FITTERS Diversified Berhad

DIVERSIFIED GROWTH

THROUGH INNOVATION & TECHNOLOGY

ANNUAL REPORT 2024

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

VISION

MISSION

Provide engineering and
creative solutions
through innovation and technology

FITTERS Diversified Berhad

CORE VALUES

- Forefront in engineering
- Innovative in meeting business challenges
- Technology driven management and workforce – talent
- Training the team to meet future challenges
- Exceptional returns for stakeholders
- Research emphasis towards delivery of reliable services
- Social responsibility at the centre of the business model

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CORPORATE PROFILE

FITTERS Diversified Berhad ("FITTERS") and its subsidiaries ("the Group") commenced its business operations as a fire protection and prevention solutions provider in the 1970s. On 4 October 1994, FITTERS gained official listing on the Second Board of Bursa Malaysia Securities Berhad ("Bursa Securities") and was subsequently promoted to the Main Board of Bursa Securities on 4 July 2007.

FITTERS continue to remain as Malaysia's premier "one-stop" fire protection specialist and is involved in the manufacturing, trading and specialised installation of fire-fighting equipment as well as the supply of fire safety protection products and services.

Over the years, with a clear vision and strategic planning, FITTERS has ventured into various businesses and has enhanced its value through the Group's diversification strategies. FITTERS is now a diversified group engaged in the following core businesses:

- Fire Services (ONE-STOP Fire Protection Specialist)
- Property Development & Construction
- Renewable & Waste-to-Energy and Green Palm Oil Mill

FIRE SERVICES (ONE-STOP FIRE PROTECTION SPECIALIST)

A renowned "one-stop" fire protection specialist providing integrated fire protection and prevention solutions to a wide range of customers.

PROPERTY DEVELOPMENT & CONSTRUCTION

It started its first property development project on a prime 8.43 acres commercial land in Setapak, Kuala Lumpur. Moving forward, it will focus on niche property development opportunities.

RENEWABLE & WASTE-TO-ENERGY AND GREEN PALM OIL MILL

A technology integrator and developer of "Waste-To-Energy", "Waste-To-Resource" projects as well as "Green Mill Zero-Waste" solutions through proprietary technologies.

CORPORATE PROFILE (CONT'D)

FIRE SERVICES

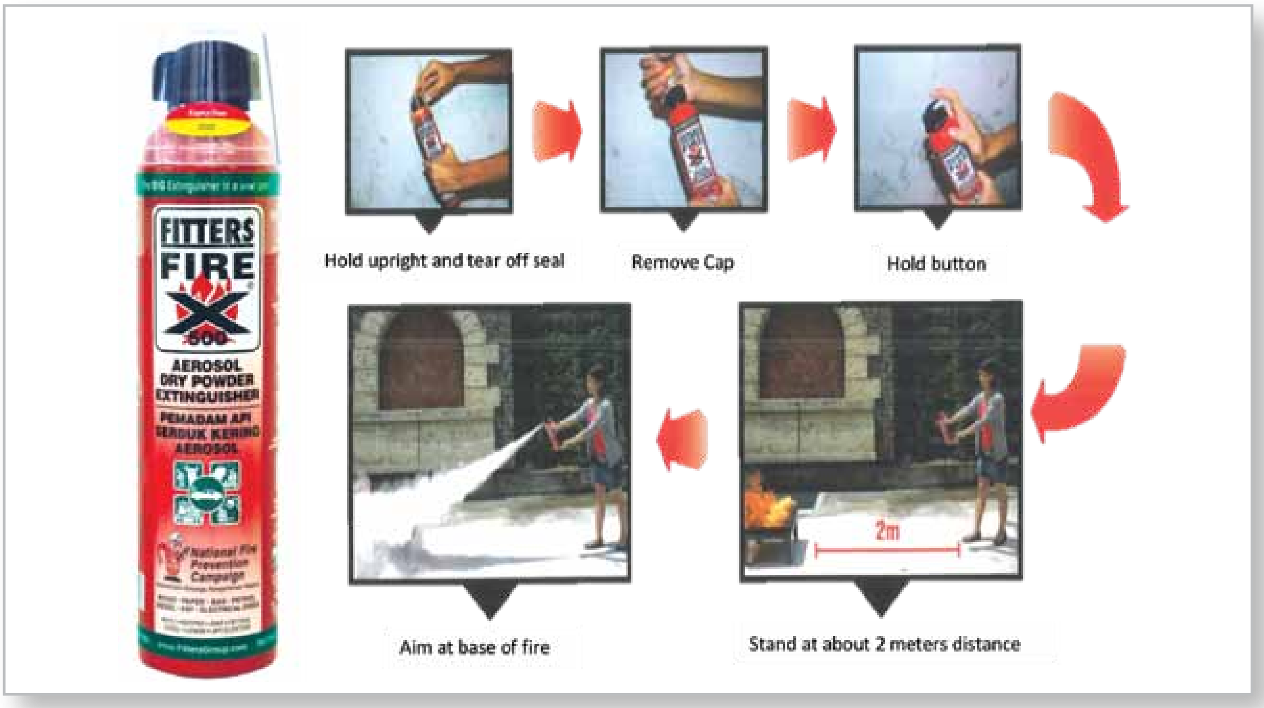
FITTERS' Fire Services Division is involved in the manufacturing, trading and specialised installation of fire-fighting materials and equipment as well as the supply of fire safety protection products and services. FITTERS has a large clientele database.

FITTERS safety apparels is a "ONE-STOP" Protective Clothing Specialist and distribution of fire retardant uniforms, supplier of Scotchlite reflective material and protective personal equipment ("PPE") in Malaysia. Responding to the demand for PPE and N95 masks during the COVID pandemic, FITTERS has taken on a new distributorship for supply of these products to hospitals.

Our objectives and focus are providing exceptional customer service with high quality products and we never compromise on safety.

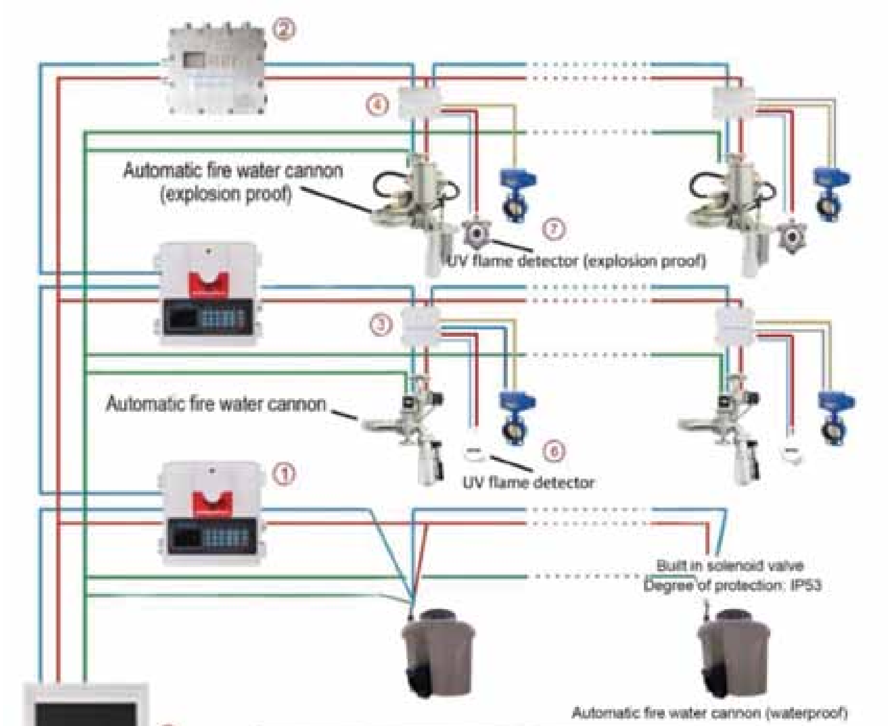
We are continuously improving our uniforms and PPE through research and development that can be used to protect and keep people safe from risk of fire hazard and work at place.

CORPORATE PROFILE (CONT'D)



Re-introducing FITTERS FIRE-X easy to use light-weight fire extinguisher, suitable for home and car usage. For ease of order, it is now available on the Dropee & Lapasar platform under Petronas and SHOPEE platform.

FITTERS Sdn Bhd introducing an Auto Tracking and Targeting Jet Suppression Fire Monitor. This system is suitable to install at open areas like atriums, podiums and warehouse where the sprinkler system is unable to perform at height more than eighteen (18) meter.

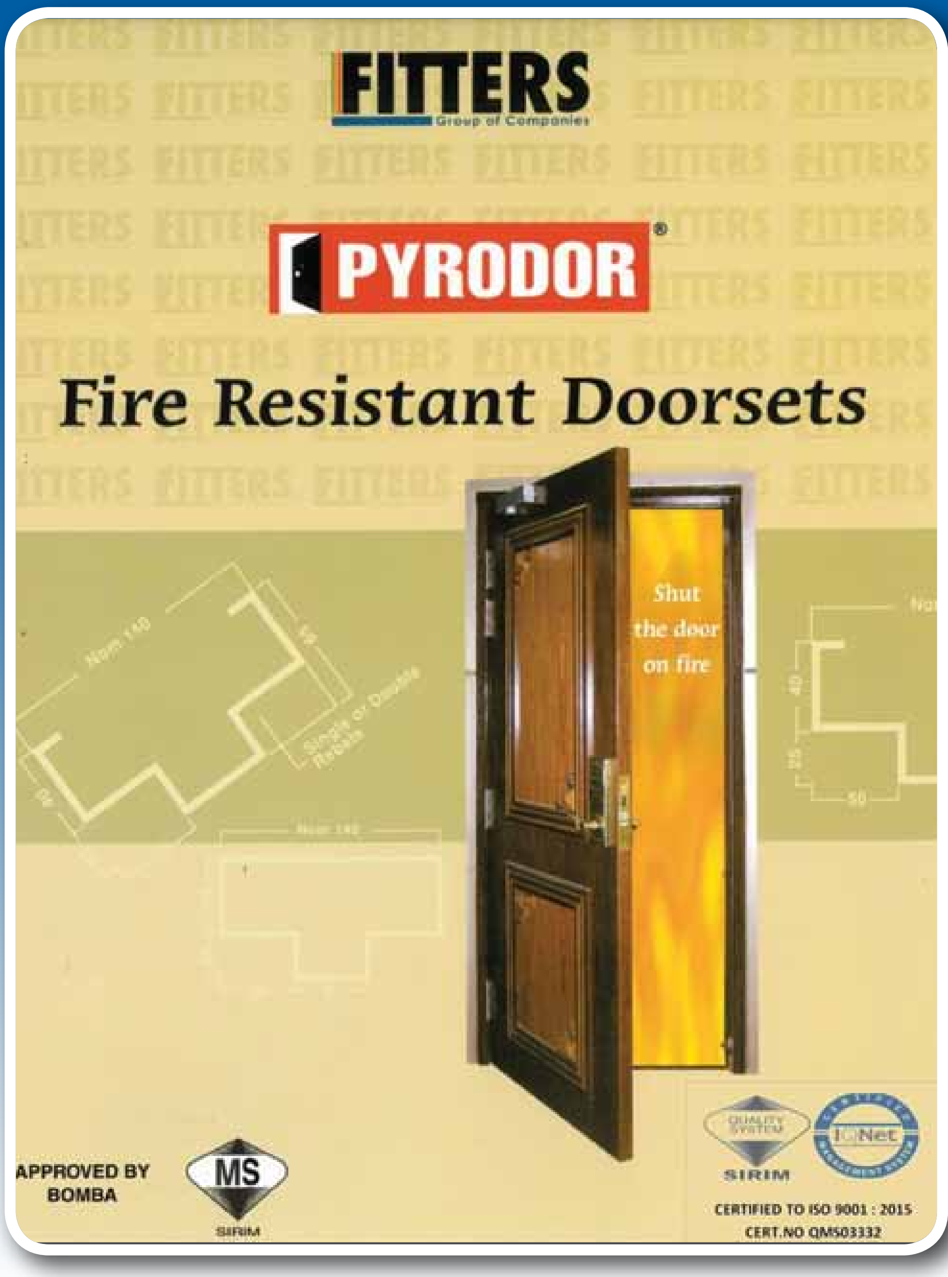


Mark	Assembly unit	Line Color	Wire type
①	Field control panel		power supply
②	Field control panel (Explosion proof)		UV flame detector power cord
③	Electric control panel		220VAC electric valve power
④	Electric control panel (Explosion proof)		
⑤	Fire water monitor controller		Communication signal line
⑥	Electric valve		Feedback signal line
⑦	Electric valve (Explosion proof)		CCTV video cable

CORPORATE PROFILE (CONT'D)

Fire Door Division

We are the manufacturer and license holder of one (1) hour and two (2) hours Fire Resistant door.



1.	BRAND : PYRODOR™ (FITTERS MARKETING TRADEMARK)	
	• PYRO (IRONMONGERY) • Pyrohinge (IRONMONGERY) • PYROFRAME (METAL FRAME)	• PYROFRAME (TIMBER FRAME) • PYROBOARD (FIRE BOARD) • Pyrostrip (FIRE SEAL)
2.	ORIGIN: MALAYSIA	
3.	APPROVAL: BOMBA & SIRIM	

CORPORATE PROFILE (CONT'D)

FITTERS' engineering and contracting arm involved in Mechanical & Electrical ("M&E") contracting, include carrying out projects with a design and build concept.

CORPORATE PROFILE (CONT'D)

PROPERTY DEVELOPMENT & CONSTRUCTION

FITTERS embarked on its property development journey with the successful completion of Setapak Central *(formerly KL Festival City Mall)*, a three-story shopping mall, in 2011. Building on this success, FITTERS introduced ZetaPark @ Setapak, transforming the area into a mixed-use development featuring commercial spaces, retail outlets, and residential properties.

In October 2016, FITTERS expanded its portfolio with the launch of ZetaDeSkye, a prestigious condominium project comprising two 24-storey towers. The successful execution of these projects has driven the Group to explore further specialized property development opportunities, enhancing its division dedicated to project management and construction.

In recent years, our Construction Division achieved notable milestones with the completion of two-storey and three-storey terrace houses at Azalea and Belleza projects in July 2020 and February 2024, respectively. Both projects are located on the outskirts of Bukit Rahman Putra, Selangor. These accomplishments underscore our unwavering commitment to delivering high-quality residential developments.

Looking ahead, we are actively advancing the redevelopment of Plaza Pekeliling Global Tower, strategically located along Jalan Tun Razak in Kuala Lumpur, and well-connected by both MRT and LRT. Our team is preparing to submit the building plan, marking the initial steps towards transforming this property into a modern, multi-functional office building. This redevelopment project aligns with our strategic objective to maximize the value of our existing assets, ensuring they meet contemporary market demands and contribute to our long-term growth.

CORPORATE PROFILE (CONT'D)

RENEWABLE & WASTE-TO-ENERGY AND GREEN PALM OIL MILL

Renewable & waste-to-energy division focuses on sustainable "Green Mill Zero-Waste" solutions through the use of advanced proprietary technologies to produce renewable energy and recover valuable resources from waste.

Ozone Medical Waste Treatment Plant (OMWTP) in Sendayan Tech Valley has been a medical waste operator for more than 4,000 private healthcare centres from all over Peninsular Malaysia.

CORPORATE PROFILE (CONT'D)

FITTERS owns a palm oil mill in Kedah that focus on sustainable "Green Mill Zero-Waste". It is involved in the manufacturing and trading of Crude Palm Oil (CPO), Palm Kernel (PK) and other related products.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' SOK ONE A/L ESEN
Independent Non-Executive Chairman

HOO SWEE GUAN
Executive Director

WONG KOK SEONG
Independent Non-Executive Director

KHO SEE YIING
Independent Non-Executive Director

PANG WEI KANG
Non-Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Wong Kok Seong (Chairman)
Dato' Sok One A/L Esen
Kho See Yiing

NOMINATION AND REMUNERATION COMMITTEE

Kho See Yiing (Chairperson)
Wong Kok Seong
Dato' Sok One A/L Esen

COMPANY SECRETARIES

Tea Sor Hua (MACS 01324)
(SSM Practising Certificate No. 201908001272)

Lee Siew Fun (MAICSA 7063623)
(SSM Practising Certificate No. 202008000735)

REGISTERED OFFICE

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FIRE SERVICES DIVISION

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M&E Engineering Services
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Tel No. : 603-6276 7155
Fax No. : 603-6275 8712
Email : project@fittersgroup.com

CMS / Maintenance Services
Contact : Mr Y S Chin
Tel No. : 603-6276 7155
Fax No. : 603-6275 8692
Email : mps@fittersgroup.com

PROPERTY DEVELOPMENT & CONSTRUCTION DIVISION

Contact : Mr S K Gan
Tel No. : 603-6277 6768
Fax No. : 603-6277 7106
Email : zetapark@fittersgroup.com

RENEWABLE & WASTE-TO-ENERGY/GREEN MILL DIVISION

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Fax No. : 603-6272 1535
Email : enquiry@futurenrg.net

CORPORATE INFORMATION (CONT'D)

BRANCH OFFICES

Northern:
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Bandar Baru Ayer Itam
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Jalan Simpang Tiga
93300 Kuching, Sarawak
Tel No. : 608-25 0221
Fax No. : 608-25 6221
Email : sarawaku@fittersgroup.com

Singapore
83, Genting Lane #06-01
Singapore 349568
Contact : Mr Pernod Sim
Tel No. : 02-6744 1171
Fax No. : 02-6741 4173
Email : adminsg@fittersgroup.com

AUDITORS

CHENGCO PLT (201806002622)
LLP0017004-LCA & AF0886
Chartered Accountants
Wisma Cheng & Co
No. 8-2, 10-1 & 10-2,
Kuchai Business Centre
Off Jalan Klang Lama
58200 Kuala Lumpur
Wilayah Persekutuan
Tel No. : 603-7984 8988
Fax No. : 603-7980 4402

SHARE REGISTRAR

SECTRARS MANAGEMENT SDN. BHD.
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad, Brickfields
50470 Kuala Lumpur
Wilayah Persekutuan
Tel No. : 603-2276 6138 / 6139 / 6130
Fax No. : 603-2276 6131
Email : sectrarsmg@gmail.com

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
MBSB Bank Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
RHB Bank Berhad
United Overseas Bank (M) Berhad

SOLICITORS

Azlan Shah Sukhdev & Co.
Ong, Ric & Partners
Raj, Ong & Yudistra
Soon Eng Thye & Co

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : FITTERS
Stock Code : 9318

CORPORATE STRUCTURE
AS AT 28 JUNE 2024

FITTERS Diversified Berhad

- 100% FITTERS Marketing Sdn Bhd (1)
- 100% Master Pyroserve Sdn Bhd (1)
- 51% FITTERS-MPS Sdn Bhd (1)
- 100% FITTERS (S) Pte Ltd (1)
- 100% FITTERS Sdn Bhd (1)
  - 100% FITTERS (Sarawak) Sdn Bhd (1)
  - 100% Modular Floor Systems (M) Sdn Bhd (5)
  - 100% AHT NRG Asia Sdn Bhd (5)
- 100% FITTERS Engineering Services Sdn Bhd (1)
  - 100% FITTERS Engineering Services (Johor) Sdn Bhd (5)
  - 100% FITTERS Construction Sdn Bhd (2)
  - 55% FITTERS-MCCT Sdn Bhd (1)
- 100% FITTERS Property Development Sdn Bhd (2)
  - 100% ZetaPark Development Sdn Bhd (2)
  - 100% Superior Villa Sdn Bhd (2)
  - 100% Rasa Anggun Development Sdn Bhd (2)
- 100% FITTERS Building Services Sdn Bhd (2)
  - 100% Pyro-Tech Systems Sdn Bhd (5)
- 100% Future NRG Sdn Bhd (3)
  - 100% Solid Orient Holdings Sdn Bhd (3)
- 100% Premier Equity Holdings Limited (4)
- 100% Master Pyrodor Sdn Bhd (4)
- 100% Wintip Sdn Bhd (5)
- 100% Armatrade Sdn Bhd (2)
- 100% FITTERS GIM Sdn Bhd (4)

Legends:

1 Fire services
2 Property development & construction
3 Renewable & waste-to-energy & green palm oil mill
4 Investment holding
5 Ceased operations / dormant

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS

FITTERS Diversified Berhad ("**FITTERS**" or the "**Company**") and its group of companies ("**FITTERS Group**" or the "**Group**") are principally involved in (i) renewable and waste-to-energy (consisting of palm oil mill operations and waste treatment operations); (ii) provision of fire services; and (iii) property development and construction.

On 12 January 2023, Future NRG Sdn Bhd (the Company's wholly-owned subsidiary) ("**FNSB**") entered into a sale and purchase agreement with KAB Energy Holdings Sdn Bhd for the disposal of its 100% equity interest in Future Biomass Gasification Sdn Bhd ("**FBGSB**") at a consideration of RM15.00 million. Upon completion of the disposal on 15 November 2023, FBGSB ceased to be an indirect subsidiary of the Company. Pursuant to this, the Group is no longer operating the biogas plant in Kuala Ketil, Kedah.

	FYE 31 March 2024	FYE 31 March 2023	Changes
	RM'000	RM'000	(%)
Revenue	285,889	414,912	(31.1)
Gross profit	30,264	32,140	(5.8)
Loss before tax	(10,514)	(64,863)	(83.8)
Loss after tax	(16,424)	(69,125)	(76.2)
Loss attributable to owners of the Company	(16,498)	(67,832)	(75.7)
Loss per share (sen)	(0.70)	(11.16)	(93.7)

For financial year ended ("FYE") 31 March 2024, the Group recorded a revenue of RM285.9 million, which represents a decrease of 31.1% from RM414.9 million in FYE 31 March 2023.

The Group recorded a loss after tax of RM16.4 million for FYE 31 March 2024, which represents a decrease of 76.2% from a loss after tax of RM69.1 million in FYE 31 March 2023.

RENEWABLE & WASTE-TO-ENERGY

The renewable & waste-to-energy segment has been the Group's largest revenue contributor, contributing more than 35% to the Group's revenue in each of the last 5 financial years.

Palm oil mill

FITTERS operates a palm oil mill in Kuala Ketil, Kedah with a milling capacity of approximately 60MT per hour. In FYE 31 March 2024, the mill processed approximately 194,000MT of crops.

As mentioned earlier, the Group is no longer operating the biogas plant (held under FBGSB) upon the completion of disposal on 15 November 2023.

