accordingly, during the transitional period, the Company may utilise the credit in the Section 108 balance as at 31 December 2007 to distribute cash dividend payments to ordinary shareholdings as defined under the Finance Act 2007.

As at 31 December 2010, the Company has tax exempt profits available for distribution of approximately RM12,724,000 (2009: RM12,724,000), subject to the agreement of the Inland Revenue Board.

The Company has sufficient tax credit under Section 108 of the Income Tax Act, 1967 and the balance in the tax exempt income account to frank the payment of dividends out of its entire retained earnings as at 31 December 2010.

32. Related party disclosures

(a) Sale and purchase of goods and services

In addition to the related parties information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	2010 RM	2009 RM
Group		
Transaction with related parties		
Wai Soon Engineering Sdn Bhd		
- contract fee	2,773,746	2,901,516
- sales	(19,331)	-
FITTERS (Sabah) Sdn Bhd		
- rental	4,800	4,800
- sales	(1,250,058)	(626,887)
Datin Goh Hooi Yin		
- rental	312,000	-
Company		
Transaction with subsidiaries		
Administrative income receivable	(1,380,000)	(1,440,000)
Rental income	(1,032,000)	(1,176,000)

Details of the related party relationships are as follows:

Related party	Relationship
Fitters (Sabah) Sdn Bhd	Dato' Wong Swee Yee who is a director and major shareholder of the Company, is also a director and major shareholder of Fitters (Sabah) Sdn Bhd.
Wai Soon Engineering Sdn Bhd	Wong Swee Loy who is the brother of Dato' Wong Swee Yee and Wong Swee Seong, both are directors of the Company, is also a director and major shareholder of Wai Soon Engineering Sdn Bhd.
Datin Goh Hooi Yin	Datin Goh Hooi Yin who is a director and shareholder of the Company, is also the spouse of Dato' Wong Swee Yee, a director and major shareholder of the Company.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

32. Related party disclosures (contd.)

Compensation of key management personnel

The Group considers the directors to be the key management personnel. Disclosure of their remuneration is made in Note 10.

33. Capital commitment and contingent liability

(a) Capital commitment

Capital expenditure as at the reporting date is as follows:

	Group	
	2010	**2009**
	RM	**RM**
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	3,374,141	-

(b) Contingent liability

	Company	
	2010	**2009**
	RM	**RM**
Unsecured		
Corporate guarantee given to corporations for performance project of a subsidiary	134,000,000	134,000,000

34. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The audit committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of the Head of Credit Control.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

34. Financial risk management objectives and policies (contd.)

(a) Credit risk (contd.)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

(i) The carrying amount of each class of financial assets recognised in the statements of financial position,

(ii) The nominal amount relating to the corporate guarantee provided by the Company is as follow:

	2010 RM	2009 RM
Secured		
Corporate guarantee given to banks for credit facilities granted to a subsidiary	240,000	240,000
Unsecured		
Corporate guarantee given to banks for credit facilities granted to subsidiaries	64,965,660	61,965,660
Bank guarantee given to a third party in respect of trade and contract	932,400	-
Corporate guarantee given to corporations for credit facilities granted to subsidiaries	16,460,000	17,410,000
	82,598,060	79,615,660

Information regarding credit enhancements for trade and other receivables is disclosed in Note 18.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables at the reporting date are as follows:

	Group			
	2010		2009	
	RM	% of total	RM	% of total
By country:				
Malaysia	55,641,815	98%	35,405,487	99%
Singapore	1,099,525	2%	336,919	1%
	56,741,340	100%	35,742,406	100%

By industry sectors:

	Group			
	2010		2009	
	RM	% of total	RM	% of total
Manufacturing and trading	18,541,917	33%	13,332,798	37%
Construction and engineering services	33,310,180	59%	22,409,608	63%
Palm oil	3,114,181	5%	-	-
Investment holding and others	1,775,062	3%	-	-
	56,741,340	100%	35,742,406	100%

At the reporting date, the Group has a significant concentration of credit risk in the form of outstanding debts due from a customer representing 9% (2009: 32%) of the total receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

34. Financial risk management objectives and policies (contd.)

(a) Credit risk (contd.)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 18. Deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 18.

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	I------------------- 2010	---------------------	-----------I
	On demand or within one year RM	**One to five years RM**	**Total RM**
Group			
Financial liabilities:			
Trade and other payables	59,646,442	-	59,646,442
Loans and borrowings	14,326,920	408,722	14,735,642
Total undiscounted financial liabilities	73,973,362	408,722	74,382,084
Company			
Financial liabilities:			
Trade and other payables	25,961,461	-	25,961,461
Loans and borrowings	5,048,917	185,336	5,234,253
Total undiscounted financial liabilities	31,010,378	185,336	31,195,714

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. Borrowings at floating rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

34. Financial risk management objectives and policies (contd.)

(c) Interest rate risk (contd.)