Medical waste treatment plant

FITTERS operates a medical waste treatment plant in Sendayan Tech Valley, Negeri Sembilan that can treat up to 10MT a day of medical waste. Since commencing operations in September 2017, this plant has received medical waste from more than 4,000 private healthcare centres from all over Peninsular Malaysia.

OVERVIEW OF THE GROUP'S BUSINESS (CONT'D)

RENEWABLE & WASTE-TO-ENERGY (CONT'D)

Financial commentary

	FYE 31 March 2024	FYE 31 March 2023	Changes
	RM'000	RM'000	(%)
Revenue	168,210	281,497	(40.2)
(Loss) / Profit after tax	(6,057)	2,233	(371.2)

For FYE 31 March 2024, revenue decreased by 40.2% to RM168.2 million from RM281.5 million in FYE 31 March 2023. Further, this segment recorded a loss after tax of RM6.1 million for FYE 31 March 2024 as compared to a profit after tax of RM2.2 million for FYE 31 March 2023.

The decline in revenue primarily resulted from a reduction in crude palm oil sales volume, which was affected by an unusual crop season that led to a lower intake of fresh fruit bunches ("FFB"). The loss after tax was mainly due to lower revenue as well as a RM2.3 million loss from the disposal of a subsidiary (i.e. FBGSB) and the associated expenses from such disposal.

FIRE SERVICES

The fire services segment has been the Group's second largest revenue contributor, contributing more than 20% to the Group's revenue in the last 5 financial years.

FITTERS offers a comprehensive range of fire protection and prevention solutions including fire safety systems, fire-resistant door sets, fire extinguishers, fire safety apparel and foam systems. The mechanical & electrical engineering segment provides contracting services for projects based on design and build concepts and has completed projects on high-profile projects such as KLCC Lot C, Menara Telekom and Genting Sky Casino and Mall. FITTERS also has a large clientele base for fire maintenance services.

Financial commentary

	FYE 31 March 2024	FYE 31 March 2023	Changes
	RM'000	RM'000	(%)
Revenue	98,797	85,046	16
Profit after tax	459	1,144	(59.9)

For FYE 31 March 2024, revenue increased by 16% to RM98.8 million from RM85.0 million in FYE 31 March 2023. Further, this segment recorded a profit after tax of RM0.5 million for FYE 31 March 2024 as compared to profit after tax of RM1.1 million in FYE 31 March 2023.

The increase in revenue was contributed by the better work progress for fire services projects. However, the decrease in profit after tax was mainly due to lower margins arising from the high competition in the industry and the increase in raw material prices.

OVERVIEW OF THE GROUP'S BUSINESS (CONT'D)

PROPERTY DEVELOPMENT & CONSTRUCTION

The Group ventured into property development and construction with the development and construction of an integrated commercial, retail and residential project known as ZetaPark at Setapak.

The Group had been awarded with project management and construction project in Taman Putra for the first phase (the Azalea project) valued at RM97.8 million and the second phase (the Belleza project) valued at RM81.5 million. The Group successfully completed the first phrase in July 2020 and second phase in February 2024.

Financial commentary

	FYE 31 March 2024	FYE 31 March 2023	Changes
	RM'000	RM'000	(%)
Revenue	18,882	48,369	(49.4)
Profit / (Loss) after tax	606	(56,172)	(101.1)

For FYE 31 March 2024, revenue decreased by 49.4% to RM18.9 million from RM48.4 million in FYE 31 March 2023. Despite the decrease in revenue, the Group recorded a profit after tax of RM0.6 million for FYE 31 March 2024 as compared to a loss after tax of RM56.2 million for FYE 31 March 2023.

The decrease in revenue was mainly due to the end of construction work of Phase 2 of Taman Putra. The profit after tax was contributed by the land compulsory acquisition compensation for the East Coast Rail Link Project of RM3.5 million and forfeiture of deposit from a purchaser of RM2.1 million due to the termination of contract for the disposal of a piece of land in Rawang.

The profit after tax recorded for FYE 31 March 2024 was also due to the absence of the following:

(i) the inventories written down for property under development amounting to RM27.8 million due to rescinding of project hence written-down of development cost incurred in FYE 31 March 2023; and
(ii) loss on disposal of investment amounting to RM26.3 million in FYE 31 March 2023.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

REVIEW OF FINANCIAL POSITION

	As at 31 March 2024	As at 31 March 2023
	RM'000	RM'000
Total assets	483,414	504,380
Total liabilities	91,684	205,940
Shareholders' equity / Net assets	391,677	298,087
Net current assets	268,182	166,534
Financial ratios		
Current ratio(1)	4.09	1.83
Gearing ratio(2)	0.07	0.15
Trade receivables turnover days(3)	69	51
Trade payables turnover days(4)	46	29

Notes:
(1) Current assets / Current liabilities
(2) Total borrowings / Shareholders' equity
(3) Average trade receivables / Total revenue x 365 days
(4) Average trade payables / Cost of sales x 365 days

The Group's net current assets increased due to the decrease in trade and other payables, in line with lower purchases. The decrease in trade and other payables also resulted in an increase in the current ratio. The Group's gearing ratio decreased due to the increase in share capital arising from the issuance of new shares from the rights issue exercise and the Group's continuous effort in paring down its borrowings during the FYE 31 March 2024.

Non-current assets (consisting mainly of property, plant and equipment) decreased to RM115.6 million as at 31 March 2024 from RM125.8 million as at 31 March 2023. This is mainly due to the decrease in property, plant and equipment as a result of the disposal of a piece of freehold land at Cameron Highlands, Pahang and the reclassification of the piece of freehold land as asset held for sale due to the impending disposal of this land.

Current assets decreased to RM354.9 million as at 31 March 2024 from RM366.0 million as at FYE 31 March 2023. The decrease was mainly due to decrease in the assets classified as held for sales as the disposal of FBGSB was completed on 15 November 2023. The Group's cash and bank balances together with short-term deposits increased by 14.1% to RM150.7 million as at 31 March 2024 from RM132.0 million as at 31 March 2023. The increase was mainly due to the proceeds of RM21.0 million received from the disposal of land and the buildings erected thereon at Kuantan, Pahang which was completed on 5 May 2023.

Non-current liability comprised deferred tax liabilities as well as borrowings. Current liabilities comprised mainly trade and other payables as well as borrowings. Trade payables decreased by 9.5%, in line with lower purchases. Other payables decreased by 88.7%, mainly due to return of the funds received from subscribers for the Company's right issue exercise (offer period from 17 March 2023 to 3 April 2023).

On 17 April 2023, FITTERS completed a rights issue exercise involving the listing and quotation of 1,733,308,505 shares and 1,155,538,938 warrants on the Main Market of Bursa Securities. This rights issue exercise raised proceeds of approximately RM112.7 million, which is intended to be utilised for, amongst others, working capital for the Group's palm oil mill, repayment of borrowings as well as funding for the Group's fire services project.

On 24 August 2022, the Company announced the entering into a sale and purchase agreement with United Sapphire Sdn Bhd for the disposal of land and the building erected thereon at Kuantan, Pahang for a consideration of RM21.0 million. This disposal was completed on 5 May 2023.

On 12 January 2023, Future NRG Sdn Bhd (the Company's wholly-owned subsidiary) has entered into a sale and purchase agreement with KAB Energy Holdings Sdn Bhd for the sale of 100% equity interest in FBGSB at a consideration of RM15.0 million. This disposal was completed on 15 November 2023.

On 26 October 2023, Master Pyrodor Sdn Bhd (the Company's wholly-owned subsidiary) has entered into a sale and purchase agreement with Cameron Highlands Floriculture Sdn Bhd for the disposal of a piece of freehold land at Cameron Highlands, Pahang for a consideration of RM15.0 million.

Save as aforementioned, we are not aware of any other known trends and events that are reasonably likely to have a material effect on the Group's operations, performance, financial condition and liquidity.

ANTICIPATED OR KNOWN RISKS

FLUCTUATION IN PRICE OR AVAILABILITY OF RAW MATERIALS

The performance of the Group's palm oil business is affected by, amongst others, fluctuations in commodity and raw materials prices. The crude palm oil prices which vary on a daily basis is subject to the demand and supply conditions in the global oils and fats market, which are beyond the Group's control.

In addition, fluctuations in the prices and supply of raw materials (which include FFB) may be affected by factors such as changes in their global supply and demand, the state of the global economy, inflationary pressure and environmental regulations and labour unrest.

Further, any sudden shortage of supply (i.e. due to unexpected events, such as natural disasters, forest fires, weather conditions and/or the COVID-19 pandemic) may also affect the Group's mill operations. Any significant fluctuation in the aforementioned prices and availability of the raw materials may significantly increase the Group's cost of sales, which may adversely affect the Group's profitability.

SUSTAINABILITY OF ORDER BOOK

The Group's revenue for the fire services division as well as the property development and construction division are largely dependent on the sustainability of the Group's order book, which is in turn affected by the business and economic condition in Malaysia, as well as the Group's ability to tender for the new projects by competing against other competitors in terms of pricing, timely delivery and quality.

There is no assurance that the Group's existing projects will not be delayed or terminated and there can also be no certainty that the Group's order book will be continually maintained at such level in the future.

AVAILABILITY AND COST OF LABOUR

The Group's profitability may be affected by an increase in labour costs which will reduce the Group's profit margin if the Group is unable to fully pass on increases in the labour costs to its customers.

The palm oil, fire services and construction industries are labour intensive. The mill operations and fire services and construction projects require extensive manpower to operate. The Group faces difficulty in recruiting local workers and has to resort to the employment of foreign workers. The shortage of foreign workers has been exacerbated in recent years by the increased demand for foreign workers.

As such, the Group is required to comply with the policies imposed by the Government and any future changes to such policies may adversely affect the ability of the Group to employ foreign workers. Although the Group has sought to limit some of these risks, no assurance can be given that any change to these factors will not have a material adverse effect on the Group.

COMPETITION RISK

The Group faces competition from both new entrants and existing competitors in the palm oil and fire services industries. The businesses are competitive due to the presence of other local and international producers of palm oil products as well as other operators involved in supplying fire protection systems. The competitors may affect the Group's revenue and market share, which may in turn affect the financial performance of the Group.

In this respect, the competitors from the palm oil industry are constantly developing more advanced technology and product formulations in order to gain a larger market share and a competitive edge.

In addition, the barriers to entry for new distributors of fire protection equipment are low as they can source products or systems that already have the relevant product certifications obtained by the respective manufacturer or supplier.

As such, the competition that the Group faces face may result in, among others, reduction in the prices of the Group's products thus affecting the Group's profit margins, increase in the Group's marketing activities and thus expenses, and/or loss of business due to competitors' offerings, which may adversely affect the Group's business operations and financial performance. There can be no assurance that the Group will continue to compete effectively in the industries and failure to do so may adversely affect its growth prospects and financial performance.

FUTURE PROSPECTS & OUTLOOK

The Group is principally involved in (i) renewable and waste-to-energy (consisting of palm oil mill operations and waste treatment operations); (ii) provision of fire services; and (iii) property development and construction.

Palm oil mill operations have been the Group's largest revenue contributor in the past 5 financial years. In the FYE 31 March 2024, the Group experienced a drop in the FFB processing volume due to the unpredictable weather and El Nino effect. Despite this, the Group remains committed to enhancing operational efficiency and optimizing costs. The Group is expecting an improvement in the FFB processing volume as the El Nino season is over. The oil extraction rate of the FFB and the operating margins in the milling industry have historically been seasonal. Changes in weather patterns and FFB seasons will affect oil content in the FFB and the resulting oil extraction rate, which are crucial factors influencing the profitability of the milling industry.

The waste treatment operation is part of the Group's renewable and waste-to-energy segment. The medical waste market (for non-concessionaires) continues to be strictly regulated by the authorities and highly competitive in pricing. There has been an increase in the quantity of medical waste collected, leading to greater demand for the Group's services. Embracing digitalization, the Group has implemented e-Consignment Notes (eCN) to enhance traceability and efficiency in logistics and medical waste collection. Ensuring compliance with standard operating procedures for the safe handling and disposal of medical waste is crucial to prevent cross-contamination and minimise exposure to the public and operational staff.

The fire services division has been the Group's second largest revenue contributor in the past 5 financial years. Under this division, the Group completed the provision of fire protection and prevention services for projects such as KLCC Lot C, Menara Telekom and Genting Sky Casino and Mall, with a total contract value amounting to RM92.70 million. This division is dependent on contracting services and construction activities and impacted by the softening of the property market. Following thereto, the division is striving to catch up on its order book and work progress.

For the property development and construction business, the Group completed Phase 2 of Taman Putra (Belleza Project) in February 2024. The Group is proactively working on the next project for the re-development of Plaza Perkeliling and is currently preparing the submission of the building plan for this redevelopment to transform this property into a modern, multi-functional office building. This redevelopment project is aligned with the Group's strategic objective to maximise the value of the existing assets and, ensure it meets market demands and contribute to the long-term growth of the Group. Moving forward, the Group aims to leverage its track record and build its construction order book with earning visibility in the medium term.

Premised on the above, the Board is cautiously optimistic of the Group's future prospects. The Group will continue to manage its cash flows prudently and monitor closely its business operations amidst a challenging business environment.

DIVIDEND POLICY

The declaration of interim dividends and the recommendation of final dividends are subject to the discretion of the Board and any final dividend for the year is subject to shareholders' approval. During the FYE 31 December 2014, we formulated a dividend policy of paying out at least 30% of the Group's net profit to the shareholders as we recognise that it is important to reward investors with dividends. Therefore, we intend to pay dividends to shareholders in the future to allow shareholders to participate in the Group's profits subject to various factors including, amongst others, financial performance, cash flow requirement, availability of distributable reserves and capital expenditure plans.

The payment of dividends or other distributions will depend on distributable profits, operating results, financial condition, capital expenditure plans and other factors that the Board deems relevant.

SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

Welcome to the Sustainability Statement of FITTERS Diversified Berhad ("FITTERS"), where we outline our commitment to environmental stewardship, social responsibility, and governance practices. As a longstanding player in the industry since the 1970s, FITTERS has evolved into a renowned "one-stop" fire protection specialist, encompassing manufacturing, trading, and specialized installation of firefighting equipment, alongside property development and innovative waste management solutions.

This statement reflects our dedication to integrating sustainable practices across our operations in Malaysia. It highlights our efforts to enhance transparency, uphold ethical standards, and mitigate environmental impacts while contributing positively to the communities we serve. Through this report, we aim to demonstrate our progress, challenges, and future aspirations in fostering a sustainable and resilient business model.

At FITTERS, sustainability is not just a corporate initiative but a core value ingrained in our business strategy. We recognize the importance of balancing economic growth with environmental preservation and social well-being. This commitment drives our ongoing efforts to innovate, adapt, and lead by example in the pursuit of a sustainable future for generations to come.

Scope and Basis of Scope

The scope of this Sustainability Statement covers all operations of FITTERS in Malaysia. Our reporting encompasses all divisions and business units under our organizational control, ensuring comprehensive coverage of our sustainability initiatives and performance across the entire group, except where specified.

We acknowledge the importance of accurate and reliable data in our reporting. While we endeavor to provide complete and meaningful information, there may be areas where data quality limitations restrict direct comparisons with previous periods. We are committed to improving the quality and authenticity of our sustainability reporting over time, ensuring transparency and accountability in all aspects.

This Sustainability Statement ("the Statement") covers the financial reporting period from 1 April 2023 to 31 March 2024..

Reporting Frameworks and Standards

We have prepared our report in accordance with Bursa Malaysia Securities Berhad's ("Bursa Malaysia") Main Market Listing Requirements and with guidance from its Sustainability Reporting Guidelines (3rd edition). We are constantly enhancing our sustainability strategy which will contribute to the enhancement of the framework over the years.

Feedback

To continuously improve on our sustainability efforts, we welcome and encourage our stakeholders to provide feedback pertaining to this Statement or our sustainability practices and initiatives. Comments and questions can be directed to our designated email address at fdb@fittersgroup.

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance

A robust and effective corporate governance framework ensures the success of the corporation, fosters a culture of integrity, and maintains investor confidence. The Group has established a sustainability framework led by the Board of Directors (the "Board") and implemented across all operations with the support of the senior management team. The Board is responsible for integrating and promoting sustainability within the Group's long-term strategic plans and key business processes. The Senior Management Team will collaborate to oversee sustainability management by addressing associated impacts, risks, and opportunities in an integrated manner that maximizes value creation.

The roles and responsibilities of our Sustainability Governance structure are illustrated in the table below:

Role	Responsibilities
Board of Directors	• Develops and leads the sustainability framework. • Integrates sustainability into the Group's long-term strategic plans. • Promotes sustainability in key business processes. • Ensures corporate success and maintains investors' confidence. • Cultivates a culture of integrity within the organization. • Provides oversight and guidance on sustainability initiatives.
Senior Management Team	• Implements the sustainability framework across operations. • Collaborates to oversee sustainability management. • Manages associated impacts, risks, and opportunities. • Optimizes value creation through integrated sustainability efforts. • Supports the Board in promoting and integrating sustainability. • Ensures that sustainability practices are embedded in day-to-day operations.

Material Matters & Assessment Process

Our sustainability material matters are determined via an in-depth materiality assessment to identify and assess key risks and opportunities to ensure long-term sustainable growth. The assessment involves evaluating the significance of each sustainability issue based on its levels of impact and influence on the Group. This process allows us to focus on impact-based solutions for our customers while empowering our communities as we embed sustainability across our core business.

The materiality assessment takes into account various factors including current economic, environmental, social, and governance trends both locally and globally.

FITTERS engages with different stakeholder groups to identify, prioritize and address material sustainability matters. For effective engagement with our stakeholders, various methods are employed including but not limited to the following:

Stakeholder Group	Engagement Approach	Engagement Focus & Objectives
Shareholders & Investors	• Annual General Meeting / Extraordinary General Meeting • Annual reports • Quarterly reports • Announcements to Bursa Malaysia Securities Berhad	• Shareholders' and investors' confidence

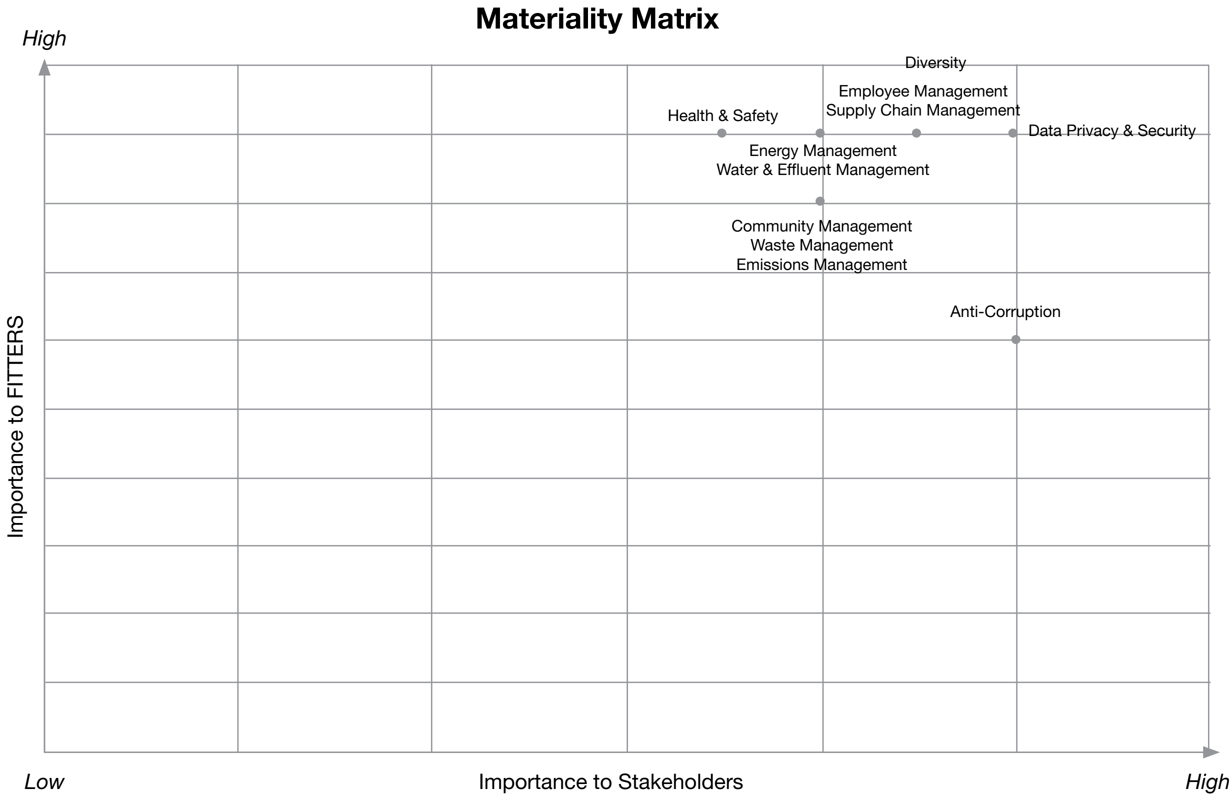
OUR APPROACH TO SUSTAINABILITY (CONT'D)

Material Matters & Assessment Process (Cont'd)

Stakeholder Group	Engagement Approach	Engagement Focus & Objectives
Employees	• Staff performance appraisal • Management and committee meetings • Professional development	• Compensation, welfare and employee care • Safe and conducive workplace • Continuing professional development
Customers	• Customer feedback form and survey • Proposals / quotations / agreements • Meetings	• Product's quality assurance • Payment terms and timeliness • Business continuity
Suppliers	• Meetings • Proposals / quotations / agreements	• Product and service quality • Competitive price and terms of payments • Maintaining long-term relationship
Regulators & Government Authorities	• Participation in events, briefings and • consultations initiated by regulators and relevant government authority • Liaison with government/ regulatory bodies for application/ document submissions • Compliance with rules and regulations of regulators, and other governmental or regulatory bodies • Consistent fact finding and fact sharing communication with regulators	• Continuous communication to obtain updates on relevant information and issues of concern • Obtain and keep abreast of latest regulatory updates, pronouncements or • announcements • Rules and regulatory compliances and submissions under the oversight of compliance and internal audit departments

OUR APPROACH TO SUSTAINABILITY (CONT'D)

Materiality Matrix



MANAGEMENT APPROACH FOR MATERIAL MATTERS

Supply Chain Management

Why is this important?

Effective supply chain management is crucial for ensuring the reliability, quality, and sustainability of our operations. By maintaining strong relationships with our suppliers, we can secure a consistent supply of materials and services, which is essential for meeting our production and delivery targets. Additionally, having a robust supply chain helps us to mitigate risks, reduce costs, and enhance our competitive advantage. For FITTERS, prioritizing local suppliers not only supports the local economy but also reduces our environmental footprint by minimizing transportation distances.