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 10 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM13,922 higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily RM, Sterling Pound ("GBP"), United Stated Dollar ("USD") and Singapore Dollar ("SGD"). The foreign currencies in which these transactions are denominated are mainly GBP and USD.

Approximately 3.45% (2009: 10.92%) of the Group's sales are denominated in foreign currencies whilst almost 8.50% (2009: 12.88%) of costs are denominated in the respective functional currencies of the Group entities. The Group's trade receivable and trade payable balances at the reporting date have similar exposures.

The Group and the Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances (mainly in SGD and RMB) amount to RM1,218,496 (2009: RM540,228) and RM415,769 (2009: RM10,258,659) for the Group and the Company respectively.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Singapore, People's Republic of China ("PRC") and British Virgin Islands ("BVI"). The Group's net investments in Singapore, PRC and BVI are not hedged as currency positions in SGD, RMB and USD are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

A sensitivity analysis had been performed to determine the sensitivity of the Group's profit net of tax to a reasonably possible change in the foreign exchange rates against the respective functional currencies of the Group's entities. This analysis assumes that all other variables, in particular interest rates, remain constant. Based on the analysis, there is no material impact on the Group's profit net of tax on potential fluctuation of foreign currencies relevant to the Group.

35. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, borrowings, trade and other payables, less cash and bank balances. Capital includes equity attributable to the owners of the parent less the fair value adjustment reserve.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

35. Capital management (contd.)

	Note	Group 2010 RM	Group 2009 RM	Company 2010 RM	Company 2009 RM
Loans and borrowings		14,688,720	19,376,051	5,137,806	5,183,394
Trade and other payables	27	59,646,442	47,895,518	25,961,461	9,659,325
Less: Cash and bank balances	25	(14,005,210)	(18,184,157)	(2,690,623)	(282,001)
Net debt		60,329,952	49,087,412	28,408,644	14,560,718
Equity attributable to the owners of the parent		135,488,362	114,551,301	119,821,954	82,013,439
Capital and net debt		195,818,314	163,638,713	148,230,598	96,574,157
Gearing ratio		30%	29%	18%	10%

36. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(i) Manufacturing and trading services and theming

Manufacturing, trading and theming of safety, fire fighting equipment and industrial products, installation and maintenance of the Fire Departments' privatized Computerized Fire Alarm Monitoring System ("CMS") and specialist themed works.

(ii) Construction, engineering services and property development

Contract for mechanical and electrical works, corrective and preventive maintenance within the fire industry and speciality construction industry, developing and selling of properties.

(iii) Renewable energy and palm oil

Providing renewalable, alternative and waste to energy, and operation of palm oil mill for the purposes of treatment, cure and extraction of palm oil.

(iv) Investment holding

The investment segment is in the business of investment holding.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

36. Segment information (contd.)

	Manufacturing and trading services and theming RM	Construction, engineering services and property development RM	Renewable energy and palm oil RM	Investment holding and others RM	Elimination RM	Consolidated RM
31 December 2010						
Revenue						
External sales	61,763,532	97,794,445	29,885,169	313,339	-	189,756,485
Results						
Segment results	6,977,878	11,975,061	(1,490,934)	31,003,896	(28,353,918)	20,111,983
Finance costs						(1,182,191)
Income tax						(4,939,313)
Profit, net of tax						13,990,479
Assets and liabilities						
Segment assets	69,983,145	94,453,714	47,512,465	258,321,759	(235,012,780)	235,258,303
Unallocated assets						4,360,424
Total assets						239,618,727
Segment liabilities	64,168,644	75,519,306	20,272,913	90,686,898	(148,043,166)	102,604,595
Unallocated liabilities						301,598
Total liabilities						102,906,193
Other information						
Capital expenditure	36,051	14,028,141	4,242,583	-	-	18,306,775
Depreciation and amortisation	848,532	206,976	8,837	303,044	-	1,367,389
Reversal of allowance for impairment on trade receivables	(499,100)	(223,078)	-	(101,403)	-	(823,581)
Inventories written back	-	-	-	(116,035)	-	(116,035)
Non cash expenses	(339,301)	(291,136	-		-	(630,437)
31 December 2009						
Revenue						
External sales	68,784,979	56,886,713	-	689,598	(135,329)	126,225,961
Results						
Segment results	7,350,429	5,423,088	(2,517,329)	6,484,133	(6,344,088)	10,396,233
Finance costs						(420,721)
Income tax						(1,674,643)
Profit, net of tax						8,300,869
Assets and liabilities						
Segment assets	-	-	-	209,745,547	-	209,745,547
Unallocated assets						191,044,051
Total assets						400,789,598
Segment liabilities	283,241	41,280	-	170,431	-	494,952
Unallocated liabilities						494,952
Total liabilities						989,904
Other information						
Capital expenditure	-	-	-	-	-	-
Depreciation and amortisation	(61,893)	-	-	(104,509)	-	(166,402)
Reversal of allowance for impairment	-	10,361	-	-	-	10,361
Inventories written back	(791,697)	(633,782)	-	(153,383)	-	(1,578,862)
Non cash expenses	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