Our approach

At FITTERS, we are committed to fostering a sustainable and resilient supply chain. With 95% of our suppliers being local, we emphasize the importance of building long-term partnerships based on trust, quality, and mutual benefit. We believe that supporting our local suppliers will lead to strengthening the local economy as prioritizing Malaysian suppliers contributes to community development and job creation.

Our procurement practices play a key role in maintaining the competitiveness of our products in the supply chain. There is a continual effort to find suitable, sustainable, and cost-competitive materials to complement our product improvement programs as part of our value-added solutions to the customer across the various business units we operate in.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

Supply Chain Management (Cont'd)

Our approach (Cont'd)

The Group works to ensure that the materials and services we use in our entire supply chain can be traced to their sources. We also strive to source as much of our materials and services as possible from local suppliers, where applicable, to empower and boost the surrounding economy.

Under the Group's diversified businesses, the procurement heads of respective business units are tasked with ensuring that the processes stated in the standard operating procedures ("SOP") are adhered to. The supplier vetting includes background checks on the business entity's and its directors' and key personnel's track record and reputation, the principals they represent if agents or dealers, and the details of the product specified, including references.

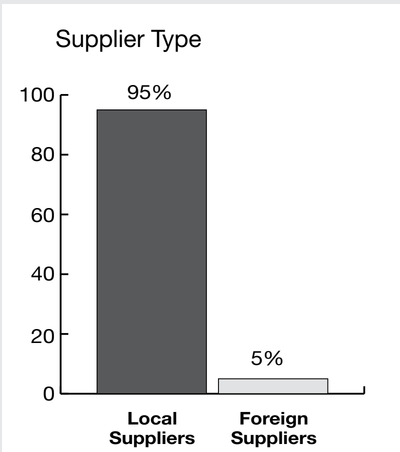
In the Group's fire services division, where some items imported from overseas are used as inputs for our local manufacturing processes, we ensure that our principals who supply us with the raw materials adhere to strict international standards of reliability and legality.

The Group is also ISO 9001 certified. This ensures our supply chain processes meet the highest quality management principles. This standard provides a framework for us to implement and maintain effective quality management practices throughout our operations, including within the supply chain. Under supply chain management, it can be applied in several ways:-

i. Supplier Evaluation and Selection: Emphasizes the importance of selecting and evaluating suppliers based on their ability to consistently meet quality requirements.
ii. Supplier Quality Management: Encourages organisations to establish processes for monitoring and managing supplier performance to effectively track and address issues related to product quality, delivery timelines, and adherence to contractual agreements.
iii. Continuous Improvement: Promotes a culture of continuous improvement within organisations, including within the supply chain, leading to enhanced efficiency, reduced waste, and improved overall quality performance.

Our performance

The proportion of spending on suppliers for raw materials:



Certification: ISO 9001:2015

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

Community Investment

Why is this important?
Community investment is crucial for fostering positive relationships with the communities in which we operate. By contributing to local development, we not only enhance our corporate reputation but also create a supportive environment that benefits both the company and the community. Investing in community initiatives helps address social issues, supports local economies, and improves the overall quality of life. This commitment demonstrates our responsibility as a corporate citizen and aligns with our broader sustainability goals. Community investment also helps in building trust and loyalty among local stakeholders, which is vital for long-term business success.
Our approach
The Group is dedicated to making a positive impact on the communities we serve. Our community investment strategy focuses on identifying and supporting initiatives that address the needs of our local communities. By prioritizing projects that promote education, health, and well-being, as well as those that support local economic development, we aim to create sustainable and meaningful benefits. We work closely with community leaders and stakeholders to understand their needs and collaboratively develop solutions. Furthermore, we encourage employee volunteerism and participation in community projects to further strengthen our engagement and impact. While our current community investment may seem modest, FITTERS is committed to increasing our contributions and expanding our impact in the future. Our focus on sustainable and impactful community projects will continue to guide our efforts, allowing us to make a significant difference in the lives of those in our local communities. We remain dedicated to building strong, supportive relationships with our community stakeholders and contributing to the overall well-being and development of the areas where we operate.
Our performance
Total amount invested in the community: RM1,000 Total number of beneficiaries of the investment in communities: 1

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

Anti-Corruption

Why is this important?

Maintaining a high standard of integrity and ethical conduct is essential for the sustainability and success of our business. Anti-corruption measures are critical to preserving the trust of our stakeholders, including investors, customers, employees, and the communities we operate in. By adhering to stringent anti-corruption policies, we not only comply with legal requirements but also protect the reputation and financial health of FITTERS. Ensuring a corruption-free environment helps us attract and retain talent, build strong business relationships, and enhance our competitive advantage in the market.

Our approach

We have established policies, procedures and guidelines in order to comply with the best practices of good governance guided by the Listing Requirements and the Malaysian Code on Corporate Governance throughout our operations. These include:

i. Code of Ethics and Conduct: This code outlines the ethical standards and behaviors expected of all employees, directors, and associated persons. It serves as a guiding framework for ethical decision-making and professional conduct.

ii. Whistleblowing Policy: We encourage employees and stakeholders to report any suspected wrongdoing or unethical behavior without fear of retaliation. This policy provides a confidential and secure channel for reporting concerns.

iii. Anti-Bribery and Corruption Policy: Approved by the Board, this policy clearly defines the Group's stance on bribery and corruption, specifying prohibited conduct and outlining the responsibilities of directors, employees, contractors, and suppliers. It mandates strict adherence to anti-bribery and anti-corruption legislation and promotes a culture of integrity across all levels of the organization.

Additionally, while ISO 9001 is primarily a quality management standard, its implementation promotes a culture of accountability and process control, indirectly supporting our anti-corruption efforts.

Our performance

Percentage of employees who have received training on anti-corruption: NIL. Currently, none of our employees have received training on anti-corruption. We recognize the importance of this training and are working towards implementing comprehensive training programs in the near future.

Percentage of operations assessed for corruption-related risks: NIL. The Group has a plan in place to introduce anti-corruption risk assessments in the future.

Confirmed incidents of corruption: NIL

Certification: ISO 9001:2015

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

Data privacy & security

Why is this important?

Data privacy and security are critical components of our business operations, especially in today's digital age where information is a valuable asset. Protecting the personal data of our customers, employees, and partners is essential to maintaining their trust and ensuring the integrity of our services. Compliance with data protection regulations helps prevent unauthorized access, data breaches, and other security threats that could harm our reputation and lead to financial losses. For FITTERS, safeguarding data privacy and security is fundamental to upholding our commitment to ethical business practices and fostering long-term relationships with our stakeholders.

Our approach

FITTERS is dedicated to ensuring the highest standards of data privacy and security across all our operations. Our approach includes compliance with Personal Data Protection Act 2010. We strictly adhere to the regulations set forth by the Personal Data Protection Act 2010, which governs the collection, use, and storage of personal data in Malaysia. This compliance ensures that we handle personal data responsibly and transparently.

Our performance

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data: NIL

Employee Management

Why is this important?

Our employees are the backbone of FITTERS, playing a crucial role in driving our operational excellence and achieving our business objectives. Effective employee management ensures that our workforce is motivated, skilled, and aligned with our corporate goals. Investing in our people not only enhances their professional development but also contributes to higher productivity, innovation, and overall company success. Additionally, offering competitive remuneration and ensuring compliance with labor laws helps attract and retain top talent, reducing turnover and fostering a stable and committed workforce.

Our approach

FITTERS is committed to creating a supportive and dynamic work environment that fosters the growth and development of our employees. Our approach to employee management includes:

- Investment in Human Capital: We prioritize the continuous development of our employees by providing various learning opportunities. This includes both internal and external training programs designed to equip employees with the skills necessary to excel in their roles.

- Training and Development: Employees are encouraged to pursue certifications relevant to their scope of responsibilities. This ensures they remain proficient and competitive in their fields.

- Compliance with ISO 9001: By adhering to ISO 9001 standards, we ensure our training and development programs meet the highest quality management principles, promoting consistency and continuous improvement.

- Competitive Remuneration: We strive to offer remuneration packages that are in line with applicable labor laws and regulations, and competitive with market rates. This approach helps us attract and retain a talented workforce.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

Employee Management (Cont'd)

Our performance
Total on-the-job training hours: Management: 369.5 hours Executive: 182 hours Non-executive: 168 hours Total Number of Employees by Category: Permanent: 245 Contract: 38 Turnover Rate: Our current turnover rate stands at 17.31%. However, we have increased our manpower by 6 at the end of our FYE in comparison with the beginning of the FYE. We are committed to implementing strategies to improve employee retention. Number of substantiated complaints concerning human rights violations: NIL. There have been no substantiated complaints concerning human rights violations, reflecting our commitment to maintaining a respectful and fair workplace. Certification: ISO 9001:2015

Diversity

Why is this important?
Diversity is a key driver of innovation, creativity, and competitive advantage. Embracing a diverse workforce allows FITTERS to benefit from a wide range of perspectives and ideas, which enhances problem-solving and decision-making processes. Promoting diversity and inclusion also fosters a positive work environment where all employees feel valued and respected, leading to higher employee satisfaction and retention. Additionally, diversity reflects our commitment to social responsibility and aligns with the evolving expectations of our stakeholders.
Our approach
FITTERS is committed to fostering a diverse and inclusive workplace that reflects the communities we serve. We ensure equal opportunities for all employees regardless of gender, age, or other characteristics, promoting a fair and inclusive work environment. We accept all gender expressions without prejudice, and all different cultural celebrations are equally observed and honoured while individual ethnic sensitivities are respected. We implement effective human capital management practices that support diversity and inclusion. Our policies are designed to prevent discrimination and promote inclusivity across all levels of the organization. This comprehensive approach helps us maintain a diverse workforce that drives innovation and meets the needs of our stakeholders. The same is also applied to our Board of Director's composition. We believe in building a robust Board based on qualities such as character, experience, skill, and competence, irrespective of gender.

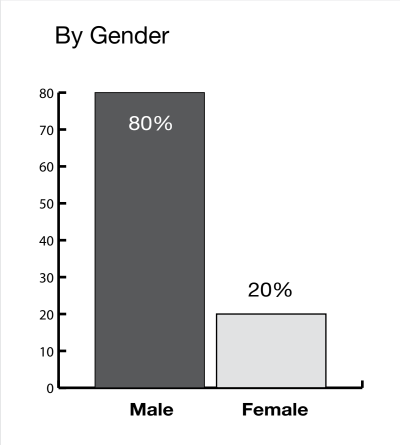
MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

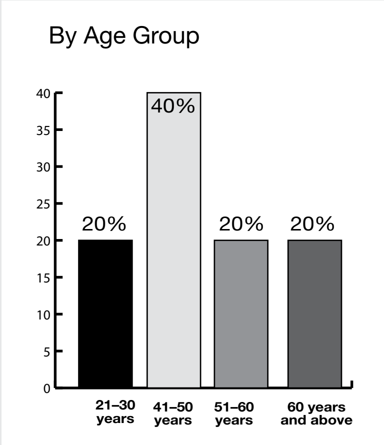
Diversity (Cont'd)

Our performance

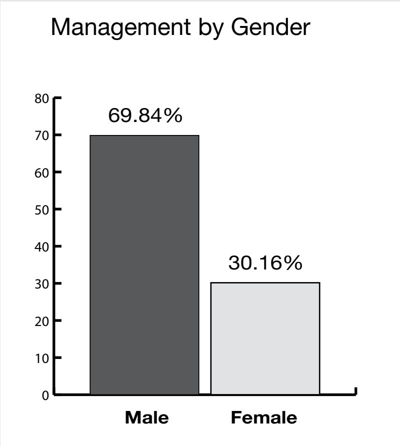
Number of discrimination incidents reported and recorded: NIL

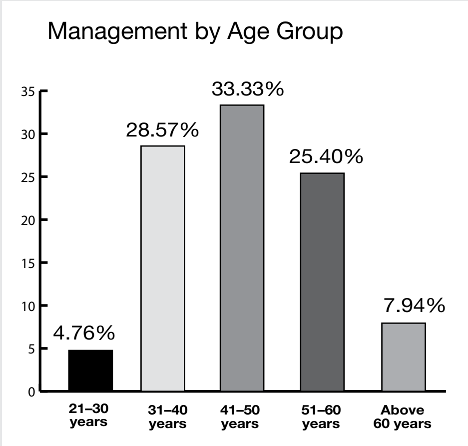
Board Diversity





Management Profile





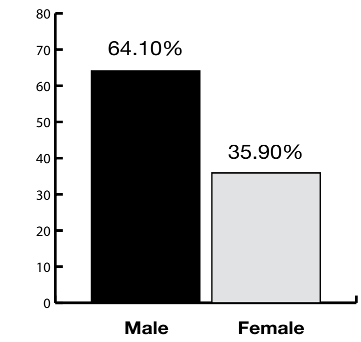
MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

Diversity (Cont'd)

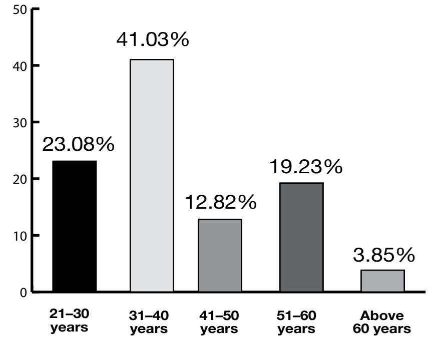
Our performance (Cont'd)

Executive Profile

Executive by Gender

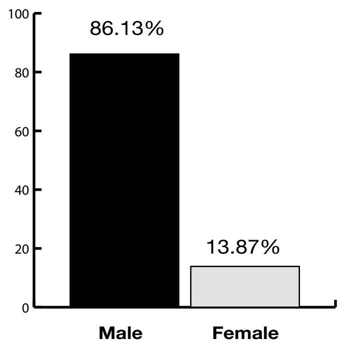


Executive by Age Group

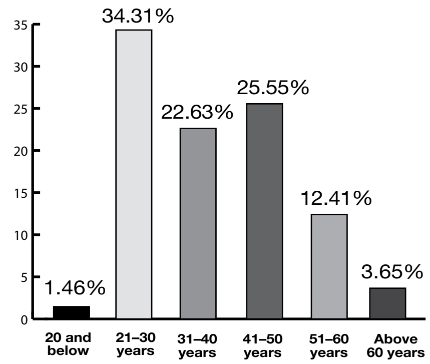


Non-Executive Profile

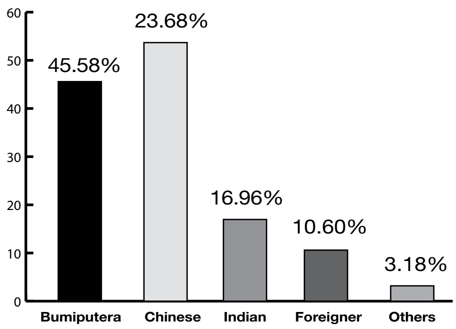
Non-Executive by Gender



Non-Executive by Age Group



Workforce by Ethnicity



MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

Health & Safety

Why is this important?
Health and safety are critical components of our operational success and the well-being of our employees. Ensuring a safe working environment minimizes the risk of work-related injuries and incidents, which can lead to lost productivity, legal liabilities, and compromised employee morale. A strong health and safety culture promotes the physical and mental well-being of our workforce, enhancing overall performance and reducing absenteeism. Adhering to health and safety standards is not only a legal obligation but also a moral imperative to protect our employees and create a sustainable work environment.
Our approach
FITTERS is committed to maintaining the highest standards of health and safety across all our operations. We align our practices with ISO 45001, which provides a framework for an effective occupational health and safety management system. Our approach includes regular risk assessments, safety audits, and the implementation of preventive measures to mitigate potential hazards. We provide comprehensive training to our employees on health and safety standards to ensure they are well-informed and equipped to handle safety-related issues. Our policies and procedures are designed to foster a safety-conscious culture, encouraging employees to actively participate in safety initiatives and report any concerns. Additionally, we continuously monitor and review our health and safety performance to identify areas for improvement and ensure compliance with regulatory requirements.
Our performance
Number of employees trained on health and safety standards: 68 (24.46%) Number of work-related injuries: a) First-aid: NIL b) Major: 1 c) Fatalities: NIL Lost time incident rate: 8560.60 Certification: ISO 45001:2018

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

Energy Management

Why is this important?

Effective energy management is essential for reducing operational costs, minimizing environmental impact, and contributing to sustainability goals. By managing our energy consumption efficiently, we reduce greenhouse gas emissions, comply with environmental regulations, and enhance our corporate reputation. Energy management not only helps in conserving resources but also plays a crucial role in mitigating the effects of climate change. Furthermore, it supports the long-term viability of our operations by ensuring that we use energy resources responsibly and sustainably.

Our approach

Energy management is a cornerstone of our commitment to environmental sustainability and operational efficiency, supported by stringent standards.

We adhere to ISO 45001, which ensures that our energy management systems are aligned with international occupational health and safety standards. This certification enhances our ability to systematically manage energy use, reduce operational risks, and optimize energy efficiency across our facilities.

In conjunction with ISO 45001, we implement ISO 14001 standards, which provide a framework for effective environmental management systems. These standards guide our efforts to integrate energy-saving initiatives, such as the adoption of energy-efficient LED lighting and the implementation of advanced waste handling equipment. Additionally, our environmental awareness programs educate employees on the importance of reducing electricity consumption and adopting sustainable practices in their daily operations. We constantly remind employees to reduce wasteful electricity consumption and adopt energy-saving practices such as turning off airconditioners and other electrical appliances when not in use.

By leveraging ISO 45001 and ISO 14001 standards, FITTERS enhances our energy management practices, ensuring they are systematic, effective, and compliant with regulatory requirements. These efforts not only reduce our environmental impact but also contribute to cost efficiencies and reinforce our commitment to sustainable business practices.

Our performance

Total energy consumption: 1,157,262 kWh/year

Certification: ISO 45001:2018 and ISO 14001:2015

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

Water Management & Effluents

Why is this important?
Water management is critical for ensuring the sustainable use of water resources, minimizing environmental impact, and complying with regulatory standards. Effective water management helps in conserving this vital resource, reducing operational costs, and preventing pollution. It also supports the health of local ecosystems and communities by ensuring that water usage and discharge do not harm the environment. Sustainable water management practices are essential for the long-term viability of our operations and for maintaining our commitment to environmental stewardship.
Our approach
At FITTERS, responsible water management is a fundamental aspect of our operational strategy, guided by rigorous environmental standards. We adhere to ISO 14001, which provides a robust framework for our environmental management systems, including water management practices. This certification ensures that our approach to water conservation is systematic and effective, integrating sustainability into every facet of our operations. Additionally, our commitment is bolstered by compliance with MS2530-4 standards. This certification underscores our dedication to maintaining high water quality standards and sustainable water use practices. At our palm oil mill in Kuala Ketil, Kedah, we meticulously monitor water consumption to prevent wastage. Our wastewater undergoes thorough treatment through anaerobic tanks and retention ponds, ensuring compliance with Department of Environment standards before discharge. This stringent process safeguards local ecosystems and community water resources against adverse impacts. By combining ISO 14001 and MS2530-4 standards, FITTERS not only meets regulatory requirements but also exemplifies leadership in sustainable water management practices within the industry. These efforts reflect our commitment to environmental stewardship and community well-being, ensuring that our operations uphold the highest standards of environmental responsibility.
Our performance
Total volume of water used: 306,442m3 / year Total volume of water (effluent) discharge over the reporting period: 117,000 m^3/year Certification: ISO 14001:2015 and MS2530-4:2013

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

Waste Management

Why is this important?

Effective waste management is crucial for minimizing the environmental impact of our operations, complying with regulatory standards, and maintaining a sustainable business model. Proper waste management practices help reduce pollution, conserve resources, and protect ecosystems. Additionally, they ensure the health and safety of our employees and the surrounding communities. By managing waste responsibly, we can improve operational efficiency, reduce costs, and enhance our corporate reputation.

Our approach

At FITTERS, we are committed to managing waste in a sustainable and responsible manner. We are guided by ISO 9001, which ensures that our waste management systems are implemented effectively and meet rigorous quality management standards. This certification underscores our dedication to operational excellence and continuous improvement in managing both hazardous and non-hazardous waste streams across our operations.

Our approach is to encourage all employees to embrace the Reduce, Reuse, Recycle motto as part of their daily work processes. Initiatives include minimizing stationery use, adopting digital storage and double-sided printing to reduce paper consumption, and reducing disposable item usage, such as mineral water bottles during meetings.

These initiatives not only align with our environmental goals by reducing waste generation but also contribute to significant cost savings and enhance our overall operational efficiency. By fostering a culture of sustainability throughout our organization, we promote responsible resource management and reinforce our commitment to environmental stewardship and financial sustainability.

Additionally, our adherence to the Malaysian Sustainable Palm Oil (MSPO) standards, including MSPO Part 4 accreditation and MSPO Supply Chain Certification, ensures that our palm oil production processes are sustainable and traceable. These certifications emphasize our commitment to environmental stewardship and responsible resource utilization.

Solid Orient Holdings Sdn Bhd ("Solid Orient Holdings") and Future NRG Sdn Bhd ("Future NRG"), both part of our Group, actively manage their waste streams. Solid Orient Holdings generates both hazardous and non-hazardous waste, as well as effluent, while Future NRG Sdn Bhd focuses on generating and disposing of non-hazardous waste. By adhering to strict waste management protocols, we ensure that waste is either diverted, disposed of properly, or recycled, contributing to the overall sustainability of our operations.

Our performance

Total waste generated:
Hazardous Waste: 1.4 MT/year
Non-hazardous Waste: 38,455 MT/year

Total waste diverted from disposal:
Hazardous Waste: 1 MT/year
Non-hazardous Waste: 0

Total waste directed to disposal:
Hazardous Waste: 0.4 MT/year
Non-hazardous Waste: 38,455 MT/year

Certification: ISO 9001:2015 and MSPO Supply Chain Certification Standard (MSPO SCCS)

Recorded data for waste for FYE2024 is currently limited to the two subsidiaries mentioned.
However, we have a plan in place to begin generating comprehensive data for reporting purposes
in the next financial year.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (CONT'D)

Emissions Management

Why is this important?

Effective management of emissions is crucial for minimizing environmental impact and ensuring compliance with regulatory standards. It also aligns with our commitment to sustainability and corporate responsibility, enhancing our reputation in the industry.

Our approach

At FITTERS, we integrate rigorous environmental standards into our operations. Our current emissions data is focused on Solid Orient Holdings and Future NRG.

We adhere to MS1073 Part 3 standards, which govern our emissions management practices. This certification ensures that our approach to monitoring and mitigating emissions, particularly from our operational facilities, meets stringent regulatory requirements and industry best practices.

By aligning with MS1073 Part 3, we demonstrate our commitment to transparency and environmental accountability. This certification not only underscores our dedication to reducing emissions but also positions us as a leader in sustainable business practices within our sector. Through continuous improvement and adherence to rigorous standards, we strive to enhance our environmental performance and contribute positively to global efforts towards climate action.

This approach ensures that FITTERS remains at the forefront of emissions management, safeguarding environmental integrity while advancing our sustainability goals.

Our performance

Total air emissions:
Scope 1: 9,100 MT CO2
Scope 2: 349.2 MT CO2
Scope 3: 100 MT CO2

Recorded data for air emissions for FYE2024 is currently limited to the two subsidiaries mentioned. However, we have a plan in place to begin generating comprehensive data for reporting purposes in the next financial year.

Certification: MS1073 Part 3:1996

CONCLUSION

FITTERS Diversified Berhad remains steadfast in our commitment to sustainability and responsible corporate citizenship. Throughout the reporting period, we have endeavored to integrate environmental stewardship, social responsibility, and governance excellence into our core business practices. Our achievements in property development, fire services, and innovative waste management solutions underscore our proactive approach to sustainability. By adhering to stringent standards and fostering a culture of continuous improvement, we have strived to minimize our environmental footprint while maximizing positive social impact.

Looking ahead, FITTERS is dedicated to further enhancing our sustainability initiatives, improving data quality, and setting new benchmarks in transparency and accountability. We will continue to engage stakeholders, collaborate with partners, and innovate across all facets of our operations to achieve sustainable growth and resilience in the face of evolving global challenges. Through these efforts, FITTERS aims to not only uphold our reputation as a leader in the industry but also contribute meaningfully to a more sustainable future for our communities and the environment.

Statement of Assurance

This Sustainability Statement has not been subjected to an assurance process. The Group plans to commence subjecting future reports to an assurance process in the future, as there will be comparable data available. The current reporting year will serve as the index year for establishing baseline data and benchmarking future performance.

SUSTAINABILITY STATEMENT (CONT'D)

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Workforce	Percentage	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	4.76
Management Between 31-40	Percentage	28.57
Management Between 41-50	Percentage	33.33
Management Between 51-60	Percentage	25.40
Management Above 60	Percentage	7.94
Executive Under 30	Percentage	23.08
Executive Between 31-40	Percentage	41.03
Executive Between 41-50	Percentage	12.82
Executive Between 51-60	Percentage	19.23
Executive Above 60	Percentage	3.85
Non-executive/Technical Staff Under 30	Percentage	35.77
Non-executive/Technical Staff Between 31-40	Percentage	22.63
Non-executive/Technical Staff Between 41-50	Percentage	25.55
Non-executive/Technical Staff Between 51-60	Percentage	12.41
Non-executive/Technical Staff Above 60	Percentage	3.65
Gender Group by Employee Category		
Management Male	Percentage	69.84
Management Female	Percentage	30.16
Executive Male	Percentage	64.10
Executive Female	Percentage	35.90
Non-executive/Technical Staff Male	Percentage	86.13
Non-executive/Technical Staff Female	Percentage	13.87
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
Under 30	Percentage	20.00
Between 41-50	Percentage	40.00
Between 51-60	Percentage	20.00
Above 60	Percentage	20.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,157.26
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	8,560.60
Bursa C5(c) Number of employees trained on health and safety standards	Number	68
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	370
Executive	Hours	182
Non-executive/Technical Staff	Hours	168
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	13.43
Bursa C6(c) Total number of employee turnover by employee category		
Workforce	Number	49
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	95.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	306.442000

Internal assurance External assurance No assurance (*)Restated

PROFILE OF DIRECTORS

DATO' SOK ONE A/L ESEN

Independent Non-Executive Chairman

Date of Appointment

1 May 2022

Age

66

Nationality

Malaysian

Gender

Male

Dato' Sok One A/L Esen ("Dato' Sok One") was appointed to the Board of the Company on 1 May 2022 as an Independent Non-Executive Chairman. He is a member of the Audit and Risk Management Committee and Nomination and Remuneration Committee of the Company.

Dato' Sok One holds a Bachelor's Degree in Social Science from University Sains Malaysia and a Bachelor's Degree of Jurisprudence from University of Malaya. In 1981, he started his career as an investigation officer under Anti-Corruption Agency which is now known as Malaysian Anti-Corruption Commission ("MACC") serving in various capacities and states including Perak, Kelantan and Sarawak.

Thereafter, he was transferred to the Kuala Lumpur Headquarters in 2005 and eventually, took on various leading roles in the investigation division including as Deputy Director of Intelligence Division, Deputy Director of Special Operations Division and the former Director of MACC in Negeri Sembilan.

In 2015, he was awarded with Darjat Indera Mahkota Pahang and carried the title of Dato' from the Sultan of Pahang for his many years dedicated in the public service. Then in 2018, Dato' Sok One retired from his last position in MACC as the Deputy Director of Special Operations with the rank of Deputy Commissioner in which he has led numerous investigations and special operations to curb the bribery and corruptions among both public and private sectors.

Throughout his thirty-seven (37) years career in MACC specialising in the areas of financial investigation and intelligence, he has worked closely with Independent Commission Against Corruption of Hong Kong (ICAC) in financial investigation. He too works jointly with Corruption Practice Investigation Bureau of Singapore (CPIB), Kapika Indonesia, Anti-Corruption Bureau Brunei (BMR) as well as National Anti-Corruption Commission Thailand (NACC).

Dato' Sok One was also the pioneer of Anti-Money Laundering Investigation in MACC where he had attended courses and conference on money laundering regime in Bangkok, Colombo, Praque and New York, where he devotes his time into training alongside maintaining and strengthening partnerships among numerous anti-corruption agencies in ASEAN.

Currently, he is one of the Directors of a security company known as Special Skills Security Services Sdn. Bhd. which provides various professional and protective security services for his clientele. As the director, he is responsible to oversee and coordinates the operations and business development of the company.

Dato' Sok One presently sits on the Board of MMAG Holdings Berhad as an Independent Non-Executive Director.

He attended all four (4) Board meeting held during the financial year ended 31 March 2024.

PROFILE OF DIRECTORS (CONT'D)

HOO SWEE GUAN

Executive Director

Date of Appointment

26 November 2021

Age

42

Nationality

Malaysian

Gender

Male

Mr. Hoo Swee Guan ("Mr. Hoo") was appointed to the Board of the Company on 26 November 2021 as an Executive Director.

Mr. Hoo is a qualified accountant. He is a member of CPA Australia and the Malaysian Institute of Accounts. He holds a Master of Business Administration (MBA) from Victoria University, Australia.

Throughout his career, he accumulated experience across various industries including audit and advisory, steel and hardware industry, oil & gas and renewable energy sector, services and retails industry, property development industry, freight and logistics industry, food and beverage industry and manufacturing industry. His vast experiences well-equipped himself to render the services to multi-national companies such as Johor Corporation Berhad, Perbadanan Kemajuan Negeri Selangor (PKNS), CPA Australia (Malaysia) Sdn. Bhd., Panasonic Manufacturing Malaysia Berhad, and many other public listed companies listed in Bursa Malaysia Berhad.

Mr. Hoo also involved in business advisory division during his tenure with an audit and advisory firm to turn-around a few public listed companies as well as a few private limited companies. His expertise in taxation, business development and strategic planning, sales and marketing, merger and acquisition, as well as solvency contributed to his success pathway along with his partners.

Currently, he is an Executive Director of BCM Alliance Berhad and Executive Director of Computer Forms (Malaysia) Berhad as well as sits on the Board of several private limited companies.

He attended all four (4) Board Meetings held during the financial year ended 31 March 2024.

PROFILE OF DIRECTORS
(CONT'D)

WONG KOK SEONG

Independent Non-Executive Director

Date of Appointment

29 November 2021

Age

55

Nationality

Malaysian

Gender

Male

Mr. Wong Kok Seong ("Mr. Wong") was appointed to the Board of the Company on 29 November 2021 as an Independent Non-Executive Director. He is the Chairman of the Audit and Risk Management Committee and a member of the Nomination and Remuneration Committee of the Company.

Mr. Wong is a Chartered Account and holds a Masters of Business Administration from Open University, United Kingdom. He is a member of the Malaysian Institute of Accountants (MIA) and also a Fellow Member of the Association of Chartered Certified Accountants (FCCA).

Having spent fifteen (15) years in the United Kingdom("UK"), Mr. Wong has gained extensive exposure from a United Kingdom accounting firm, Appleby & Wood, where he was an audit partner from 1999 to 2005. His experience extended to multi-national companies where he was appointed as Finance Director for several UK-based companies. During his tenure there and also currently, he is responsible for the preparation of business plans, budgets and organisational financial statements, due diligence, accounting and taxation, management, project financing and implementation.

Over the last few years, he has extensively been involved in a wide range of businesses, such as cross border trading, manufacturing and property development.

On his return to Malaysia in 2006 and upon obtaining his audit license, he joined an audit firm, Messrs. Hasnan THL Wong & Partners, and is currently its Managing Partner. He is also made a partner in another audit firm, McMillan Woods GKJ. Due to his business acumen, he currently sits on the Board of several public listed companies in Malaysia and Singapore.

Mr. Wong presently sit on the Board of M N C Wireless Berhad, PNE PCB Berhad, PDZ Holdings Bhd. and Computer Forms (Malaysia) Berhad.

He attended all four (4) Board Meetings held during the financial year ended 31 March 2024.

PROFILE OF DIRECTORS (CONT'D)

KHO SEE YIING

Independent Non-Executive Director

Date of Appointment

1 May 2022

Age

47

Nationality

Malaysian

Gender

Female

Ms. Kho See Yiing ("Ms. Kho") was appointed to the Board of the Company on 1 May 2022 as an Independent Non-Executive Director. She is the Chairperson of the Nomination and Remuneration Committee and a member of the Audit and Risk Management Committee of the Company.

In 1997, she obtained an Advance Diploma in Hospitality Management, Isle of Man, UK. She holds a Bachelor Degree of Business Administration from Heriot Watt University, Edinburgh Scotland, which she obtained in 2005.

Ms. Kho began her career in a few health and wellness multi-level marketing companies since 1999. In a few years, she had held top management positions.

She was a consultant in multi-level marketing for commercial laundry, health and wellness industry for more than twenty (20) years. During her advisory in the said industries, with the extensive experience in marketing, advertising and promotion, and operations, she had achieved over 40 million in revenue annually in a commercial laundry company. For the beauty and healthy industry, Ms. Kho has expanded the market to Indonesia and Taiwan. In 2016, she entered the commercial laundry industry and had brought astonishing results to the company until present.

Ms. Kho presently sits on the Board of Computer Forms (Malaysia) Berhad as an Independent Non-Executive Director.

She attended all four (4) Board Meetings held during the financial year ended 31 March 2024

PROFILE OF DIRECTORS (CONT'D)

PANG WEI KANG

Non-Independent Non-Executive Director

Date of Appointment
8 January 2024
Age
25
Nationality
Malaysian
Gender
Male

Mr. Pang Wei Kang ("Mr. Pang") was appointed to the Board of the Company on 8 January 2024 as a Non-Independent Non-Executive Director.

Mr. Pang has extensive experience in the food and beverage industry, with a strong background and deep knowledge in this field. In his role, he oversees the Japanese fine dining restaurant's daily operations, leads marketing efforts, and manages finances, ensuring that all activities align with the Japanese fine dining restaurant's overarching goals.

Beyond operational management, Mr. Pang excels in strategic marketing, creating innovative campaigns to enhance the Japanese fine dining restaurant's brand presence and engage the audience. His financial expertise is a key asset, as he navigates budgeting, cost control, and comprehensive financial strategies to drive the Japanese fine dining restaurant's growth and success.

Mr. Pang was appointed to the Board on 8 January 2024, hence he attended one (1) out of four (4) Board Meetings held during the financial year ended 31 March 2024.

Notes :

(1) None of the Directors have any family relationship with any other Directors and/or major shareholders of the Company.

(2) None of the Directors have any conflict of interest with the Company.

(3) None of the Directors have been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024, other than traffic offences (if any).

(4) Save as disclosed above, none of the Directors have any other directorship in public companies and listed issuers.

PROFILE OF KEY SENIOR MANAGEMENT

HOO SWEE GUAN

Executive Director

Age	Nationality	Gender
42	Malaysian	Male

Please refer to the Profile of Directors of Mr. Hoo Swee Guan.

CHIN YONG SHING

Executive Director, FITTERS Engineering Services Sdn. Bhd.

Age	Nationality	Gender
56	Malaysian	Male

Mr. Chin Yong Shing ("Mr. Chin") graduated from Polytechnic of Wales (UK) with a Bachelor of Engineering (Mechanical).

He started his career as a Project Engineer at FITTERS Engineering Services Sdn. Bhd., a wholly owned subsidiary of FITTERS Diversified Berhad, on 15 October 1992. He was promoted to Project Manager in 1998 and to General Manager in 2010. Mr. Chin is currently the Executive Director of FITTERS Engineering Services Sdn. Bhd., a position he holds since 2014.

He does not hold directorship in public company and listed issuer.

GAN SOON KIEAN

Executive Director, FITTERS Construction Sdn. Bhd.

Age	Nationality	Gender
53	Malaysian	Male

Mr. Gan Soon Kiean ("Mr. Gan") holds a Bachelor Degree in Civil Engineering from University Teknologi Malaysia.

He started his career as a Planning Engineer at Sunway Construction Sdn. Bhd. in 1995 and subsequently joined a few other companies as Design Engineer, Project Engineer and Project Manager. In 2011, he was engaged as the Resident Engineer for ZetaPark Development Sdn. Bhd., a wholly-owned subsidiary of FITTERS Diversified Berhad. Mr. Gan is currently the Executive Director of FITTERS Construction Sdn. Bhd., a position he holds since 1 July 2013.

He does not hold directorship in public company and listed issuer.

NGU WANG KEAT

Operation Director,
Solid Orient Holdings Sdn. Bhd.

Age	Nationality	Gender
33	Malaysian	Male

Mr. Ngu Wang Keat ("Mr. Ngu") holds a Bachelor Degree in Chemical Engineering from University Tunku Abdul Rahman and a registered member of the Board of Engineers Malaysia. He also holds a Master of Business Administration from University of Malaya.

Mr. Ngu started his career as a Production Engineer at Sapura Energy Berhad in 2014. In 2016, he joins FITTERS Diversified Berhad as a Project Engineer for the group renewable energy and palm oil mill division. Subsequently, he was promoted to lead the operation of Solid Orient Holdings Sdn. Bhd., a wholly-owned subsidiary of FITTERS Diversified Berhad in 2020.

He does not hold directorship in public company and listed issuer.

Notes :

(1) None of the key senior management has any family relationships with any Directors and/or major shareholders of the Company.

(2) None of the key senior management has any conflict of interests with the Company.

(3) None of the key senior management personnel have been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by the relevant regulatory bodies during the financial year ended 31 March 2024, other than traffic offences (if any).

GROUP FINANCIAL SUMMARY

	Financial Year Ended	Financial Period Ended	[- Financial Year Ended 31 December -]		
	31 Mar 2024 RM'000	31 Mar 2023 RM'000	31 Mar 2022 RM'000	2020 RM'000	2019 RM'000
Revenue	**285,889**	414,912	422,772	215,713	263,004
(Loss)/Profit before tax	**(10,514)**	(64,863)	(15,489)	(12,887)	8,935
Taxation	**(1,747)**	(2,258)	(1,377)	(3,342)	(4,436)
(Loss)/Profit for the financial year from continuing operations	**(12,261)**	(67,121)	(16,866)	(16,229)	4,499
Loss for the financial year from discontinued operation, net of tax	**(4,163)**	(2,004)	–	–	–
(Loss)/Profit for the financial year	**(16,424)**	(69,125)	(16,866)	(16,229)	4,499
Non-controlling interests	**(74)**	1,293	3,935	3,152	186
(Loss)/Profit attributable to owners of the Company	**(16,498)**	(67,832)	(12,931)	(13,077)	4,685
Share capital	**368,220**	262,157	262,157	240,662	240,662
Treasury shares	**(3,912)**	(3,912)	(3,912)	(3,912)	(7,823)
Other reserves	**39,821**	35,808	35,750	35,996	36,242
Retained earnings	**(12,452)**	4,034	71,853	84,515	107,388
Shareholders' funds	**391,677**	298,087	365,848	357,261	376,469
Property, plant and equipment	**115,650**	125,795	203,051	214,730	229,518
Investment properties	**2,335**	2,397	2,458	1,949	1,305
Right-of-use assets	**5,913**	5,473	12,520	12,440	12,912
Intangible assets	**4,360**	4,360	5,353	5,450	5,528
Other investments	**105**	105	105	105	105
Deferred tax assets	**171**	205	264	196	272
Non-current trade and other receivables	**–**	–	–	43,313	38,537
Current assets	**339,880**	311,682	284,785	229,260	260,121
Assets of a disposal group classified as held for sale	**15,000**	54,363	–	–	–
Total assets	**483,414**	504,380	508,536	507,443	548,298
Loans and borrowings	**26,806**	45,805	78,429	86,383	96,027
Net assets	**391,677**	298,087	365,848	357,261	376,469
Net assets per share (sen)	**16.73**	49.03	60.17	76.39	81.67
Weighted average number of ordinary shares in issue ('000)	**2,354,109**	607,983	467,680	462,247	468,474
Basic (loss)/earnings per share (sen)	**(0.70)**	(11.16)	(2.76)	(2.83)	1.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of FITTERS Diversified Berhad ("FITTERS" or the "Company") recognises the importance of maintaining high standards of corporate governance for transparency, accountability, integrity and a well-managed company. As a fundamental part of discharging its duties and responsibilities, the Board is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries ("Group") to enhance shareholders' value, and to be consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance ("MCCG").

This Corporate Governance Overview Statement is augmented with a Corporate Governance Report ("CG Report"), based on a prescribed format as enumerated in Paragraph 15.25(2) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") so as to provide a detailed articulation on the application of the Group's corporate governance practices as set out in the MCCG throughout the financial year ended 31 March 2024 ("FYE 2024").

The CG Report can be accessed via the Company's website at www.fittersgroup.com, as well as via an announcement on the website of Bursa Securities.

This Corporate Governance Overview Statement is based on the following three (3) principles of the MCCG: -

a. Principle A - Board leadership and effectiveness;
b. Principle B - Effective audit and risk management; and
c. Principle C - Integrity in corporate reporting and meaningful relationship with stakeholders.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1.1 Board Roles and Responsibilities

The Board is responsible for the performance and affairs of the Group, as well as upholding the core values of integrity and enterprise with due regard to their fiduciary duties and responsibilities.

The Board has the responsibility of leading and directing the Group towards realising long term objectives and shareholders' value. The Board directs the Company's risk assessment, strategic planning, succession planning and financial and operational management to ensure that obligations to shareholders and other stakeholders are understood and met.

The Board is also responsible for championing good corporate governance of the Group and for conscientiously weighing and balancing the interests of its shareholders and stakeholders with its own objectives during its decision-making process.

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the Board's duties and responsibilities. The Board also delegates certain responsibilities to the following Board Committees, all of which operate within their respective Terms of Reference ("TOR") which can be accessed via the Company's website at www.fittersgroup.com:-

a. Audit and Risk Management Committee ("ARMC"); and
b. Nomination and Remuneration Committee ("NRC").

Each Committee operates in accordance with clearly defined TOR. These Committees are authorised by the Board to deal with and deliberate on matters delegated to them within their respective TOR and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval.

Apart from the responsibility of the Board Committees, the Executive Director and other Senior Management are also delegated with certain authority to enable them to effectively discharge their responsibilities on the day-to-day operations of the Group.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.2 The Chairman

The Chairman of the Board is led by Dato' Sok One A/L Esen, who is an Independent Non-Executive Chairman of the Company.

The Chairman of the Board is responsible for the leadership, effectiveness, conduct and governance of the Board. The Chairman does not assume the position of chairman of the Board Committees but as a member of the Board Committees. Nevertheless, the Chairman also does not chair these Board Committees. Through his participation and corporate experience, it is believed that the Board's objectivity in receiving or reviewing the committees' reports has not been diminished in any way.

1.3 Separation of positions of the Chairman and Executive Director

The Board has established clear roles and responsibilities in discharging its fiduciary and leadership functions. The roles of the Chairman and Executive Director are distinct and separate to accountability and facilitate a clear division of responsibilities for ensuring there is a balance of power and authority in the Company. The segregation of roles also facilitates a healthy, open exchange of views between the Board and the Management in their deliberation of the business, strategic plans and key activities of the Company.

The Chairman is responsible for the orderly conduct and effectiveness of the Board in addition to facilitating constructive deliberation of matters in hand, whilst the Executive Director has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.

1.4 Qualified and competent Company Secretaries

The Board is supported by two (2) qualified and experienced Company Secretaries, who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("Act") and also are registered holders of the Practicing Certificate issued by the Companies Commission of Malaysia. The new joint Secretary was appointed by the Board on 5 May 2023 for better management of the Company's secretarial and administrative duties. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries have been continuously attending the necessary training programmes, conferences or seminars organised by the relevant authorities and/or professional bodies to keep themselves abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession and enable them to provide the necessary advisory role to the Board.

The Board has direct access to the professional advice and services of the Company Secretaries when performing their duties and discharging their responsibilities.

During the FYE 2024, all Board and Board Committees meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.

1.5 Supply and Access to Information

To facilitate the Directors' time planning, an annual meeting calendar is prepared and circulated in advance prior to the new calendar year, to enable the Directors to plan ahead and coordinate their respective schedules. The notice of meetings of the Board and Board Committees are sent to the Directors via emails at least five (5) working days prior to the date of the meetings. Meeting materials are also circulated to Directors at least five (5) business days in advance of the Board and Board Committee meetings to ensure they have been given sufficient time to prepare for the meetings.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.5 Supply and Access to Information (cont'd)

The deliberation and decision of matters discussed in the Board and Board Committees' meetings are duly recorded in the minutes of meetings, including whether any Director abstains from voting or deliberating on a particular matter. The minutes of meetings are circulated to the respective Board and Board Committees for review in a timely manner before it is finalised and tabled at the next meeting for confirmation.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

1.6 Board Charter

The Board Charter sets out the roles and responsibilities, composition and balance, operation and processes of the Board. It serves as a reference point for Board activities and is designed to provide guidance and clarity to Directors with regards to the respective roles and responsibilities of the Board, Board Committees, Chairman and Executive Director, as well as issues and decisions reserved for the Board, the Board's governance structure and Board's authority. This is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities, and the legislations and regulations affecting their conduct.