36. Segment information (contd.)

Geographical information

Revenue information based on the geographical location of customers is as follows:

	Revenues	
	2010	**2009**
	RM	**RM**
Malaysia	184,920,913	112,444,795
Singapore	4,966,862	13,781,166
	189,887,775	126,225,961

The following is an analysis of the carrying amount of segment assets and capital expenditure, analysed by geographical segments:

	Segments assets		Capital expenditure	
	2010	**2009**	**2010**	**2009**
	RM	**RM**	**RM**	**RM**
Malaysia	218,602,051	183,679,155	1,571,248	2,108,373
Singapore	3,552,581	3,004,480	-	53,480
China	17,464,095	-	16,735,527	-
	239,618,727	186,683,635	18,306,775	2,161,853

37. Dividends

	Group/Company	
	2010	**2009**
	RM	**RM**
Recognised during the financial year:		
First and final share dividend on the basis of 1 treasury share for every 20 existing ordinary shares held for the financial year ended 31 December 2008, on 120,046,484 ordinary shares, declared on 5 June 2009 and granted on 28 July 2009	-	2,675,716
	-	2,675,716

38. Subsequent event

On 14 March 2011, a wholly-owned sub-subsidiary of the Company has been awarded a project for the construction and completion of fit out works for Kidzania Kuala Lumpur at The Curve NX Building, Mutiara Damansara, Petaling Jaya by Rakan Riang Sdn. Bhd. ("Project").

The Project value is RM32,982,144 and the whole works of the Project shall be completed within seven (7) months from the date of possession of the site

The Project will not have any effect on the issued and paid-up share capital and net assets of FITTERS and is expected to contribute positively to the earnings of FITTERS Group for the financial year ending 31 December 2011.

39. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on 5 May 2011.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

40. Supplementary information

The breakdown of the retained earnings of the Group and of the Company as at 31 December 2010 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group 2010 RM	Company 2010 RM
Total retained earnings		
- realised	19,146,063	4,999,020
- unrealised	472,407	170,431
	19,618,470	5,169,451
Less: Consolidation adjustments	633,001	-
Total retained profits	20,251,471	5,169,451

LIST OF PROPERTIES HELD BY THE GROUP

LIST OF PROPERTIES AS AT 31 DECEMBER 2010

	Description	Address	Net Book Value RM	Tenure	Date of last valuation / acquisition	Existing Use	Age Of Building (Year)
1	5-storey office block 1,779.20 m2	No. 1 Jalan Tembaga SD 5/2 Bandar Sri Damansara 52200 Kuala Lumpur	8,315,789	Freehold	21-8-1991	Office	17
2	2-storey shop house 143.07 m2	12 Jalan Sagu 5 Taman Daya 81100 Johor Bahru Johor Darul Takzim	177,818	Freehold	5-4-1993	Office	17
3	3-storey shop house 143.07 m2	66 Lintang Angsana Bandar Baru Ayer Itam 11500 Pulau Pinang	379,101	Leasehold Expire on 2093	24-2-1995	Office	16
4	2-storey shop office 130.0 m2	13 Jalan Dato' Haji Megat Khas Taman Bandaraya Utama 31400 Ipoh Perak Darul Ridzuan	211,721	Leasehold Expire on 2093	10-4-1996	Office	16
5	Office Suite 56.39 m2	No.568-8-28 Kompleks Mutiara Jalan Ipoh 51200 Kuala Lumpur	134,288	Freehold	9-5-2005	Vacant	11
6	Apartment 70.14 m2	D-4-21 Rapis Pangsapuri Las Palmas Jalan Desa Ria Bandar Country Homes 48000 Rawang Selangor Darul Ehsan	62,889	Freehold	10-12-1999	Vacant	11
7	Shop Office 73.02 m2	2A-28 Jalan Desa 9/3 Bandar Country Homes 48000 Rawang Selangor Darul Ehsan	54,327	Freehold	10-12-1999	Vacant	11
8	2-storey town house 149.8 m2	No40, Jalan P14D/6, A21, Block 4B No. 2515, Mukim Dengkil, Precinct 16 Putrajaya	298,033	Freehold	20-4- 2001	Vacant	7
9	Office 172.8 m2	32-03 (Bk) Merchant Square Cheras Taman Juara Jaya Selangor Darul Ehsan	80,730	Freehold	21-12-2001	Vacant	9
10	Office 163.4 m2	32-03 (Fr) Merchant Square Cheras Taman Juara Jaya Selangor Darul Ehsan	78,390	Freehold	21-12-2001	Vacant	9
11	Office 336.22 m2	32-01, Merchant Square Cheras Taman Juara Jaya Selangor Darul Ehsan	174,250	Freehold	29-01-2004	Vacant	7
12	Land 8.094 Hec. (20 acres)	HS (D): 3805, Lot PT 2279, Mukim of Ulu Telom District of Cameron Highlands Pahang	1,817,734	Freehold	16-03-2007	Agriculture	-
13	Land 34,130 m2	PN 46795 No. Lot 30119, Mukim Setapak Daerah Kuala Lumpur	21,886,340	Leasehold Expire on 20-11-2106	12-12-2007	Development	-

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS

Authorised Share Capital	:	RM500,000,000.00 (1,000,000,000 Ordinary Shares of RM0.50 each)
Issued and fully paid-up	:	RM108,204,119.00 (216,408,238 Ordinary Shares of RM0.50 each)
Class of Shares	:	Ordinary Shares of RM0.50 each
Voting Rights	:	One (1) vote per shareholder on a show of hands One (1) vote per share on a poll

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 3 MAY 2011

Size of Holdings	No. of Shareholders	%	No. of Shares Held	%
1 – 99	200	8.79	11,324	0.01
100 – 1,000	150	6.59	72,739	0.03
1,001 – 10,000	1,066	46.86	6,505,841	3.01
100,001 – 100,000	725	31.87	22,824,690	10.55
100,001 to less than 5% of issued shares	131	5.76	122,911,401	56.80
5% and above of issued shares	3	0.13	64,082,167	29.61
Total	**2,275**	**100.00**	**216,408,162***	**100.00**

Note:-

* *The number of 216,408,162 Ordinary Shares was arrived after deducting 76 treasury shares retained by the Company from the issued and paid-up share capital of 216,408,238 Ordinary Shares.*

DIRECTORS' SHAREHOLDINGS AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 3 MAY 2011

		Direct Shareholdings		Indirect Shareholdings	
No.	**Name**	**No. of Shares Held**	**%**	**No. of Shares Held**	**%**
1.	Mohammad Nizar Bin Idris	-	-	-	-
2.	Dato' Wong Swee Yee	70,082,167	32.38	1,009,906 (1)	0.47
3.	Datin Goh Hooi Yin	952,875	0.44	70,082,167 (2)	32.38
4.	Datuk Soh Chai Hock @ Soh Hai San	-	-	-	-
5.	Kong Sin Seng	-	-	-	-
6.	Mohamad Jamil Bin Mohd Yusof	-	-	-	-
7.	Zahedi Bin Hj Mohd Zain	4,516	Neg	177,187 (3)	0.08

Notes:-

(1) Deemed interested in his brother, Mr. Wong Swee Seong's, and his spouse, Datin Goh Hooi Yin's, direct shareholdings in FITTERS.

(2) Deemed interested in her spouse, Dato' Wong Swee Yee's direct shareholdings in FITTERS.

(3) Deemed interested by virtue of his substantial shareholdings in Sijas Holdings Sdn Bhd's and Saleha & Anak-Anak Holdings Sdn Bhd's by virtue of Section 6A(4) of the Act.