The Board Charter will be reviewed as and when necessary to ensure that it remains consistent with the Board's objectives and responsibilities, and reflect the latest compliance requirements as a result of changes in the regulatory framework. The Board Charter of the Company is available on the Company's website at www.fittersgroup.com.

1.7 Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics for Directors in order to adhere to the general principles and standards of business conduct and ethical behaviour in the performance and exercise of their responsibilities as Directors of the Company in order to uphold good corporate integrity which ultimately serves as a ground rule to the employees of the Company in their discharge of respective duties and responsibilities. The Code of Conduct and Ethics will be reviewed from time to time to ensure the information remains relevant and appropriate. The Code of Conduct and Ethics is available on the Company's website at www.fittersgroup.com.

1.8 Whistle-Blowing Policy

The Group had adopted a Whistle-Blowing Policy to promote the highest standard of corporate governance and business integrity. The Whistle Blowing Policy is available on the Company's website at www.fittersgroup.com.

1.9 Anti-Corruption and Bribery Policy ("ABC Policy")

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has put in place ABC Policy to encourage a culture of integrity and transparency in all of the Group's activities. This policy which adheres to the MMLR of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally set out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group's position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group's customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABC Policy will be reviewed at least in accordance with the needs of the Company. The ABC Policy is available on the Company's website at www.fittersgroup.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.10 Directors' Fit and Proper Policy

The Directors' Fit and Proper Policy has serves as a guide to the NRC and the Board in their review and assessment of the potential candidates for appointment to the Board of the Group as well as the retiring Directors who are seeking re-election at the annual general meeting in accordance to the Paragraph 15.01A of the MMLR.

The Directors' Fit and Proper Policy shall be reviewed periodically by the Board and be revised at any time as it may deem necessary to ensure that they remain consistent with the Board's objectives, current law and practices. The Directors' Fit and Proper Policy is published on the Company's website at www.fittersgroup.com

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NRC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors of the Group.

1.11 Sustainability Governance

The Board recognises that sustainable business practices are essential for long-term value creation and believes that responsible business practices are fundamental to achieving operational excellence.

The Board is committed to overseeing sustainability strategies, priorities, and targets, with management responsibility for the operational execution of Environmental, Social, and Governance (ESG) factors as part of the Group's corporate strategy. As fiduciaries to the company's shareholders, the Board is dedicated to upholding exemplary corporate governance practices that prioritize ethics, integrity, and corporate responsibility.

The Board ensures that the Company's internal and external stakeholders are well-informed about the sustainability strategies, priorities, targets, and overall performance. This Annual Report provides a detailed articulation of the Company's sustainability efforts.

The annual performance evaluation forms has incorporated an assessment of the understanding of the Board on sustainability issues, which is critical to the Company's performance. The Board remains committed to continuously reviewing and enhancing its sustainability practices to ensure alignment with best practices and to create long-term value for all stakeholders.

PART II – BOARD COMPOSITION

2.1 Board Composition

The current Board composition of the Company represents a mix of knowledge, skills and expertise which assist the Board in effectively discharging its stewardship and responsibilities. The Board currently has five (5) members comprising three (3) Independent Non-Executive Directors, one (1) Executive Director and one (1) Non-Independent Non-Executive Director. The Board composition is as below:-

Name of Board Members	Designation
Dato' Sok One A/L Esen	Independent Non-Executive Chairman
Hoo Swee Guan	Executive Director
Wong Kok Seong	Independent Non-Executive Director
Kho See Yiing	Independent Non-Executive Director
Pang Wei Kang *(Appointed on 8 January 2024)*	Non-Independent Non-Executive Director

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

2.1 Board Composition (cont'd)

The Company fulfills Paragraph 15.02(1) of the MMLR of Bursa Securities which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors. The Company also meets the requirements of MCCG to have at least half of the Board must comprise of Independent Directors.

The presence of Independent Non-Executive Directors ensures that views, consideration, judgement and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

2.2 Tenure of Independent Directors

The Board is fully aware that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years as recommended by the MCCG. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. The Board acknowledges that the tenure of an Independent Director shall not exceed a cumulative term of twelve (12) years pursuant to the Listing Requirements of Bursa Securities. During the financial year under review, none of our Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.

During the financial year under review, none of our Directors has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years as recommended by the MCCG. Notwithstanding that, the assessment of the independence of Independent Non-Executive Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management. Based on the assessment caried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interests of the Company.

2.3 New Appointment of Board

The appointment to the Board is reviewed by the NRC and is made via a formal, rigorous and transparent process, premised on meritocracy and taking into account objective criteria such as qualification, skills, experience, professionalism, integrity and diversity needed on the Board in the context of the Group's strategic direction. In the case of Independent Directors, the NRC assesses the candidate's ability to bring the element of detached impartiality and objective judgement to the Board deliberation.

In fostering the commitment of the Board to devote sufficient time to carry out their responsibilities, each Director is required to notify the Chairman of the NRC and the Board prior to accepting directorships, his or her directorship in listed issuers other than the Group. All Directors shall not hold more than five (5) directorships in other listed issuers as required under Paragraph 15.06 of the MMLR of Bursa Securities.

The new appointment of Senior Management would be reviewed by the NRC based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

2.4 Gender Diversity

The Board has established and adopted a Gender Diversity Policy to provides a framework for the Company to improve its gender diversity at the Board level.

The objectives/principles and measures as set out in the Gender Diversity Policy are summarised below:-

Objectives/Principles

a. The Company acknowledges the importance to promote gender diversity at the Board level and will actively work towards having more female Directors on the Board. To avoid any mismatch and ineffective appointment of the female Directors, the Company does not set any specific target for female Directors in this policy.

b. In assessing the Board composition and Board effectiveness, the Board shall accord due consideration to gender diversity, required mix of skills, experience, independence and other qualities, including core competencies, commitment, integrity and/or other commitments to the Board.

Measures

To pursue the objectives of gender diversity, the Board will take into consideration the following measures:

a. The NRC and the Board shall nominate or appoint a gender diverse Board with a broad spectrum of perspectives, including but not limited to the education background, age, ethnicity, skills, knowledge, expertise, experience, competencies, integrity and/or other commitments that the candidate will bring to complement the Board.

b. The NRC is responsible in ensuring that gender diversity objective is adopted in the Board recruitment and succession planning processes.

c. The Company shall adopt a more accommodating boardroom culture and environment that is free from discrimination to attract and retain women's participation at the Board level.

d. The Company will undertake the following strategies to promote gender diversity at the Board level:

- recruiting from a diverse pool of candidates for female Directors and senior management;
- reviewing succession plans to ensure an appropriate focus on gender diversity;
- identifying specific factors to take into account the recruitment and selection adopting processes to encourage gender diversity; and
- any other strategies the Board may develop from time to time.

The Board practises non-gender discrimination, endeavours to promote workplace diversity and supports the representation of women in the composition of Board and Senior Management positions of the Company. The Board currently consists of one (1) female Director in the Board composition who is Ms. Kho See Yiing representing 20.00% of the total number of board members of the Company.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

2.5 NRC

The NRC is chaired by Ms. Kho See Yiing, an Independent Non-Executive Director. The NRC Chairperson has led the annual review of Board effectiveness, ensuring that the performance of each individual Director is independently assessed and will lead the succession planning and appointment of future Board members.

The current members of the NRC comprised of all Non-Executive Directors with a majority of them being Independent Non-Executive Directors as follows:-

Name of Directors	Designation
Kho See Yiing, Chairperson	Independent Non-Executive Director
Wong Kok Seong, Member	Independent Non-Executive Director
Dato' Sok One A/L Esen, Member	Independent Non-Executive Chairman

During the financial year under review, the following is the summary of activities undertaken by the NRC:-

- Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he could devote sufficient time to the role.
- Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
- Reviewed and recommended to the Board the contribution and performance of the ARMC.
- Reviewed and recommended to the Board the re-election of the Directors who retired pursuant to the Company's Constitution at the last AGM held on 22 September 2023.
- Reviewed and assessed the independence of the Independent Directors of the Company.
- Reviewed and recommended to the Board, the remuneration packages (including fees and/or benefits) for all the Directors of the Company for the financial year ending 31 March 2025.
- Reviewed and recommended to the Board for approval, the nomination of Mr. Pang Wei Kang as the Non-Independent Non-Executive Director of the Company.

The Terms of Reference of the NRC was revised and updated on 30 May 2022 which incorporated the relevant practices recommended under the MCCG. The Terms of Reference of the NRC is published on the Company's website at www.fittersgroup.com,

2.6 Annual Evaluation of the Board and Board Committees as a whole

The Board has, through the NRC, conducted an annual evaluation to determine the effectiveness of the Board, its Board Committees and each individual Director in the financial year under review. The process was carried out by sending the following customised assessment forms to Directors in the FYE 2024:-

a. Performance of Executive Directors;
b. Performance of Non-Executive Directors;
c. Independence of the Independent Directors;
d. Performance of the ARMC; and
e. Effectiveness of the Board and Board Committees as a whole.

Based on the evaluations conducted for the FYE 2024, the NRC and the Board were satisfied with the performance of the individual Directors, the Board as a whole, Board Committees as well as the independence and objective judgements that the Independent Directors have brought to the Board.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

2.7 Attendance of Board and Board Committees' Meetings

The Board endeavors to meet at least four (4) times a year, at quarterly intervals which are scheduled well in advance before the end of the preceding financial year to facilitate the Directors in planning their meeting schedule for the year. The Board is satisfied with the level of commitment given by the Directors toward fulfilling their roles and responsibilities as Directors of the Company as most of the Directors had attended all the Board Meetings during the financial period review. Additional meetings are convened where necessary to deal with urgent and important matters that require the attention of the Board.

All pertinent issues discussed at the Board meetings in arriving at the decisions and conclusions are properly recorded by the Company Secretaries.

The attendance record of each Board member at the Board and Board Committees meetings held during the FYE 2024 are as follows:-

Name of Directors	No. of Meeting Attended		
	Board	ARMC	NRC
Hoo Swee Guan	4/4	–	–
Dato' Sok One A/L Esen	4/4	1/1	1/1
Wong Kok Seong	4/4	4/4	1/1
Kho See Yiing	4/4	4/4	1/1
Pang Wei Kang *(Appointed on 8 January 2024)*	1/1	–	–
Dato' Sri Gan Chow Tee *(Resigned on 8 January 2024)*	3/3	–	–

Overall, the Board is satisfied with the level of time commitment given by the Directors towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

To facilitate the Directors' time planning, the annual Board and Board Committees meetings calendar was prepared in advance of each new year by the Company Secretaries. The calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the Annual General Meeting ("AGM"). The closed period for dealings in securities by Directors and Principal Officers based on the scheduled dates of meetings for making announcements of the Group's quarterly results were also provided therein.

2.8 Directors' Training

The Directors are encouraged to attend relevant seminars and training programmes to equip themselves with the knowledge to effectively discharge their duties as Directors. The Board will assess the training needs of the Directors and ensure Directors have access to continuing education programmes to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – BOARD COMPOSITION (CONT'D)

2.8 Directors' Training (cont'd)

During the financial year under review, the Directors have attended the following training programmes, seminars and/or conferences:-

Name of Directors	Training Programme/Conference/ Seminar
Dato' Sok One A/L Esen	▪ Key Amendments to the Main Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and Other Amendments.
Hoo Swee Guan	▪ A Guide to Business Valuation ▪ Boosting Team Performance with effective Management & Motivation ▪ Valuation in Practice for Transactions & Reporting - Part 1 Valuation Fundamentals ▪ Valuation in Practice for Transactions & Reporting - Part 2 Valuation for Business Combination ▪ Valuation in Practice for Transactions & Reporting - Part 3 Valuation of Intangible Assets ▪ The Key Amendments to the Main Market Listing Requirements of Bursa Securities relating to Sustainability Training for Directors, Conflict of Interest, and other Amendments ▪ Valuation in Practice: Demystifying Business Valuation ▪ Investment Analysis on Property Industry ▪ Mandatory Accreditation Programme (Leading for Impact) ▪ Integrating Environmental, Social and Governance (ESG) into Organisational Financial Reporting Framework ▪ Preparation for e-Invoicing Implementation - What You Should Do
Wong Kok Seong	▪ Key Amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and Other Amendments ▪ Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ▪ MPERS financial reporting ▪ The importance of considering 'Code of Ethics' when exercising judgement in financial reporting ▪ MFRS/IFRS technical update 2024 including brief on IFRS Sustainability Standards
Kho See Yiing	▪ Boosting Team Performance with Effective Management & Motivation ▪ Brandfest 2023: Building Future Marketeers ▪ Key Amendments to the Main Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and Other Amendments.
Pang Wei Kang	▪ Mandatory Accreditation Programme

The Board acknowledges that continuous education is essential for the Directors to further enhance their skills and knowledge. The Board shall ensure compliance with the Mandatory Accreditation Programme as required by Bursa Securities for the newly appointed Director.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION

3.1 Level and Composition of Remuneration

The Board had adopted a formal and transparent Remuneration Policy that sets out the principles and guidelines for the Board and the NRC to determine the remuneration of Directors and Senior Management of the Company, which take into account the demands, complexities and performance of the Company as well as skills and experience required.

The Remuneration Policy is available for reference on the Company's website at www.fittersgroup.com.

The Remuneration Policy is guided by the following key principles in remunerating the Directors of the Company:

a. fees payable to Directors who hold non-executive office in the Company shall be paid by a fixed sum and not by a commission on or percentage of profits or turnover;

b. fees and/or benefits (including meeting allowance) payable to Directors are subject to annual shareholders' approval at a general meeting, where notice of the proposed fees and/or benefits has been given in the notice convening the meeting;

c. fees payable to an alternate Director (if any) shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter; and

d. salaries and other emoluments payable to Directors who hold an executive office in the Company pursuant to a contract of service need not be determined by the Company in a general meeting but such salaries and emoluments may not include a commission on or percentage of turnover.

The remuneration is reviewed by the NRC on an annual basis prior to making its recommendations to the Board for approval.

3.2 Directors' Remuneration

The Directors' fees and/or benefits payable to Non-Executive Directors of the Company are subject to the approval of shareholders of the Company. The remuneration payable to the Directors of the Company and the Group for the financial year under review is as follows:-

<u>The Company</u>

Name of Directors	RM'000						
	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Others*	Total
Hoo Swee Guan	–	–	600	150	–	151	901
Dato' Sok One A/L Esen	72	–	–	–	–	–	72
Wong Kok Seong	60	–	–	–	–	–	60
Kho See Yiing	32	–	–	–	–	–	32

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

3.2 Directors' Remuneration (cont'd)

The Company (cont'd)

Name of Directors	RM'000						
	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Others*	Total
Pang Wei Kang *(Appointed on 8 January 2024)*	21	–	–	–	–	–	21
Dato' Sri Gan Chow Tee *(Resigned on 8 January 2024)*	45	–	–	–	–	–	45
TOTAL	**230**	**–**	**600**	**150**	**–**	**151**	**1,131**

The Group

Name of Directors	RM'000						
	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Others*	Total
Hoo Swee Guan	–	–	600	150	–	151	901
Dato' Sok One A/L Esen	72	–	–	–	–	–	72
Wong Kok Seong	60	–	–	–	–	–	60
Kho See Yiing	32	–	–	–	–	–	32
Pang Wei Kang *(Appointed on 8 January 2024)*	21	–	–	–	–	–	21
Dato' Sri Gan Chow Tee *(Resigned on 8 January 2024)*	45	–	–	–	–	–	45
TOTAL	**230**	**–**	**600**	**150**	**–**	**151**	**1,131**

* *Other benefits include Employees Provident Fund (EPF), Social Security Organisation contribution (SOCSO), Employment Insurance System contribution and travelling allowance.*

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

3.3 Remuneration of Key Senior Management

The Board is of the view that the disclosure of the Top Five (5) Key Senior Management's remuneration components on a named basis would not be in the best interest of the Company as it may be detrimental to the Company's human resource management due to the competitive nature of talents within the construction industry.

The Board also took into consideration of sensitivity and security of the remuneration package of the Key Senior Management, hence, opts not to disclose on a named basis the remuneration or in bands of RM50,000.00 for the Key Senior Management.

Alternatively, the Board is of the view that the disclosure of the Key Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000.00 in this Annual Report is adequate.

The aggregate remuneration and benefits paid to the Key Senior Management of the Group for the FYE 2024 are as follows:-

Range of Remuneration	No. of Senior Management Officer
RM150,001 to RM200,000	2
RM200,001 to RM250,000	1
RM350,001 to RM400,000	–
RM400,001 to RM450,000	–
RM450,001 to RM500,000	–
RM500,001 to RM550,000	1
RM550,001 to RM600,000	1
TOTAL	**5**

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – ARMC

4.1 Effective and Independent ARMC

The positions of Chairman of the Board and Chairman of the ARMC are being held by two different persons. The Chairman of the Board is Dato' Sok One A/L Esen, an Independent Non-Executive Chairman, while the Chairman of the ARMC is Mr. Wong Kok Seong, also an Independent Non-Executive Director. This separation is to ensure that the Board's review of the ARMC's findings and recommendations are not impaired.

The separation had been set out clearly in the TOR of the ARMC which is accessible on the Company's website at www.fittersgroup.com.

Currently, none of the members of the ARMC were former key audit partners of the present auditors of the Group.

The ARMC has in place a policy that requires a former key partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. The policy had been codified in the Terms of Reference of ARMC of the Company.

The Board had established an External Auditors Assessment Policy which sets out the guidelines and procedures for the ARMC to review, assess and monitor the suitability, objectivity and independence of the External Auditors.

The ARMC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements. The ARMC had carry out an annual performance assessment of the External Auditors.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL

5.1 Risk Management and Internal Control Framework

The Board acknowledges its overall responsibility for ensuring that a sound system of risk management and internal control is maintained throughout the Group and the need to review its effectiveness regularly. Risk management and internal control are embedded in various work processes and procedures of the respective operational functions and Management team.

The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the ARMC.

The ARMC is assisted by the Management as well as the In-House Internal Auditors to identify and assess the significant risks faced by the Group and to ensure that appropriate risk treatments were in place to mitigate the risks that could be affecting the achievement of the Group's business objectives. The In-House Internal Auditors report directly to the ARMC and the internal audit plans are tabled to the ARMC every quarter for review to ensure adequate coverage.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control of this Annual Report.

The scope and function of the ARMC are set out in the Terms of Reference which is available on the Company's website at www.fittersgroup.com.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART II – RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

5.2 Internal Audit Function

The Company has an In-House Internal Audit Function within the Group, where the Head of Internal Audit, who reports directly to the ARMC has undertaken an independent assessment of the internal controls and ensured that no material issue or major deficiency had been noted that would pose a high risk to the overall system of internal control under review.

The Board had established the Internal Auditors Assessment Policy ("IA Assessment Policy") together with an annual performance evaluation form. The IA Assessment Policy is to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.

The information on the Group's risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Board values the importance of the dissemination of information on major developments of the Group to the shareholders, potential investors and the general public in a timely and equitable manner, and hence, a Corporate Disclosure Policy had been adopted. A copy of the policy is published on the Company's website at www.fittersgroup.com.

The quarterly results, announcements and annual reports serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments. The Company's website at www.fittersgroup.com serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, Board Charter and policies, announcements, news and events relating to the Group.

PART II – CONDUCT OF GENERAL MEETINGS

7.1 Conduct of General Meetings

The AGM provides a valuable opportunity for shareholders to share their views and communicate with the Board. Shareholders attending the AGM will be given a reasonable opportunity to participate in the AGM and vote on matters.

Currently, the Notice of AGM is circulated at least twenty-eight (28) days before the date of the meeting to enable shareholders to go through the Annual Report and explanatory notes/papers supporting the resolutions proposed before making any decision in relation to the resolutions. This is in line with Section 316(2) of Companies Act 2016 and Paragraph 7.15 of MMLR of Bursa Securities which call for a twenty-one (21) days' notice period, and Practice 13.1 of the MCCG which encourages twenty-eight (28) days' notice period for public companies or listed issuers respectively.

In addition to being dispatched individually to shareholders, the Notice of AGM is also circulated in a nationally circulated newspaper alongside an announcement on the website of Bursa Securities. This allows shareholders to have immediate access to the Notice of AGM and make the necessary preparations for the AGM.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART II – CONDUCT OF GENERAL MEETINGS (CONT'D)

7.2 Effective Communication and Proactive Engagement

All the Directors attended the 37th AGM and the Extraordinary General Meeting held on 22 September 2023 and responded to questions raised by the shareholders. All Directors will attend the upcoming AGM to address any relevant questions raised by the shareholders.

All the resolutions set out in the Notice of AGM were put to vote by poll voting and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of the AGM was announced to Bursa Securities on the same meeting day.

A summary of key matters discussed at the AGM will be published on the Company's website for the shareholders' information as soon as practicable upon being reviewed by the Board members and approved by the Chairman.

STATEMENT BY THE BOARD ON THE STATEMENT

The Board had deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge the Company has fulfilled its obligations under the MCCG, the relevant chapters of the MMLR of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FYE 2024, except for the departures set out in the CG Report.

ADDITIONAL COMPLIANCE INFORMATION

1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS DURING THE FINANCIAL YEAR ENDED 31 MARCH 2024

Right Issue with Warrants

The Company had placed out 1,733,308,505 new Rights Shares and 1,155,538,938 Warrants and completed the Right Issue with Warrants on 17 April 2023 which raised a total proceed of approximately RM112.665 million.

The details of utilisation of proceeds raised from the Right Issue with Warrants were as follows:-

	Detail of utilisation	Proposed utilisation RM'000	Actual utilisation RM'000	Deviation RM'000	Time frame for utilisation
1	Working capital for the Group's palm oil mill	60,000	60,000	–	Within 18 months
2	Repayment of borrowings	50,000	50,000	–	Within 18 months
3	Funding for the Group's fire services projects	1,865	1,840	(25)	Within 18 months
4	Estimated expenses for the Rights Issue with Warrants	800	825	25	Immediately
	Total	**112,665**	**112,665**	**–**	**–**

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees incurred for services rendered to the Company and the Group for the financial year ended 31 March 2024, are set out below:-

	The Company (RM'000)	The Group (RM'000)
Audit Fee	55	240
Non-Audit Fee	5	5

3. MATERIAL CONTRACTS INVOLVING THE INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

There were no material contracts entered into by the Company and its subsidiaries involving the interest of Directors and/or substantial shareholders during the financial year nor any whose interest still subsist at the end of the financial year ended 31 March 2024.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPTS") OF A REVENUE OR TRADING NATURE

There was no RRPTs of a revenue or trading nature entered by the Group during the financial year under review.