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS

SUBSTANTIAL SHAREHOLDERS AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 3 MAY 2011

		Direct Shareholdings		Indirect Shareholdings	
No.	**Name**	**No. of Shares Held**	**%**	**No. of Shares Held**	**%**
1.	Dato' Wong Swee Yee	70,082,167	32.38	1,009,906 *	0.47
2.	Datin Goh Hooi Yin	952,875	0.44	70,082,167 **	32.38

Notes:-
* *Deemed interested in his brother, Mr. Wong Swee Seong's, and his spouse, Datin Goh Hooi Yin's, direct shareholdings in FITTERS.*
** *Deemed interested in her spouse, Dato' Wong Swee Yee's direct shareholdings in FITTERS.*

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%
1.	EB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Swee Yee	30,899,200	14.28
2.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Swee Yee	21,758,742	10.05
3.	Wong Swee Yee	11,424,225	5.28
4.	QI Asset Management Ltd	10,400,000	4.81
5.	Tee Tiam Lee	9,950,050	4.60
6.	Chu Chee Kuen @ Steven Tseu	8,870,000	4.10
7.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Siew Lai	7,051,610	3.26
8.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teo Kwee Hock	6,364,507	2.94
9.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wong Swee Yee	6,000,000	2.77
10.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chin Chin Seong	5,200,000	2.40
11.	Leong Kok Wah	4,402,500	2.03
12.	Universal Trustee (Malaysia) Berhad CIMB Islamic Small Cap Fund	4,100,000	1.89
13.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Growth And Income Focus Trust	3,300,000	1.52
14.	Kumpulan Wang Simpanan Guru-Guru	3,000,000	1.39
15.	RHB Capital Nominees (Tempatan) Sdn Bhd Lim Twee Yong	2,712,050	1.25

ANALYSIS OF SHAREHOLDINGS

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (contd.)

No.	Name	No. of Shares Held	%
16.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust	2,700,000	1.25
17.	AMSEC Nominees (Tempatan) Sdn Bhd Assar Asset Management Sdn Bhd for Lembaga Kumpulan Wang Kawasan Konsesi Hutan	2,594,025	1.20
18.	Sim Joo Heng	2,035,807	0.94
19.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for CIMB-Principal Small Cap Fund	2,000,000	0.92
20.	Yon Yu Hon @ Hon Yew Hon	1,787,467	0.83
21.	Lai Lan @ Loow Lai Lan	1,713,285	0.79
22.	Leong Lai Shen	1,700,000	0.79
23.	AMSEC Nominees (Tempatan) Sdn Bhd Assar Asset Management Sdn Bhd for Sarawak Timber Industry Development Corporation	1,311,187	0.61
24.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Emerging Opportunity Unit Trust	1,200,000	0.55
25.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Keng Kok	1,200,000	0.55
26.	Sim Keng Chor	1,164,600	0.54
27.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Wen Yun	1,118,900	0.52
28.	Fong Kum Kuan	1,089,325	0.50
29.	UOBM Nominees (Tempatan) Sdn Bhd UOB-OSK Asset Management Sdn Bhd for Uni Aggressive Fund	1,000,000	0.46
30.	Citigroup Nominees (Tempatan) Sdn Bhd Allianz Life Insurance Malaysia Berhad	1,000,000	0.46
Total :		**159,047,480**	**73.49**

ANALYSIS OF WARRANT HOLDINGS

ANALYSIS OF WARRANT HOLDINGS

Right Issue of Warrants 2007/2012	:	98,367,888 at an Issue Price of RM0.10 per Warrant
No. of Warrants Unexercised	:	98,367,888
Exercise Period	:	From the date of Issuance of 28 November 2007 to the expiry date on 27 November 2012
Exercise Price	:	RM0.53
Exercise Right	:	Each warrant entitles the holder during the Exercise Period to subscribe for one (1) new ordinary share of RM0.50 each at the Exercise Price

ANALYSIS BY SIZE OF WARRANT HOLDINGS AS AT 3 MAY 2011

Size of Holdings	No. of Holders	%	No. of Warrants Held	%
1 – 99	59	5.51	2,692	0.00
100 – 1,000	58	5.42	28,387	0.03
1,001 – 10,000	443	41.40	2,398,950	2.44
100,001 – 100,000	425	39.72	15,888,075	16.15
100,001 to less than 5% of total warrants	82	7.66	34,578,850	35.15
5% and above of total warrants	3	0.28	45,470,934	46.23
Total	1,070	100.00	98,367,888	100.00

DIRECTORS' WARRANT HOLDINGS AS PER THE REGISTER OF DIRECTORS' WARRANT HOLDINGS AS AT 3 MAY 2011

No. Name	Direct Warrant Holdings No. of Warrants Held	%	Indirect Warrant Holdings No. of Warrants Held	%
1. Mohammad Nizar Bin Idris	-	-	-	-
2. Dato' Wong Swee Yee	35,470,934	36.06	528,750 (1)	0.54
3. Datin Goh Hooi Yin	528,750	0.54	35,470,934 (2)	36.06
4. Datuk Soh Chai Hock @ Soh Hai San	-	-	-	-
5. Kong Sin Seng	-	-	-	-
6. Mohamad Jamil Bin Mohd Yusof	-	-	-	-
7. Zahedi Bin Hj Mohd Zain	3,000	Neg	99,450 (3)	0.10