5. SHARE ISSUANCE SCHEME ("SIS")

The Company has established a SIS of up to 15% of the total number of issued shares (excluding treasury shares) of the Company for a period of 5 years from 28 January 2022 and may be extended for up to another 5 years immediately from the expiry of the first 5 years, but will not in aggregate exceed 10 years from 28 January 2022.

There was no SIS option granted as during the financial year ended 31 March 2024.

DIRECTORS' RESPONSIBILITY STATEMENT
IN RESPECT OF FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016, 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 of the Group and of the Company at the end of the financial year and of the results and cash flows of the Group and of the Company for the financial year.

In addition, pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements, the Board of Directors must ensure that an additional statement is included in the Company's annual report explaining the Board of Directors' responsibility for preparing the annual audited financial statements.

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 judgments 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 provisions of the Companies Act 2016. 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.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

OBJECTIVES

The Board of Directors ("the Board") of FITTERS Diversified Berhad ("the Company") is pleased to present the Audit and Risk Management Committee Report which lays out the activities held for the financial year ended 31 March 2024 ("FYE 2024"). The primary objective of the Audit and Risk Management Committee ("ARMC" or "Committee") is to assist the Board in fulfilling its fiduciary duties and responsibilities in accordance with its Terms of Reference, providing an additional assurance to the Board by giving an objective and independent review of financial, operational and administrative controls and procedures as well as establishing and maintaining internal controls.

COMPOSITION OF ARMC

The members of the ARMC comprising of all Non-Executive Directors with all of them being Independent Non-Executive Directors as follows:-

Name of Committee members	Designation
Wong Kok Seong	Chairman, Independent Non-Executive Director
Dato' Sok One A/L Esen	Member, Independent Non-Executive Chairman
Kho See Yiing	Member, Independent Non-Executive Director

The Company has complied with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") as the ARMC members fulfill the requirements as prescribed.

The authorities and duties of the ARMC are clearly governed by the Terms of Refence of the ARMC. The Terms of Refence of the ARMC can be accessed from the Company's website of the Company at www.fittersgroup.com.

ATTENDANCE OF MEETINGS

During the FYE 2024, four (4) ARMC Meetings were held. The details of attendance of each member at the ARMC meetings are as follows:

Name of Committee members	Meeting Attendance
Wong Kok Seong	4/4
Dato' Sok One A/L Esen	4/4
Kho See Yiing	4/4

The presence of the External Auditors and/or the In-House Internal Auditors at the ARMC meetings can be requested if required by the ARMC. Other members of the Board and the Management of the Company and its subsidiaries ("the Group") may attend the Meeting (specific to the relevant meeting and to the matters being discussed) upon invitation of the ARMC.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORKS FOR THE FYE 2024

The summary of the activities undertaken by the ARMC during FYE 2024, amongst others, included the following:-

(i) Reviewed the unaudited consolidated quarterly financial results and annual audited financial statements of the Company including the announcements pertaining thereto. Discussion focused particularly on any changes in accounting policy and practices, significant issues or adjustments arising from the audit, as well as compliance with accounting standards and other legal requirements before recommending to the Board for approval and release of the announcements to Bursa Securities;

(ii) Reviewed with ChengCo PLT, the External Auditors, the Audit Review Memorandum to update the status of the audit of the Group for the financial year ended 31 March 2023;

(iii) Reviewed with the ChengCo PLT, the External Auditors, the Audit Planning Memorandum for the financial year ending 31 March 2024 covering findings on the results and issues arising from their audit of the financial statements and their resolutions of such issues highlighted in their report to the ARMC;

(iv) Reviewed with the Group In-House Internal Audit Department on the internal audit plan, work done and reports, for the internal audit function and considered the findings of the internal audit investigations and management responses thereon, and ensure that appropriate actions were taken in addressing the issues reported by the Group In-House Internal Audit Department;

(v) Reviewed the related party transactions and/or recurrent related party transactions that transpired with the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms;

(vi) Review the Audit and Risk Management Committee Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company' Annual Report;

(vii) Self-appraised the performance of the ARMC for the FYE 2024 and submit the evaluation to the Nomination and Remuneration Committee for assessment;

(viii) Evaluated the performance of the External Auditors and In-House Internal Auditors of the Company;

(ix) Considered and recommended the re-appointment of ChengCo PLT as auditors of the Group to the Board of Directors for approval;

(x) Reviewed the disclosures of actual, potential or perceived conflict of interest ("COI") involving the Directors and key senior management of the Group and concluded that there were no additional examination or mitigation measures were deemed necessary from the COI disclosed; and

(xi) Reviewed and recommend to the Board for the adoption of updated Terms of Reference of ARMC, by enhancing and incorporating the sustainability component.

SUMMARY OF WORKS OF THE IN-HOUSE INTERNAL AUDIT FUNCTION

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

(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 and standard operational procedures.

(ii) Internal controls of each activity based on the risk profiles established under the risk management framework which was approved by the Board.

For the FYE 2024, the Group In-House Internal Audit Department had carried out the following works:

(i) Tabled the Internal Audit Plan 2024 for the Committee's review and endorsement.

(ii) Presented the Internal Audit Reports to the Committee for review and discussion. The Internal Audit Reports which incorporated audit recommendations and Management's responses with regards to audit findings were issued to the Committee and the Management of respective operating units. Improved procedures and practices were recommended to strengthen the internal controls and follow-up review were carried out to assess the status of implementation of the agreed audit recommendations by the Management.

(iii) Carried out audits and follow-up audits on various operating units within the Group on the implementation of audit recommendations.

(iv) Reviewed the adequacy and effectiveness in managing various risks at Group level via risk management processes, risk management reports and periodic audit reviews.

All members of the Group In-House Internal Audit Department do not have any conflict of interests with the Group and is independent of the activities which were audited during the FYE 2024. The Head of the Group In-House Internal Audit reports directly and functionally to the Committee. The total cost incurred by the In-House Internal Audit Function of the Group amounted to RM122,291.36 during the FYE 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of FITTERS Diversified Berhad ("the Company") is pleased to provide the Statement on Risk Management and Internal Control ("Statement") of the Company and its subsidiaries ("the Group") for financial year ended 31 March 2024 ("FYE 2024") which outlines the nature and scope of risk management and the internal control systems of the Group. This Statement has been prepared in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and Malaysian Code on Corporate Governance 2017.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining the Group's risk management and internal control system to safeguard shareholders' investment and the Group's assets as well as reviewing its effectiveness, adequacy and integrity on a regular basis. The system of internal control covers governance, risk management, strategic direction, organisational, financial, operational and compliance controls. However, due to the limitations that are inherent in any system of internal control, the Group's system of internal control is 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 Board has received assurance from the Executive Director and the Head of Finance that the Group's risk management and internal control system is operating adequately and effectively in all material aspects.

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.

The Board has put in place a formal Risk Management Framework within the Group as an ongoing process for identifying, documenting, evaluating, monitoring and managing significant risks affecting the achievement of the Group's business objectives. The process is supported by policies, procedures, methodologies, evaluation criteria and documentation requirements to ensure clarity and consistency of application across the Group.

The Board is assisted by the Audit and Risk Management Committee ("ARMC") which is chaired by an Independent Director. The ARMC 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 to ensure that it is responsive to the changes in the business environment.

Using a guided risk management framework, the risk rating and mitigating 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 for review by the ARMC and subsequent presentation to the Board. The Board annually reviews and discusses the summary of risk tolerance and additional internal controls to be implemented at Board meeting.

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 process requires management to identify and assess all type of risks, magnitude of impact as well as to identify and evaluate the adequacy and application of mechanisms in place to manage, mitigate or eliminate these risks.

INTERNAL AUDIT FUNCTION

The Group's Internal Audit Function is undertaken by an in-house Group Internal Audit Department, which is independent from the Group's business operations. It reports functionally to the ARMC. The description of the Internal Audit Function's activities is set out in the ARMC Report, which can be found in this Annual Report.

The Internal Audit Function was designated to provide assurance of the effectiveness of the system of internal controls within the Group. The Group's Internal Audit Department conducts independent reviews of key activities within the Group's operating units based on the annual Internal Audit Plan which was approved by the ARMC and the Board. Follow-up audit reviews and deliberation of Internal Audit Reports are performed to ensure that appropriate actions are taken by the Management to address internal control weaknesses that were highlighted. Other internal audit assignments also included ad hoc assessments/ investigations as and when required by the Board or Management.

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.

- The Board and the ARMC: Regular Board and ARMC meetings are held at least four (4) times during a financial year, where information is provided to the Board and the ARMC covering financial results and operational performance, for effective monitoring and decision making. The ARMC has full unrestricted access to any information pertaining to the Group and has direct communication channels with the External and Internal Auditors. The ARMC deliberates the findings and recommendations highlighted in the internal audit reports in quarterly meetings held for the purpose of reviewing the Group's quarterly consolidated results and other issues that warrant the ARMC's attention.

- 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 and recommendations will also be communicated to relevant personnel for further actions.

- Group's Standard Operating Procedures ("SOP"): The Group's SOP 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 9001:2015 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 efficiency and compliance to approved procedures.

- Anti-Corruption and Bribery Policy: This policy established by the Board applies to the Directors and employees of the Group to prevent the occurrence of corruption and bribery practice in relation to the business of the Group.

- Whistle-Blower Policy: This policy established by the Board to provide an avenue for all employees as well as members of the public a safe channel to raise the concern and disclose about possible improprieties.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

NO MATERIAL LOSSES AS A RESULT OF DEFICIENCIES IN INTERNAL CONTROL

No material losses were incurred by the Group during the FYE 2024 as a result of deficiencies in internal control.

CONCLUSION

For the FYE 2024 and up to the date of issuance of the Financial Statements, 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 the interest of customers, regulators, employees, shareholders' investments and the Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the FYE 2024 and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects, has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the Statement on Risk Management and Internal Control factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the External Auditors was made solely for and directed solely to the Board in connection with their compliance with the MMLR of Bursa Securities and or no other purposes or parties. The External Auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the trading of fire safety materials, equipment and fire prevention systems. The principal activities of the subsidiaries are detailed in Note 17 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year, net of tax	(16,424)	(9,142)
Attributable to:		
Owners of the Company	(16,498)	(9,142)
Non-controlling interests	74	-
	(16,424)	(9,142)

DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES OR PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

On 17 April 2023, 1,733,308,505 Rights Shares together with 1,155,538,938 Detachable Warrants, which was approved by shareholders at the EGM held on 01 July 2022, have been issued and listed on the Main Market of Bursa Securities.

There were no issue of debentures by the company during the financial year.

WARRANT 2023/2026

On 17 April 2023, free detachable warrants issued pursuant to the renounceable rights issue of up to 1,733,308,505 new ordinary shares at an issue price of RM 0.065 per rights shares up to 1,155,538,938 free detachable warrants in the Company on the basis of 3 rights shares together with 2 free warrants for every 1 existing share held by the entitled shareholders

The Warrant is issued in registered form and constituted by the Deed Poll.

The salient features of the Warrants are as follows: -

(i) The Warrants do not confer on their holders any voting rights or any right to participate in any form of distribution and/or offer to further securities in the Company until and unless such holders of Warrants exercise their Warrants for new Shares in accordance with the provisions of the Deed Poll and such new Shares have been allotted and issued to such holders.

(ii) The Warrants may be exercised at any time within a period of 3 years commencing from and including the date of issuance of the Warrants to the close of business at 5.00 pm (Malayia time) on the Market Day immediately preceding the date which is 3rd anniversary from the date of issuance of the Warrants.

(iii) The exercise price of the Warrants at RM0.07 per Warrant; Entitlement date on 17 March 2023.

Movement in the Warrants since the listing and quotation thereof are as follows:

	Number of warrants			
	2023	**Additions**	**Exercised**	**2024**
	Unit'000	**Unit'000**	**Unit'000**	**Unit'000**
Warrants	-	1,155,539	-	1,155,539

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

During the financial year, there was no share buy-back, resale and cancellation of treasury shares.

OPTIONS GRANTED OVER UNISSUED SHARES

No options have been granted by the Company to any parties during the financial year to take up any unissued shares of the Group and the Company.

No shares have been issued during the financial year by virtue of the exercise of any options to take up unissued shares of the Group and the Company. At the end of the financial year, there were no unissued shares of the Group and the Company under options.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

Hoo Swee Guan*
Wong Kok Seong
Dato' Sok One A/L Esen
Kho See Yiing
Pang Wei Kang (Appointed on 08 January 2024)
Dato' Sri Gan Chow Tee (Resigned on 08 January 2024)

* Directors of the Company and certain subsidiaries

The directors who held office in the subsidiary companies (excluding directors who are also directors of the Company) during the financial year until the date of this report are:

Chong Wei Wei
Teoh Tian Chai
Gan Soon Kiean
Chin Yong Shing
Lai Fook Eng
Ong Lay Cheong
Dato Muhammad Imran Bin Baharuddin (Resigned 01 September 2023)
Beh Sui Wei
Loh Thian Fatt (Resigned 12 June 2024)
Sit Kin Yik
Ngu Wang Keat

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

Interests in the Company

	Number of ordinary shares			
	At 1 April 2023	**Acquired**	**Sold**	**At 31 March 2024**
Direct Interest:				
Hoo Swee Guan	40,000	115,384,616	-	115,424,616

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares of the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in directors' remuneration in this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 27(b) to the financial statements.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for all directors and certain officers of the Company were RM10,000,000 and RM26,967 respectively.

DIRECTORS' REMUNERATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Executive:				
Salaries and other emoluments	1,914	2,510	600	1,200
Bonus	533	404	150	100
Defined contribution plan	312	436	150	260
Other emoluments	10	34	1	2
Total executive directors' remuneration	2,769	3,384	901	1,562
Non-executive:				
Fees	249	266	230	218
Total directors' remuneration	3,018	3,650	1,131	1,780

DIRECTORS' REMUNERATION (CONTINUED)

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

	Number of directors	
	2024	**2023**
Executive directors:		
RM200,001 - RM250,000	1	-
RM300,001 - RM350,000	-	1
RM400,001 - RM450,000	-	1
RM500,001 - RM550,000	1	1
RM550,001 - RM600,000	1	-
RM700,001 - RM750,000	-	1
RM800,001 - RM850,000	-	1
RM900,001 - RM950,000	1	-
Non-executive directors:		
RM1 - RM50,000	4	5
RM50,001 - RM100,000	2	2
RM100,001 - RM150,000	2	2
RM150,001 - RM200,000	2	2

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were prepared, the directors took reasonable steps:

(a) 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 had satisfied themselves that all known bad debts had been written off and the adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realise in the ordinary course of business including the values of current assets as shown in accounting records of the Group and the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

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

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate; or

OTHER STATUTORY INFORMATION (CONTINUED)

At the date of this report, the directors are not aware of any circumstances: (continued)

(d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

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

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

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

In the opinion of the directors:

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 in the opinion of the directors, will or may substantially affect the ability of the Group and the Company to meet its obligations as and when they fall due.

In the opinion of the directors, 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 and the Company for the financial period in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company are amounted to RM240,000 and RM55,000 (2023: RM238,349 and RM50,000) during the financial year.

SIGNIFICANT EVENT DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant event during and subsequent to the end of the financial year are disclosed in Note 33 to the financial statements.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 17 to the financial statements.

AUDITORS

The auditors, CHENGCO PLT, have expressed their willingness to continue in office.

Signed on behalf of the board of directors in accordance with a resolution of the directors,

…………………………………
HOO SWEE GUAN
Director

…………………………………
WONG KOK SEONG
Director

Date: 15 July 2024

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of The Companies ACT, 2016

We, **HOO SWEE GUAN** and **WONG KOK SEONG**, being the two of the directors of FITTERS DIVERSIFIED BERHAD, do hereby state that in opinion of directors, the financial statements as set out on pages 81 to 210, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 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 March 2024 and of its financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the board of directors in accordance with a resolution of the directors,

……………………………..……	………………………..…………
HOO SWEE GUAN	**WONG KOK SEONG**
Director	Director

Kuala Lumpur,
Date: 15 July 2024

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of The Companies ACT, 2016

I, **CHONG WEI WEI**, being the officer primarily responsible for the financial management of FITTERS DIVERSIFIED BERHAD, do solemnly and sincerely declare that the financial statements of the Group and of the Company as set out on pages 81 to 210, are to the best of my knowledge and belief, 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 at)
)
on this 15 July 2024)

Before me,

………………………………
CHONG WEI WEI
Group Head of Finance

Samuel John A/L Ponniah
B437
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
To the member of FITTERS Diversified Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FITTERS DIVERSIFIED BERHAD, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statement of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 81 to 210.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

1. Impairment of trade receivables

The Group's trade receivables amounting to RM49 million, representing approximately 14% of the Group's total current assets as at 31 March 2024.

The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.

In addressing this, we have involved the group auditors in performing, amongst others, the following audit procedures:

- We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures;
- We assessed the recoverability of trade receivables by checking past payment trend and assessing the receipts during the financial year and subsequent to year end collections;
- We have reviewed the appropriateness of the disclosures made in the financial statements.

2. Revenue

The Group's construction revenue for the financial year ended 31 March 2024 amounted to RM83 million, which representing 29% of total group's revenue.

The revenue recognition involved the judgments made by director in determining the performance obligation, extent of the construction costs incurred, estimated total construction contracts revenue and costs, and recoverability of the contract projects.

In addressing this, we have involved the group auditors in performing, amongst others, the following audit procedures:

- We have considered and reviewed the compliance on the revenue recognition criteria as stated in MFRS 15: Revenue from Contracts with Customers;
- We have discussed with management, understanding of the terms and condition of contracts with customers, understanding of Group's process in preparing projects budgets and calculation of the revenue and cost recognition, assessing the computed stage of completion for identified projects against architect or consultant certificate, and checking the mathematical computation of recognised revenue for the project during the financial year.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information include in the directors' and annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the directors' report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and of the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Company to express an opinion on the financial statements of the Group and of the Company. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Report on the Audit of the Financial Statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Section 266(2)(c) of Companies Act, 2016 in Malaysia, we also report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 17 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF 0886
Chartered Accountants

YAP PENG BOON
02118/12/2024 J
Chartered Accountant

Kuala Lumpur,
Date: 15 July 2024

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 March 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	5	285,889	414,912	-	-
Cost of sales	6	(255,625)	(382,772)	-	-
Gross profit		30,264	32,140	-	-
Other income	7	8,620	3,852	6,508	5,687
Administrative expenses		(37,235)	(87,042)	(20,062)	(54,145)
Net impairment losses of financial assets		(10,664)	(12,063)	5,623	-
Operating loss		(9,015)	(63,113)	(7,931)	(48,458)
Finance costs	8	(1,499)	(1,750)	(619)	(979)
Loss before tax	9	(10,514)	(64,863)	(8,550)	(49,437)
Taxation	11	(1,747)	(2,258)	(592)	(882)
Loss for the financial year from continuing operations		(12,261)	(67,121)	(9,142)	(50,319)
Loss for the financial year from discontinued operation, net of tax		(4,163)	(2,004)	-	-
Loss for the financial year		(16,424)	(69,125)	(9,142)	(50,319)
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Revaluation gain on land and building		187	-	-	-
Exchange differences on translation of foreign operations		57	71	-	-
Other comprehensive income for the financial year		244	71	-	-
Total comprehensive loss for the financial year		(16,180)	(69,054)	(9,142)	(50,319)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

		Group		Company	
		2024	**2023**	**2024**	**2023**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Loss attributable to:					
Owners of the Company		(16,498)	(67,832)	(9,142)	(50,319)
Non-controlling interests		74	(1,293)	-	-
		(16,424)	(69,125)	(9,142)	(50,319)
Total comprehensive loss attributable to:					
Owners of the Company		(16,254)	(67,761)	(9,142)	(50,319)
Non-controlling interests		74	(1,293)	-	-
		(16,180)	(69,054)	(9,142)	(50,319)
Basic loss per share (sen):	12(a)	(0.70)	(11.16)		
Diluted loss per share (sen):	12(b)	-	-		

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION
As at 31 March 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	115,650	125,795	16,082	15,116
Investment properties	14	2,335	2,397	-	-
Right-of-use assets	15	5,913	5,473	-	-
Intangible assets	16	4,360	4,360	-	-
Investment in subsidiaries	17	-	-	235,814	235,814
Other investments	18	105	105	-	-
Deferred tax assets	19	171	205	-	-
Total non-current assets		128,534	138,335	251,896	250,930
Current assets					
Inventories	21	83,649	85,111	-	-
Current tax assets		1,594	3,050	-	276
Trade and other receivables	20	82,434	75,965	39,241	24,691
Contract assets	22	21,527	15,529	-	-
Other investments	18	1	1	-	-
Cash and short-term deposits	23	150,675	132,026	107,396	99,456
		339,880	311,682	146,637	124,423
Assets of a disposal group classified as held for sale		15,000	54,363	-	21,673
Total current assets		354,880	366,045	146,637	146,096
TOTAL ASSETS		483,414	504,380	398,533	397,026

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION (CONT'D)

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	24(a)	368,220	262,157	368,220	262,157
Treasury shares	24(b)	(3,912)	(3,912)	(3,912)	(3,912)
Other reserves	25	39,821	35,808	15,004	8,107
Retained earnings		(12,452)	4,034	(33,346)	(24,204)
		391,677	298,087	345,966	242,148
Non-controlling interests	17	53	353	-	-
TOTAL EQUITY		391,730	298,440	345,966	242,148
Non-current liabilities					
Deferred tax liabilities	19	3,965	4,936	1,307	2,046
Loans and borrowings	26	1,021	1,493	-	750
Total non-current liabilities		4,986	6,429	1,307	2,796
Current liabilities					
Loans and borrowings	26	25,785	44,312	9,466	24,898
Current tax liabilities		1,448	2	1,133	-
Trade and other payables	27	42,477	140,743	40,661	127,184
Contract liabilities	22	16,988	12,142	-	-
		86,698	197,199	51,260	152,082
Liabilities of a disposal group classified as held for sale		-	2,312	-	-
Total current liabilities		86,698	199,511	51,260	152,082
TOTAL LIABILITIES		91,684	205,940	52,567	154,878
TOTAL EQUITY AND LIABILITIES		483,414	504,380	398,533	397,026