Notes:-
(1) Deemed interested in his brother, Mr. Wong Swee Seong's, and his spouse, Datin Goh Hooi Yin's, direct warrant holdings in FITTERS.
(2) Deemed interested in her spouse, Dato' Wong Swee Yee's direct warrant holdings in FITTERS.
(3) Deemed interested by virtue of his substantial warrant holdings in Sijas Holdings Sdn Bhd's and Saleha & Anak-Anak Holdings Sdn Bhd's by virtue of Section 6A(4) of the Act.

ANALYSIS OF WARRANT HOLDINGS

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS

No.	Name	No. of Warrants Held	%
1.	Wong Swee Yee	23,405,459	23.79
2.	HDM Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Swee Yee	12,065,475	12.27
3.	Gan Seong Liam	10,000,000	10.17
4.	Nazimah Binti Syed Majid	2,000,000	2.03
5.	Leong Kok Wah	1,900,050	1.93
6.	Lim Twee Yong	1,179,700	1.20
7.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Growth And Income Focus Trust	1,086,700	1.10
8.	Sin Tong Meng	1,000,000	1.02
9.	Kamaruzaman Bin Che Mat	1,000,000	1.02
10.	Chu Chee Kuen @ Steven Tseu	1,000,000	1.02
11.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Small Cap Opportunity Unit Trust	973,300	0.99
12.	Chok Syn Vun	850,000	0.86
13.	Chok Syn Yung	850,000	0.86
14.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Low Wen Yun	850,000	0.86
15.	Choong Ting Siong	828,000	0.84
16.	Sim Keng Chor	800,000	0.81
17.	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Chee Hong Leong	800,000	0.81
18.	RHB Capital Nominees (Tempatan) Sdn Bhd Lim Twee Yong	750,000	0.76
19.	Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hon Pansy	600,000	0.61
20.	OSK Nominees (Asing) Sdn Bhd DMG & Partners Securities Pte Ltd for Vanguard Commercial Inc	578,900	0.59

ANALYSIS OF WARRANT HOLDINGS

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS (contd.)

No.	Name	No. of Warrants Held	%
21.	Chok Syn Vun	555,000	0.56
22.	Su Thai Ping	555,000	0.56
23.	Lee Seng Kiang	553,900	0.56
24.	UOBM Nominees (Tempatan) Sdn Bhd UOB-OSK Asset Management Sdn Bhd for Uni Aggressive Fund	540,000	0.55
25.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for OSK-UOB Smart Income Fund	530,000	0.54
26.	Goh Hooi Yin	528,750	0.54
27.	Tan Shock Kung	500,000	0.51
28.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Razlin Dawina Binti Abdul Razak	500,000	0.51
29.	Tan Boon Kuan	500,000	0.51
30.	Chan Fee Whye	470,000	0.48
Total :		**67,750,234**	**68.87**

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth Annual General Meeting of FITTERS Diversified Berhad (Company No. 149735-M) will be held at Wisma FITTERS, No. 1, Jalan Tembaga SD 5/2, Bandar Sri Damansara, 52200 Kuala Lumpur on Thursday, 23 June 2011 at 11.00 a.m. for the following purposes:

A G E N D A

ORDINARY BUSINESS **Resolution**

1. To receive the Audited Financial Statements for the financial year ended 31 December 2010 together with the Directors' and Auditors' Reports thereon.

2. To re-elect the following Directors who retire pursuant to Article 83 of the Articles of Association of the Company:

   (a) Encik Mohammad Nizar Bin Idris 1

   (b) Mr. Kong Sin Seng 2

3. To re-elect the following Directors who retire pursuant to Article 90 of the Articles of Association of the Company:

   (a) Datuk Soh Chai Hock @ Soh Hai San 3

   (b) Encik Zahedi Bin Haji Mohd Zain 4

4. To approve the payment of Directors' fees for the financial year ended 31 December 2010. 5

5. To appoint the External Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. 6

   Notice of Nomination from a shareholder pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed in the 2010 Annual Report referred to as "**Appendix I**" has been received by the Company for the nomination of Messrs Baker Tilly Monteiro Heng for appointment as Auditors in place of the Auditors, Messrs Ernst & Young and of the intention to propose the following Ordinary Resolution:

   "**THAT** subject to their consent to act, Messrs Baker Tilly Monteiro Heng be and are hereby appointed as Auditors of the Company in place of the Auditors, Messrs Ernst & Young and to hold office until the conclusion of the Annual General Meeting at a remuneration to be determined by the Board of Directors."