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 March 2024

	Note	|---------- Attributable to owners of the Company							----------|		
		Share capital RM'000	Revaluation reserve RM'000	Capital reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group											
At 1 April 2022		262,157	33,839	1,360	-	551	(3,912)	71,853	365,848	6,331	372,179
Realisation of revaluation reserve		-	(13)	-	-	-	-	13	-	-	-
Total comprehensive loss		-	-	-	-	71	-	(67,832)	(67,761)	(1,293)	(69,054)
Transactions with owners:											
Adjustment for disposal of subsidiary		-	-	-	-	-	-	-	-	(4,685)	(4,685)
At 31 March 2023 and 1 April 2023		262,157	33,826	1,360	-	622	(3,912)	4,034	298,087	353	298,440
Realisation of revaluation reserve		-	(1,961)	-	-	-	-	12	(1,949)	-	(1,949)
Total comprehensive loss		-	140	-	-	57	-	(16,498)	(16,301)	74	(16,227)
Dividend paid		-	-	-	-	-	-	-	-	(374)	(374)
Transactions with owners:											
Adjustment for disposal of subsidiary		-	-	-	-	-	-	-	-	-	-
Right Issue of shares		112,665	-	-	-	-	-	-	112,665	-	112,665
Warrant		(5,777)	-	-	5,777	-	-	-	-	-	-
Share issuance expenses		(825)	-	-	-	-	-	-	(825)	-	(825)
At 31 March 2024		368,220	32,005	1,360	5,777	679	(3,912)	(12,452)	391,677	53	391,730

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

	Note	Share capital RM'000	Revaluation reserve RM'000	Capital reserve RM'000	Warrant reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
		|-------- Attributable to owners of the Company --------|						
Company								
At 1 April 2022		262,157	8,107	-	-	(3,912)	26,115	292,467
Total comprehensive income		-	-	-	-	-	(50,319)	(50,319)
Transactions with owners:								
At 31 March 2023 and 1 April 2023		262,157	8,107	-	-	(3,912)	(24,204)	242,148
Realisation of revaluation reserve		-	1,120	-	-	-	-	1,120
Total comprehensive income		-	-	-	-	-	(9,142)	(9,142)
Transactions with owners:								
Right Issue of shares		112,665	-	-	-	-	-	112,665
Warrant		(5,777)	-	-	5,777	-	-	-
Share issuance expenses		(825)	-	-	-	-	-	(825)
As at 31 March 2024		368,220	9,227	-	5,777	(3,912)	(33,346)	345,966

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 March 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash flows from operating activities					
Loss before tax		(10,514)	(64,863)	(8,550)	(49,437)
Loss for the financial year from discontinued operation		(4,163)	(1,317)	-	-
Adjustments for:					
Amortisation of intangible assets		-	39	-	-
Depreciation of:					
- property, plant and equipments		5,627	8,551	192	203
- investment properties	14	62	61	-	507
- right-of-use assets	15(a)	845	779	-	-
Finance costs	8	1,499	1,750	619	979
(Gain)/ loss on disposal of:					
- property, plant and equipment		-	(44)	-	-
- right-of-use assets		(25)	-	-	-
- other investment		-	28,391	-	-
- subsidiaries		2,335	3,211	-	40,500
- land		1,937	-	-	-
- asset held for disposal		5,495	-	-	-
Interest income	7	(4,335)	(1,038)	3,042	(3)
Other receivables written off	21(b)	-	10,063	-	10,063
Reversal of impairment losses on trade receivables	20(a)	(17)	(370)	-	-
Written off of provision for provision for doubtful debts	20(a)	(5)	-	-	-
Impairment losses on trade receivables	20(a)	3,526	2,370	-	-
Impairment losses on inventories		-	27,783	-	-
Property, plant and equipments written off	9	26	-	-	-
Gain from revaluation of property, plant and equipment		-	-	(1,120)	-
Reversal of revaluation of land		(272)	-	-	-
Operating (loss)/profit before changes					

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Operating profit/(loss) before changes in working capital, brought forward		2,021	15,366	(9,478)	2,812
Construction contracts		(1,152)	(6,892)	-	-
Inventories		1,462	(1,890)	-	-
Trade and other receivables		1,227	9,594	7,123	(4,371)
Trade and other payables		(100,578)	113,692	(86,523)	103,022
Subsidiaries		-	-	-	(1,456)
Net cash flows generated from/ (used in) operations		(97,020)	129,870	(88,878)	100,007
Interest paid		(1,499)	(26)		(818)
Income tax refunded		2,638	-	1,409	-
Income tax paid		(2,196)	(2,924)	-	(843)
Net cash flows generated from/ (used in) operating activities		(98,077)	126,920	(87,469)	98,346
Cash flows from investing activities					
Interest received		4,335	1,038	-	3
Proceeds from disposal of					
- property, plant and equipment		335	44	-	-
- right-of-use assets		135	-	-	-
- investment in associated company		21,000	-	-	-
- subsidiary		2,762	8,619	-	9,000
- other investment		-	29,247	-	-
Purchase of:					
- property, plant and equipment	(a)	(3,055)	(3,288)	(38)	(16)
- right-of-use assets	(a)	(1,413)	(673)	-	-
- other investment			(57,638)	-	-
- subsidiary		-	-	-	(50)
Change in pledged deposits		(374)	-	-	-
Net cash from/(used in) investing activities		23,725	(22,651)	(38)	8,937

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities					
Interest paid			(1,724)		(161)
Purchase of treasury shares		-	-	-	-
Proceeds from issuance of shares		112,665	-	112,932	-
Proceeds from private placement of shares	25(c)	-	-	-	-
Share issuance expenses	25	(825)	-	-	-
Net drawdown/(repayment) of:					
- lease liabilities	(b)	(1,263)	(907)	-	-
- term loans	(b)	(6,187)	(18,433)	(16,182)	(1,525)
- revolving credits and bankers' acceptance	(b)	(10,402)	(11,955)	-	(6,500)
Net cash (used in)/from financing activities		93,988	(33,019)	96,750	(8,186)
Net increase/(decrease) in cash and cash equivalents		19,636	71,250	9,243	99,097
Effect of exchange translation differences		57	71		-
Cash and cash equivalents at beginning of the financial year/period		130,509	58,188	98,153	(944)
Cash and cash equivalents at end of the financial year/period	24	150,202	129,509	107,396	98,153

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

(a) Purchase of property, plant and equipment and right-of-use assets

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Purchase of:				
- property, plant and equipment	3,055	3,288	38	16
- right-of-use assets	1,413	3,167	-	-
Finance by way of lease arrangements	(1,134)	(2,494)	-	-
Cash payments on purchase of property, plant and equipment, investment property and right of use asset	3,334	3,961	38	16

Cash **Non-cash**

(b) Reconciliation of liabilities arising from financing activities

	At 1 April RM'000	Cash flows RM'000	Non-cash changes RM'000	At 31 March RM'000
Group				
2024				
Lease liabilities	3,029	(1,263)	-	1,766
Term loans	6,552	(6,187)	-	365
Revolving credits and bankers' acceptance	34,604	(10,402)	-	24,202
	44,185	(17,852)	-	26,333
2023				
Lease liabilities	866	(907)	3,070	3,029
Term loans	27,771	(18,433)	(2,786)	6,552
Revolving credits and bankers' acceptance	46,559	(11,955)	-	34,604
	75,196	(31,295)	284	44,185

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS (CONT'D)

(b) Reconciliation of liabilities arising from financing activities (continued)

	At 1 April RM'000	Cash flows RM'000	Acquisition RM'000	At 31 March RM'000
Company				
2024				
Term loans	1,500	(500)	-	1,000
Revolving credits	22,845	(14,379)	-	8,466
	24,345	(14,879)	-	9,466
2023				
Term loans	3,025	(1,525)	-	1,500
Revolving credits	29,345	(6,500)	-	22,845
	32,370	(8,025)	-	24,345

(c) Total cash outflows for leases as a lessee

During the financial year, the Group had total cash outflows for leases of RM1,263,000 (2023: RM1,004,000).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2024

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at No. 1, Jalan Tembaga SD 5/2, Bandar Sri Damansara, 52200 Kuala Lumpur and registered office of the Company is located at Third Floor, No.77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

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 17 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 15 July 2024.

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

2.1 Basis of measurement

The financial statements, which are presented in Ringgit Malaysia (“RM”), have been prepared under the historical cost except as disclosed in the accounting policies below.

2.2 Adoption of new and amended standards

The Group and the Company has adopted the following MFRS and Interpretations (collectively referred to as “MFRSs’), issued by the Malaysian Accounting Standards Board (“MASB”) and effective for the financial years beginning on or after 1 January 2023:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 101, Presentation of Financial Statements - Disclosures of Accounting Estimates
- Amendments to MFRS 112, Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

2. BASIS OF PREPARATION (CONTINUED)

2.3 Standards issued but not yet effective

The Company has not adopted the following standards that have been issued as at the reporting date but are not yet effective:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Non-current Liabilities and Covenants
- Amendments to MFRS 107 and MFRS 7, Supplier Finance Arrangements
- Amendments to MFRS 101, Classification of Liabilities as Current or Non Current

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, Lack of Exchangeability

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10 and MFRS 128, Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2.4 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 they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

Subsidiaries are entities (including structure entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

The accounting policy for goodwill is set out in Note 3.10(a) to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statements of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates is accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates is initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation (continued)

(d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.14(b) to the financial statements.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign currency transactions and operations (continued)

(a) Translation of foreign currency transactions (continued)

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates that do not result in the Group losing significant influence, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Revenue and other income

The Group and the Company recognised revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and of the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group and the Company measure revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the expected costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Revenue and other income (continued)

(a) Sale of goods

The Group measures revenue from sale of good at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as sales and service tax, adjusted for the effects of any variable consideration.

Revenue from sale of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term range of 30 to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Revenue is recognised based on the price specified in the contract.

(b) Property development

The Group develops and sell residential properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin.

Revenue from residential properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as the Group's performance do not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Revenue and other income (continued)

(b) Property development (continued)

Revenue from completed properties are recognised at a point in time when the control of the asset is transferred to the customer.

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

Based on the Group's customary business practice, the customers' legal fees are borned by the Group. Revenue is recognised based on the transaction price agreed in the contracts, net of the customers' legal fees. The Group uses its experience in estimating the legal fees to be incurred The Group uses the expected value method because it is the method that the Group expects to better predict the amount of consideration to which they will be entitled. The amount of revenue recognised does not include any customers' legal fees which is constrained.

For residential properties, as part of the statutory requirements, the Group's obligations to repair and made good of any defect, shrinkage or other faults in the building or in the common property which have become apparent within a period of 24 months after the customer takes vacant possession of the building.

(c) Construction contracts

Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.4 Revenue and other income (continued)

(c) Construction contracts (continued)

Sales are made with a credit term of 30 to 60 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group become entitled to invoice customers for construction contracts based on achieving a series of performance-related milestones.

The Group recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

(d) Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Dividend income

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

(g) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

(h) Management fees

Management fees are recognised over time as services are rendered based on time elapsed.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial year.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 the benefit of part or all of that 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.5 Income tax (continued)

(b) Deferred tax (continued)

Deferred tax is measured at the tax rates that are expected to apply in the period 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.

Where freehold land, long term leasehold land and buildings are carried at fair value in accordance with the accounting policy as disclosed in Note 3.5 and Note 3.6 to the financial statements, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

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.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) Sales and services tax

Revenues, expenses and assets are recognised net of amount of sales and services tax ("SST") except:

- where the SST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of SST included.

The net amount of SST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments

Financial instruments 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.

Except for the trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows: (continued)

(i) Financial assets (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.14(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income ("FVOCI")**

  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.14(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss. The Group and the Company have not designated any financial asset as financial assets at FVOCI.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows (continued):

(i) Financial assets (continued)

Debt instruments (continued)

- **Fair value through profit or loss ("FVPL")**

  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

Equity instruments

Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment. The Group and the Company have not designated any equity instruments designated as FVOCI.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows (continued):

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 *Financial Instruments* are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

<u>Financial liabilities at amortised cost</u>

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

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(b) Financial guarantee contracts (continued)

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive the cash flows from the financial asset expire; or

(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.6 Financial instruments (continued)

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.7 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 Company and the cost of the item can be measured reliably.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b) to the financial statements. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise 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 and buildings are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation and any accumulated impairment recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold land and buildings do not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.7 Property, plant and equipment (continued)

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	50 years
Plant, equipment and machineries	5 - 25 years
Motor vehicles	5 years
Tools and office equipment	3 - 10 years
Furniture and fittings	10 years
Renovations	10 years

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 values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted prospectively, if applicable.

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 arising on derecognition of the asset is recognised in profit or loss.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

<u>Right-of-use asset</u>

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b) to the financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Leases (continued)

(b) Lessee accounting (continued)

Right-of-use asset (continued)

Long term leasehold land is measured at fair value, based on valuations by external independent valuers, less accumulated depreciation and any accumulated impairment recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the long term leasehold land does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.8 Leases (continued)

(b) Lessee accounting (continued)

Lease liability (continued)

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.8(b), then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.9 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

The Group and the Company use the cost model to measure its investment properties after initial recognition. Accordingly, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b) to the financial statements.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.18 to the financial statements.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follow:

Buildings	50 years
Long term leasehold land	91 years

An investment property is derecognised on their disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use.

3.10 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initially recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b) to the financial statements.

(b) Computer software

Computer software that are acquired by the Group, which has finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b) to the financial statements.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.10 Goodwill and other intangible assets (continued)

(c) Other intangible assets

Intangible assets acquired separately are measured initially at cost.

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.

3.11 Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a first-in first-out basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.11 Inventories (continued)

Property under development

Cost includes:

- freehold and leasehold rights for land
- amounts paid to contractors for construction
- borrowing costs, planning and design costs, costs for site preparation, statutory contribution, professional fees for legal services, property transfer taxes, construction overheads and other related costs

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

3.12 Contract assets/(liabilities)

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance).

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(a) to the financial statements.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer.

3.13 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

3.14 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, lease receivables, contract assets, and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.14 Impairment of assets (continued)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows 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 or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced 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 were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, 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. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. 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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.15 Share capital

(a) Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(b) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable transaction costs are classified as treasury shares and presented as a deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

3.16 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

(c) Employee share option plans

Employees of the Group and of the Company 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 and the Company'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.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.16 Employee benefits (continued)

(c) Employee share option plans (continued)

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.

3.17 Provisions

Provisions are recognised when the Group and the Company have 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.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

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.

3.18 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.18 Borrowing costs (continued)

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

3.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The management of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.21 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value hierarchy during the financial year.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.22 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 and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

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

3.23 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as part of contract costs when the Group expects those costs are recoverable.

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories*, MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets*, are recognised as part of contract costs when all of the following criteria are met:

(i) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
(ii) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
(iii) the costs are expected to be recovered.

(b) Amortisation

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors.*

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

3.23 Contract costs

(c) Impairment

Impairment loss are recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

(i) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
(ii) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Construction revenue (Note 5 and 22)

The Group recognised construction revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that construction costs incurred for work performed to date bear to the estimated total construction costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the construction costs incurred, the estimated total construction revenue, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(b) Impairment of property, plant and equipment (Note 13)

The Group assesses impairment of property, plant and equipment whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less costs of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Group uses its judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial positions and results if the actual cash flows are less than the expected.

(c) Impairment of goodwill and licenses (Note 16(b))

Goodwill and licenses are tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than the expected.

(d) Impairment in investment in a subsidiary (Note 17)

The Company determines whether there is any indication of impairment in investment in a subsidiary. If any of such indication exist, the Company makes an estimate of the recoverable amount of the investment in a subsidiary.

The recoverable amount of investment in a subsidiary was determined based on value-in-use which involves exercise of significant judgement on the discount rates applied and the assumptions supporting the underlying cash flow projections which include future revenue, gross profit margin and operating expenses.

(e) Impairment of trade and other receivables (Note 20)

The impairment provisions for trade and other receivables are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(e) Impairment of trade and other receivables (Note 20) (cont'd)

The Group uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are depending on the number of days that a trade receivable is past due. The Group uses the grouping according to the customer segments that have similar loss patterns. The criteria include product type, customer type and rating.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions over the expected lives of the financial assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(f) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates

(g) Measurement of income taxes

Significant judgement is required in determining the Group's provision for current and deferred taxes because the ultimate tax liability for the Group is uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amount might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the financial period when such determination is made. The Group will adjust for the differences as over- or under- provision of current or deferred taxes in the current financial period in which those differences arise.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(h) Useful lives of property, plant and equipment, right of use assets and investment properties

The Group regularly reviews the estimated useful lives of property, plant and equipment, ROU assets and investment properties based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, ROU assets and investment properties would increase the recorded depreciation and decrease the value of property, plant and equipment, ROU assets and investment properties. The carrying amount at the reporting date for the property, plant and equipment, ROU assets and investment properties are disclosed in Notes 13, 14 and 15 respectively.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. REVENUE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Revenue from contract customers:				
Sale of fire-fighting equipment	28,243	19,956	-	-
Sale of palm oil	164,557	277,434	-	-
Rendering of services	6,225	6,313	-	-
Construction contract revenue	83,211	107,146	-	-
Renewable energy	3,653	4,063	-	-
	285,889	414,912	-	-

(a) Disaggregation of revenue

The Group reports the following major segments: fire services, property development and construction, renewable and waste-to-energy and green palm oil mill and investment holding and others in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into major goods or services and timing of revenue recognition.

5. REVENUE (CONTINUED)

(a) Disaggregation of revenue (continued)

	Fire services division RM'000	Property development and construction RM'000	Renewable and waste-to-energy and green palm oil mill RM'000	Total RM'000
Group				
2024				
Major goods or services				
Fire materials and equipment	28,243	-	-	28,243
Palm oil	-	-	164,557	164,557
Rendering of services	2,175	4,050	-	6,225
Construction contract services	68,379	14,832	-	83,211
Renewable energy	-	-	3,653	3,653
	98,797	18,882	168,210	285,889
Timing of revenue recognition:				
At a point in time	28,243	-	168,210	196,453
Over time	70,554	18,882	-	89,436
	98,797	18,882	168,210	285,889

5. REVENUE (CONTINUED)

(a) Disaggregation of revenue (continued)

Group 2023	Fire services division RM'000	Property development and construction RM'000	Renewable and waste-to-energy and green palm oil mill RM'000	Total RM'000
Major goods or services				
Fire materials and equipment	19,956	-	-	19,956
Palm oil	-	-	277,434	277,434
Rendering of services	2,142	4,171	-	6,313
Construction contract services	62,948	44,198	-	107,146
Renewable energy	-	-	4,063	4,063
	85,046	48,369	281,497	414,912
Timing of revenue recognition:				
At a point in time	19,956	-	281,497	301,453
Over time	65,090	48,369	-	113,459
	85,046	48,369	281,497	414,912

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. REVENUE (CONTINUED)

(b) Transaction price allocated to the remaining performance obligations

As of 31 March 2024, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM 144,483,356 (2023: RM143,390,925) and the entity will recognise this revenue as the construction project is completed, which is expected to occur over the next 12 to 18 months (2023: 12 to 18 months).

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

6. COST OF SALES

	Group	
	2024 RM'000	2023 RM'000
Cost of fire-fighting equipment sold	19,885	15,543
Cost of palm oil sold	158,880	269,585
Cost of services rendered	2,774	1,242
Construction contract costs	71,367	93,232
Cost of renewable energy	2,719	3,170
	255,625	382,772

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. OTHER INCOME

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

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Administrative fee from subsidiaries	-	-	2,022	2,134
Administrative fee	420	80	22	80
Foreign exchange gain:				
- realised		34	-	-
Interest income	4,335	1,038	3,072	3
Gain on disposal of property, plant and equipment	-	44	-	-
Reversal of impariment losses on trade receivables	17	370	-	-
Rental income	706	1,638	1,392	3,470
Forfeiture of deposit received	2,900	-	-	-
Miscellaneous income	242	-	-	-
	8,620	3,204	6,508	5,687

8. FINANCE COSTS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
- bankers' acceptances	517	418	-	-
- bank overdrafts	14	26	-	-
- lease liabilities	178	68	-	-
- revolving credits	560	818	560	818
- term loans	230	420	59	161
Total finance costs	1,499	1,750	619	979

9. LOSS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following amounts have been included in arriving at loss before taxation:

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:					
- statutory audits		240	238	55	50
- under provision in prior year		3	5	-	-
- non statutory audits		5	8	5	8
Amortisation of intangible assets		-	39	-	-
Depreciation of:					
- property, plant and equipment	13	5,627	8,551	192	203
- investment properties	14	62	61	-	507
- right-of-use assets	15(a)	845	779	-	-
Employee benefits expenses	10	19,037	15,542	2,565	1,854
Impairment losses on trade receivables	20(a)	3,426	2,370	-	-
Impairment losses on inventory		-	27,783	-	-
Impairment losses on term deposits	23	7,241	-	5,623	-
Loss on disposal of other investments		-	28,391	-	-
Loss on disposal of subsidiary		2,335	-	-	40,500
Loss on disposal of land		1,937	-	-	-
Other receivables written off	20	-	10,063	-	10,063
Property, plant and equipments written off	13	26	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages and salaries	16,269	12,868	2,038	1,113
Social security contributions	212	176	17	12
Contributions to defined contribution plan	1,737	1,784	315	385
Other benefits	819	714	195	344
	19,037	15,542	2,565	1,854

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM2,769,000 and RM901,000 (2023: RM3,384,000 and RM1,562,000) respectively.

11. TAXATION

The major components of taxation are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysian income tax:				
- Current year	2,588	1,917	1,334	622
- (Over)/Underprovision in prior year	(129)	283	(3)	262
	2,459	2,200	1,331	884
Malaysian income tax:				
Deferred tax:				
- Current year	(712)	58	(739)	(2)
Income tax recognised in profit or loss	1,747	2,258	592	882

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

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

11. TAXATION (CONTINUED)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Loss before tax	(10,514)	(64,863)	(8,550)	(49,437)
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	(2,523)	(15,567)	(2,052)	(11,865)
Expenses not deductible for tax purposes	7,030	11,247	3,394	12,485
Income not subject to tax	(166)	62		-
Crystallisation of deferred tax liabilities arising from revaluation	(713)	-	(739)	-
Deferred tax assets not recognised	625	6,836	(8)	-
Under provision of income tax in prior years	(129)	283	(3)	262
Utilisation of previous year unabsorbed tax lossess	(1,569)	(352)	-	-
Utilisation of previous year unabsorbed capital allowances	(808)	(251)	-	-
Income tax expense for the financial year/period	1,747	2,258	592	882

11. TAXATION (CONTINUED)

The amounts of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	Group	
	2024	**2023**
	RM'000	**RM'000**
Unused tax losses	50,599	52,767
Other taxable temporary differences:		
Property, plant and equipment	10,328	6,602
Revaluation reserve	(3,421)	(1,493)
Provisions		-
	57,506	57,876
Potential deferred tax assets at 24% (2023: 24%)	13,801	13,890

Any unutilised business losses brought forward from year of assessment 2023 can be carried forward for another 10 consecutive years of assessment.