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolutions:

   (a) Authority for Directors to Issue and Allot Shares Pursuant to Section 132D of the Companies Act, 1965 7

   "**THAT** pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the issued and paid-up share capital of the Company for the time being, subject always to the approvals of the relevant regulatory authorities **AND THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on Bursa Malaysia Securities Berhad ("Bursa Securities") **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

Resolution

(b) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ('Proposed Renewal of Shareholders' Mandate') 8

"**THAT** pursuant to paragraph 10.09 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries ("FITTERS Group") to enter into and give effect to specified Recurrent Related Party Transactions of a revenue or trading nature and with classes of the related parties as stated in Section 2.4 of the Circular to Shareholders dated 1 June 2011 which are necessary for the FITTERS Group's day to day operations subject to the following:

(a) the transactions are in the ordinary course of business and are on normal commercial terms which are not more favourable to the Related Party than those generally available to the public and on such terms that are not to the detriment of the minority shareholders of the Company;

(b) disclosure is made in the annual report of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Shareholders' Mandate during the financial year;

AND THAT such approval shall take effect from the passing of the ordinary resolution and will continue to be in force (unless revoked or varied by the Company in general meeting) until:-

(a) the conclusion of the next AGM of the Company in 2012, at which time it will lapse, unless by a resolution passed at that meeting whereby the authority is renewed;

b) the expiration of the period within which the next AGM of the Company after the date it is required to be held pursuant to section 143 (1) of the Companies Act, 1965 ("Act") (but shall not extend to such extension as may be allowed pursuant to section 143 (2), of the Act); or

(c) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier.

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Proposed Shareholders' Mandate."

(c) Proposed Renewal of Share Buy-Back Mandate 9

"**THAT** subject to compliance with Section 67A of the Companies Act 1965, the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Securities and all other prevailing laws, rules, regulations, orders, guidelines and requirements issued and/or amended from time to time by any relevant authority, the Company be and is hereby authorised to renew the approval granted by the shareholders of the Company at Twenty-Fourth Annual General Meeting of the Company held on 17 June 2010, authorising the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company for the time being ("Proposed Share Buy-Back") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors of the Company may deem fit and expedient in the interest of the Company and an amount not exceeding the retained profits of the Company, be allocated by the Company for the Proposed Share Buy-Back. The retained profits of the Company stood at RM5,169,451.00 for the financial year ended 31 December 2010.

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

Resolution

AND THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to cancel such shares or retain such shares as the Treasury Shares or a combination of both. The Directors of the Company are further authorised to resell the Treasury Shares on Bursa Securities or distribute the Treasury Shares as dividends to the shareholders of the Company or subsequently cancel the Treasury Shares or any combination of the three.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to carry out the Proposed Share Buy-Back immediately upon the passing of this resolution until:

(a) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time the authority shall lapse, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occur first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors of the Company deem fit and expedient in the interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities."

7. To transact any other ordinary business of the Company of which due notice shall have been given in accordance with the Company's Articles of Association and the Companies Act, 1965.

BY ORDER OF THE BOARD
FITTERS Diversified Berhad

NG YIM KONG (LS 0009297)
Company Secretary

Kuala Lumpur
1 June 2011

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

Notes:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy in his / her stead.
2. A proxy may but need not be a member of the Company and the provision of Section 149(1) (b) of the Act shall not apply to the Company.
3. The instrument appointing a proxy must be deposited at the Company's Registered Office at Wisma FITTERS, No. 1, Jalan Tembaga SD 5/2, Bandar Sri Damansara, 52200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or at any adjournment thereof.
4. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
5. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
6. If the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or of his attorney duly authorised in writing.

EXPLANATORY NOTES ON SPECIAL BUSINESS

Resolution 7 - Authority for directors to issue and allot shares pursuant to Section 132D of the Companies Act, 1965

This resolution is proposed pursuant to Section 132D of the Companies Act, 1965, and if passed, will give the Directors of the Company, from the date of the above Annual General Meeting, authority to issue and allot shares in the Company up to and not exceeding in total ten per cent (10%) of the issued and paid-up share capital of the Company for the time being and for such purposes as the Directors deem fit and in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

This mandate is a renewal of the last mandate granted to the Directors at the Twenty-Fourth Annual General Meeting held on 17 June 2010 which will lapse at the conclusion of the Twenty-Fifth Annual General Meeting.

The renewal of this mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment, working capital and/or acquisition or to issue new shares as consideration for investments and/or acquisition which the Directors consider would be in the best interest of the Company.

Up to the date of this Notice, the Company has not issued any shares pursuant to the mandate granted to the Directors at the Twenty-Fourth Annual General Meeting because there were no investment(s), acquisition(s) or working capital that required fund raising activity.

Resolution 8 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

The detailed text on Resolution 8 on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is included in the Circular to Shareholders dated 1 June 2011 which is enclosed together with the Annual Report.

Resolution 9 - Proposed Renewal of Share Buy Back Authority

The detailed text on Resolution 9 on the Proposed Renewal of Share Buy Back Authority is included in the Circular to Shareholders dated 1 June 2011 which is enclosed together with the Annual Report.

BY ORDER OF THE BOARD
FITTERS Diversified Berhad

NG YIM KONG (LS 0009297)
Company Secretary

1 June 2011

Appendix I

11 May 2011

The Board of Directors
FITTERS Diversified Berhad (149735-M)
No. 1, Jalan Tembaga SD 5/2
Bandar Sri Damansara
52200 Kuala Lumpur.

Dear Sirs,

NOTICE OF NOMINATION OF AUDITORS PURSUANT TO SECTION 172(11) OF THE COMPANIES ACT, 1965

Pursuant to Section 172(11) of the Companies Act, 1965, I, being shareholder of FITTERS Diversified Berhad ("the Company"), hereby give notice of my intention to nominate Messrs Baker Tilly Monteiro Heng for appointment as Auditors of the Company to replace Messrs Ernst & Young and to propose that the following ordinary resolution be tabled at the Annual General Meeting of the Company :-

"**THAT** subject to their consent to act, Messrs Baker Tilly Monteiro Heng be and are hereby appointed as Auditors of the Company in place of the Auditors, Messrs Ernst & Young and to hold office until the conclusion of the Annual General Meeting at a remuneration to be determined by the Board of Directors."

Thank you.

Yours faithfully,

LIM TWEE YONG
(087-001-050713205)

FITTERS Diversified Berhad (149735-M)

PROXY FORM

Number of shares held :	

I/We ______________________________ NRIC No : ______________________
(Full name in Capital Letters)

of ____
(Address)

being a member/members of FITTERS Diversified Berhad hereby appoint

______________________________ NRIC No : ______________________
(Full Name)

of ____
(Address)

or failing him, ______________________________ NRIC No : ______________________
(Full Name)

of ____
(Address)

as *my/*our proxy to vote for *me/*us on *my/*our behalf at the Twenty-Fifth Annual General Meeting of FITTERS Diversified Berhad to be held at Wisma FITTERS, No. 1, Jalan Tembaga SD 5/2, Bandar Sri Damansara, 52200 Kuala Lumpur on Thursday, 23 June 2011 at 11.00 a.m. and at any adjournment thereof.
The proportion of *my/*our holding to be represented by *my/*our proxies are as follows :
(The next paragraph should be completed only when two proxies are appointed).

First Proxy (1) ....%

Second Proxy (2)..%

	FOR	AGAINST
RESOLUTION 1		
RESOLUTION 2		
RESOLUTION 3		
RESOLUTION 4		
RESOLUTION 5		

	FOR	AGAINST
RESOLUTION 6		
RESOLUTION 7		
RESOLUTION 8		
RESOLUTION 9		

(Please indicate with (X) how you wish your vote to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion).

Dated this ___________ day of ______________________ 2011

(Signature/Common Seal of Shareholder)

(*Delete if not applicable)

Notes :

1) A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy in his/her stead.
2) A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Act shall not apply to the Company.
3) The instrument appointing a proxy must be deposited at the Company's Registered Office at Wisma FITTERS, No. 1, Jalan Tembaga SD 5/2, Bandar Sri Damansara, 52200 Kuala Lumpur, not less than forty eight (48) hours before the time for holding the meeting or at any adjournment thereof.
4) A member shall be entitled to appoint more than one (1) proxy to attend and vote at the same meeting.
5) Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
6) If the appointor is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or of his attorney duly authorised in writing.

FOLD THIS FLAP FOR SEALING

FOLD HERE

Affix
stamp

THE COMPANY SECRETARY
FITTERS Diversified Berhad (149735-M)
No. 1, Jalan Tembaga SD 5/2,
Bandar Sri Damansara,
52200 Kuala Lumpur.

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