The unutilised tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group	
	2024	**2023**
	RM'000	**RM'000**
2025	5,580	5,168
2026	6,984	6,984
2027	2,616	2,616
2028	1,967	1,967
2029	153	153
2030	1,435	1,435
2031	1,471	1,471
2032	2,454	2,454
2033	27,939	30,519
	50,599	52,767

12. LOSS PER SHARE

(a) Basic loss per ordinary share

Basic loss per share are based on the loss for the financial year/period attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year/period, calculated as follows:

	Group	
	2024 RM'000	2023 RM'000
Loss attributable to owners of the Company:	(16,498)	(67,832)
Weighted average number of ordinary shares for basic earning per share (unit '000)	2,354,109	607,983
Basic loss per ordinary share (sen)	(0.70)	(11.16)

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements.

(b) Diluted loss per ordinary share

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

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land at valuation RM'000	Buildings at valuation RM'000	Plant, equipment and machineries RM'000	Motor vehicles RM'000	Tools and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Group									
Cost, unless otherwise stated:									
At 1 April 2023	37,700	10,179	108,555	5,210	3,105	411	466	5,308	170,934
Additions	-	-	2,129	659	253	14	-	-	3,055
Disposals	-	-	(51)	(1,025)	-	-	-	-	(1,076)
Write off	-	-	(37)	-	(1)	-	-	-	(38)
Reclassification from right-of-use asset	-	-	510	97	-	-	-	-	607
Transfer to disposal group classified as held for sale	(15,000)	7,705	-	-	-	-	-	-	(7,295)
Revaluation deficit	(1,250)	(900)	-	-	-	-	-	-	(2,150)
At 31 March 2024	21,450	16,984	111,106	4,941	3,357	425	466	5,308	164,037

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land at valuation RM'000	Buildings at valuation RM'000	Plant, equipment and machineries RM'000	Motor vehicles RM'000	Tools and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Group (continued)									
Accumulated depreciation and impairment losses									
At 1 April 2023	546	1,322	31,471	2,622	3,065	376	429	5,308	45,139
Depreciation for the financial year	-	599	4,150	720	142	8	8	-	5,627
Disposals	-	(52)	(18)	(869)	-	-	-	-	(939)
Write off	-	-	(11)	-	(1)	-	-	-	(12)
Reclassification from right-of-use asset	-	-	56	97	-	-	-	-	153
Elimination of accumulated depreciation on revaluation	(546)	(1,355)	-	-	-	-	-	-	(1,901)
Transfer to disposal group classified as held for sale	-	320	-	-	-	-	-	-	320
At 31 March 2024	-	834	35,648	2,570	3,206	384	437	5,308	48,387
Net carrying amount									
At 31 March 2024	21,450	16,150	75,458	2,371	151	41	29	-	115,650

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land at valuation RM'000	Buildings at valuation RM'000	Plant, equipment and machineries RM'000	Motor vehicles RM'000	Tools and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Group (continued)									
Cost, unless otherwise stated:									
At 1 April 2022	38,460	42,976	181,218	2,503	4,186	762	466	5,308	275,879
Additions	-	-	276	2,845	150	17	-	-	3,288
Disposals	-	-	-	(130)	-	-	-	-	(130)
Write off	-	-	-	-	(11)	-	-	-	(11)
Reclassification from right-of-use asset	-	-	1,572	151	-	-	-	-	1,723
Arising from disposal of subsidiary company	-	-	(51,900)	(159)	(1,210)	(352)	-	-	(53,621)
Transfer to disposal group classified as held for sale	(760)	(32,797)	(22,611)	-	(10)	(16)	-	-	(56,194)
At 31 March 2023	37,700	10,179	108,555	5,210	3,105	411	466	5,308	170,934

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land at valuation RM'000	Buildings at valuation RM'000	Plant, equipment and machineries RM'000	Motor vehicles RM'000	Tools and office equipment RM'000	Furniture and fittings RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Group (continued)									
Accumulated depreciation and impairment losses									
At 1 April 2022	-	5,123	55,156	2,376	3,827	619	419	5,308	72,828
Depreciation for the financial year	546	578	6,918	304	169	26	10	-	8,551
Disposals	-	-	-	(130)	-	-	-	-	(130)
Write off	-	-	-	-	(11)	-	-	-	(11)
Reclassification from right-of-use asset	-	-	361	231	-	-	-	-	592
Arising from disposal of subsidiary company	-	-	(24,031)	(159)	(917)	(265)	-	-	(25,372)
Transfer to disposal group classified as held for sale	-	(4,379)	(6,933)	-	(3)	(4)	-	-	(11,319)
At 31 March 2023	546	1,322	31,471	2,622	3,065	376	429	5,308	45,139
Net carrying amount									
At 31 March 2023	37,154	8,857	77,084	2,588	40	35	37	-	125,795

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land at valuation RM'000	Building at valuation RM'000	Motor vehicles RM'000	Tools and office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Company						
Cost, unless otherwise stated:						
At 1 April 2023	7,500	8,500	840	473	340	17,653
Additions	-	-	-	38	-	38
Disposals	-	-	(840)	-	-	(840)
At 31 March 2024	7,500	8,500	-	511	340	16,851
Accumulated depreciation impairment losses						
At 1 April 2023	-	960	840	398	339	2,537
Depreciation for the financial year	-	160	-	32	-	192
Disposals	-	-	(840)	-	-	(840)
Elimination of accumulated depreciation on revaluation	-	(1,120)	-	-	-	(1,120)
At 31 March 2024	-	-	-	430	339	769
Net carrying amount						
At 31 March 2024	7,500	8,500	-	81	1	16,082

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Freehold land at valuation RM'000	Building at valuation RM'000	Motor vehicles RM'000	Tools and office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Company (continued)						
Cost, unless otherwise stated:						
At 1 April 2022	7,500	8,500	840	457	340	17,637
Additions	-	-	-	16	-	16
At 31 March 2023	7,500	8,500	840	473	340	17,653
Accumulated depreciation impairment losses						
At 1 April 2022	-	790	840	365	339	2,334
Depreciation for the financial year	-	170	-	33	-	203
At 31 March 2023	-	960	840	398	339	2,537
Net carrying amount						
At 31 March 2023	7,500	7,540	-	75	1	15,116

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) The property, plant and equipment of the Group and of the Company stated at valuation are based on independent professional valuation carried out on an open market basis.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amount would have been as follows:

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
Cost			
At 1 April 2023 and 31 March 2024	8,472	30,420	38,892
Accumulated depreciation			
At 1 April 2023	-	8,162	8,162
Depreciation for the financial year	-	608	608
At 31 March 2024	-	8,770	8,770
Net carrying amount			
At 31 March 2024	8,472	21,650	30,122
Cost			
At 1 April 2022 and 31 March 2023	8,472	30,420	38,892
Accumulated depreciation			
At 1 April 2022	-	7,554	7,554
Depreciation for the financial year	-	608	608
At 31 March 2023	-	8,162	8,162
Net carrying amount			
At 31 March 2023	8,472	22,258	30,730

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Had the revalued assets been carried at cost less accumulated depreciation, the carrying amount would have been as follows: (continued)

	Freehold land RM'000	Buildings RM'000	Total RM'000
Company			
2024			
Cost	622	7,937	8,559
Accumulated depreciation	-	(6,529)	(6,529)
Carrying amount	622	1,408	2,030
2023			
Cost	622	7,937	8,559
Accumulated depreciation	-	(6,132)	(6,132)
Carrying amount	622	1,805	2,427

(b) Fair value information

Fair value of the land and buildings are categorised under Level 1 of fair value. Fair value is determined by external, independent property valuers, PA International, CCO & Associates and KGV International having appropriate recognised professional qualifications and recent experience in the location and category of property being valued on 31 March 2024. The valuation method used was combination of Cost and Comparison Method that makes reference to replacement cost of similar assets and recent transactions and sales evidences involving other similar properties in the vicinity. The most significant input to this valuation approach is cost per square feet and price per square feet of comparable properties.

(c) Capital work in progress and impairment loss

The amount included in the capital work in progress of the Group represents the cost of a gasifier plant under construction located in Sendayan, Negeri Sembilan.

The gasifier plant under construction is not ready for its intended use in the previous financial years. Following to challenging economic conditions, the management has reassessed its future economic benefit and determined the recoverable amount to be Nil. Hence, a full impairment loss of RM5,308,000 was recognised in profit or loss under administrative expenses in previous financial year.

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(d) Assets pledged as security

Included in property, plant and equipment of the Group and of the Company are assets pledged to licensed banks to secure credit facilities granted to the Group and the Company as disclosed in Note 27 to the financial statements with the following carrying amounts:

	2024 RM'000	2023 RM'000
Group		
Freehold land	13,500	19,700
Buildings	13,481	36,360
Plant, equipment and machineries	63,807	92,378
	90,788	148,438
Company		
Freehold land	7,500	7,500
Buildings	8,500	7,540
	16,000	15,040

14. INVESTMENT PROPERTIES

	Buildings RM'000	Total RM'000
Group		
Cost		
At 1 April 2022, 31 March 2023, 1 April 2023 and 31 March 2024	3,300	3,300
Accumulated depreciation		
At 1 April 2022	842	842
Depreciation charge for the financial year	61	61
At 31 March 2023 and 1 April 2023	903	903
Depreciation charge for the financial year	62	62
At 31 March 2024	965	965

14. INVESTMENT PROPERTIES (CONTINUED)

	Buildings RM'000	Total RM'000
Group		
Net carrying amount		
At 31 March 2023	2,397	2,397
At 31 March 2024	2,335	2,335

	Buildings RM'000	Total RM'000
Group		
Fair value		
At 31 March 2023	4,213	4,213
At 31 March 2024	4,213	4,213

As at reporting date, titles to investment properties with carrying amount of RM 1,839,000 (2023: RM1,839,000) have yet to be registered in the subsidiaries' name.

	Buildings RM'000	leasehold land RM'000	Total RM'000
Company			
Cost			
At 1 April 2022	17,903	7,402	25,305
Transfer to disposal group classified as held for sale	(17,903)	(7,402)	(25,305)
At 31 March 2023, 1 April 2023 and 31 March 2024	-	-	-
Accumulated depreciation			
At 1 April 2022	2,500	625	3,125
Depreciation charge for the financial year	359	148	507
Transfer to disposal group classified as held for sale	(2,859)	(773)	(3,632)
At 31 March 2023, 1 April 2023 and 31 March 2024	-	-	-
Net carrying amount			
At 31 March 2023	-	-	-
At 31 March 2024	-	-	-

14. INVESTMENT PROPERTIES (CONTINUED)

Company	Buildings RM'000	Long term leasehold land RM'000	Total RM'000
Fair value			
At 31 March 2023	16,000	9,200	25,200
At 31 March 2024	-	-	-

The investment properties of the Group and of the Company comprise of long term leasehold land and building. The rental income earned by the Group and Company from its investment properties amounted to RM16,800 and RM Nil (2023: RM37,200 and RM2,792,160) respectively. Direct operating expenses pertaining to the income generating investment properties during the financial year amounted to, RM26,872 and RM Nil (2023: RM22,284 and RM99,997) respectively.

Fair value information

Fair value of investment properties is categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2024				
Buildings	-	-	4,213	4,213
2023				
Buildings	-	-	4,213	4,213
Company				
2024				
Long term leasehold land	-	-	-	-
Buildings	-	-	-	-
	-	-	-	-
2023				
Long term leasehold land	-	-	9,200	9,200
Buildings	-	-	16,000	16,000
	-	-	25,200	25,200

The fair value on the investment properties of the Group and of the Company, which are determined by the directors of the Company based on sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input in this valuation approach is price per square foot.

14. INVESTMENT PROPERTIES (CONTINUED)

Assets pledged as security

Included in investment properties of the Company are assets pledged to licensed banks to secure credit facilities granted to the Company as disclosed in Note 26 to the financial statements with the following carrying amounts:

	Company	
	2024 RM'000	**2023 RM'000**
Long term leasehold land	-	6,629
Buildings	-	15,044
	-	21,673

15. RIGHT-OF-USE ASSETS

The Group and the Company lease several assets including long term leasehold land, plant, machineries and equipment, buildings and motor vehicles.

Information about leases of the Group and of the Company as lessees are presented below:

	Long term leasehold land at valuation RM'000	**Plant, machineries and equipment RM'000**	**Buildings RM'000**	**Motor vehicles RM'000**	**Total RM'000**
Group					
Cost, unless otherwise stated:					
At 1 April 2022	10,890	2,066	-	841	13,797
Additions	-	2,288	312	567	3,167
Adjustment	-	16	-	(110)	(94)
Reclassification to property, plant and equipment	-	(1,572)	-	(151)	(1,723)
Transfer to disposal group classified as held for sale	(9,200)	-	-	-	(9,200)
Reclassification from lease liability	-	-	576	-	576
At 31 March 2023 and 1 April 2023	1,690	2,798	888	1,147	6,523
Additions	-	572	-	841	1,413
Disposal	-	-	-	(173)	(173)
Reclassification to property, plant and equipment	-	(510)	-	(97)	(607)
Revaluation surplus	436	-	-	-	436
At 31 March 2024	2,126	2,860	888	1,718	7,592

15. RIGHT-OF-USE ASSETS (CONTINUED)

Information about leases of the Group and of the Company as lessees are presented below: (continued)

(a) Lease terms

The Group leases land and building for its office space and operation site. The lease of office space and operation site generally have lease term between 1 to 98 years.

The Group leases plant, machineries and equipment and motor vehicles with lease term between 2 to 6 years and have option to purchase the assets at the end of the contract term.

	Long term leasehold land at valuation RM'000	Plant, machineries and equipment RM'000	Buildings RM'000	Motor vehicles RM'000	Total RM'000
Group (continued)					
Accumulated depreciation					
At 1 April 2022	354	345	-	578	1,277
Depreciation charge for the financial year	109	43	418	209	779
Adjustment	-	16	-	(110)	(94)
Reclassification to property, plant and equipment	-	(361)	-	(231)	(592)
Transfer to disposal group classified as held for sale	(320)	-	-	-	(320)
At 31 March 2023 and 1 April 2023	143	43	418	446	1,050
Depreciation charge for the financial year	34	80	431	300	845
Adjustment	-	-	-	(63)	(63)
Reclassification to property, plant and equipment	-	(56)	-	(97)	(153)
At 31 March 2024	177	67	849	586	1,679
Net carrying amount					
At 31 March 2023	1,547	2,755	470	701	5,473
At 31 March 2024	1,949	2,793	39	1,132	5,913

15. RIGHT-OF-USE ASSETS (CONTINUED)

(b) The right of use assets of the Group stated at valuation are based on independent professional valuation carried out on an open market basis.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amount would have been as follows:

	Long term leasehold land RM'000
Group	
At 1 April 2023	6,723
Depreciation	(130)
At 31 March 2024	6,593
At 1 April 2022	6,853
Depreciation	(130)
At 31 March 2023	6,723

(c) Fair value information

Fair value of the long term leasehold land is categorised under Level 1 of fair value. Fair value is determined by external, independent property valuers, PA International, CCO & Associates and KGV International having appropriate recognised professional qualifications and recent experience in the location and category of property being valued on 31 March 2024. The valuation method used was combination of Cost and Comparison Method that makes reference to replacement cost of similar assets and recent transactions and sales evidence involving other similar properties in the vicinity. The most significant input to this valuation approach is cost per square feet and price per square feet of comparable properties.

(d) Asset pledged as security

The long term leasehold land is pledged to licensed bank as security for credit facilities granted to the Group as disclosed in Note 27 to the financial statements.

16. INTANGIBLE ASSETS

The carrying amount of the intangible assets of the Group are as follows:

		Group	
		2024	2023
	Note	RM'000	RM'000
Computer software	(a)	#	#
Goodwill	(b)	4,360	4,360
License	(c)	-	-
		4,360	4,360

RM1

(a) Computer software

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

(b) Goodwill

Management reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the following Group's cash generating units ("CGU") which are also reportable operating segments, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amounts of goodwill allocated to the CGU are as follows:

	Group	
	2024	2023
	RM'000	RM'000
Malaysia - contracting	4,360	4,360

16. INTANGIBLE ASSETS (CONTINUED)

(c) Impairment testing of goodwill and license

The recoverable amount of CGUs has been determined based on value-in-use calculations using cash flows projection from financial budgets and forecasts approved by management covering a three-to-five-year period. The same method has also been used in the previous financial period.

The key assumptions used for value-in-use calculations are:

	Group	
	2024	**2023**
Gross margin		
Contracting	18%	17%
Growth rate		
Contracting	5%	5%
Discount rate		
Contracting	19%	19%

16. INTANGIBLE ASSETS (CONTINUED)

(c) Impairment testing of goodwill and license (continued)

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

(i) Gross margin

The gross margins are the average gross margins experienced over the last year, adjusted for market and economic conditions and internal resource efficiency based on both external and sources, including accounting for near-term cost impact.

(ii) Growth rate

Growth rate is the forecasted annual growth rate over the three to five year projection period. It is based on weighted average growth rate experienced over the past three to five years, and market outlook over the forecasted years.

The weighted average growth rates used are consistent with the long-term growth rate for the industry. Long term growth rate does not exceed the long-term average growth rates for the industries relevant to the CGU. Cash flows beyond the five-year projection period are extrapolated using the long-term growth rates.

(iii) Discount rate

Discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects management's estimate of the risks specific to the CGU at the date of assessment.

<u>Sensitivity to changes in assumptions</u>

Based on the sensitivity analysis performed, management believes that there is no reasonably possible change in key assumptions that would cause the carrying value of the CGUs to exceed its recoverable amount. The estimated recoverable amount exceeds that of the carrying amount of the CGUs.

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost		
In Malaysia	58,425	58,425
Outside Malaysia	33	33
	58,458	58,458
Less: Accumulated impairment losses	(24,896)	(24,896)
	33,562	33,562
Loans that are part of net investments	202,252	202,252
	235,814	235,814

Loans that are part of net investments represent amount owing by subsidiaries which is non-trade in nature, unsecured and non-interest bearing. The settlement of the amount is neither planned nor likely to occur in the foreseeable future as it is the intention of the Company to treat these amounts as long-term source of capital to the subsidiaries. As this amount is, in substance, a part of the Company's net investment in the subsidiaries, it is stated at cost less accumulated impairment loss, if any.

Details of the subsidiaries are as follows:

Name	Principal place of business/ Country of incorporation	Principal activities	Ownership interest 2024 %	Ownership interest 2023 %
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 Ltd *	Singapore	Trading and installation of fire safety materials and equipment	100	100

17. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Principal place of business/ Country of incorporation	Principal activities	Ownership interest 2024 %	Ownership interest 2023 %
Direct subsidiaries (continued)				
FITTERS Engineering Services Sdn. Bhd.	Malaysia	Design, manufacture, assemble, supply and installation of fire fighting protection and prevention systems and equipment	100	100
FITTERS Marketing Sdn. Bhd.	Malaysia	Manufacturing and marketing of fire resistant doorsets and general building materials	100	100
FITTERS Building Services Sdn. Bhd.	Malaysia	Property development	100	100
FITTERS-MPS Sdn. Bhd. ("FMPS")	Malaysia	Design, installation and maintenance of fire protection systems	51	51
Armatrade Sdn. Bhd.	Malaysia	Construction of civil work, residential and commercial building	100	100
Wintip Sdn. Bhd.	Malaysia	Ceased operations	100	100
FITTERS GIM Sdn. Bhd. ("FGSB")	Malaysia	Investment holding	100	100

17. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Principal place of business/ Country of incorporation	Principal activities	Ownership interest 2024 %	2023 %
Direct subsidiaries (continued)				
Master Pyroserve Sdn. Bhd.	Malaysia	Install and operate the computerised fire alarm monitoring and communication systems for Jabatan Perkhidmatan Bomba dan Penyelamat Malaysia	100	100
Future NRG Sdn. Bhd.	Malaysia	Renewable energy development	100	100
Premier Equity Holdings Limited **	British Virgin Island	Investment holding	100	100
FITTERS Property Development Sdn. Bhd.	Malaysia	Property development	100	100
Subsidiaries of FITTERS Sdn. Bhd.				
FITTERS (Sarawak) Sdn. Bhd.	Malaysia	Trading of fire safety materials and equipment	100	100
AHT NRG Asia Sdn. Bhd.	Malaysia	Dormant	100	100

17. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Principal place of business/ Country of incorporation	Principal activities	Ownership interest 2024 %	Ownership interest 2023 %
Subsidiaries of FITTERS Sdn. Bhd. (continued)				
Modular Floor Systems (M) Sdn. Bhd.	Malaysia	Ceased operations	100	100
Subsidiary of FITTERS Building Services Sdn. Bhd.				
Pyro-Tech Systems Sdn. Bhd.	Malaysia	Ceased operations	100	100
Subsidiaries of FITTERS Engineering Services Sdn. Bhd.				
FITTERS Engineering Services (Johor) Sdn. Bhd.	Malaysia	Ceased operations	100	100
FITTERS Construction Sdn. Bhd.	Malaysia	Construction of civil work, residential and commercial building	100	100
FITTERS-MCCT Sdn. Bhd. ("FMCCT")	Malaysia	Mechanical engineering works contractors and fabricators	55	55

17. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name	Principal place of business/ Country of incorporation	Principal activities	Ownership interest 2024 %	2023 %
Subsidiaries of Future NRG Sdn. Bhd.				
Future Biomass Gasification Sdn. Bhd.	Malaysia	Renewable energy development	-	100
Solid Orient Holdings Sdn. Bhd.	Malaysia	Operation of palm oil mill	100	100
Subsidiaries of FITTERS Property Development Sdn. Bhd.				
ZetaPark Development Sdn. Bhd.	Malaysia	Property development	100	100
Superior Villa Sdn. Bhd.	Malaysia	Property development	100	100
Rasa Anggun Development Sdn. Bhd.	Malaysia	Property development	100	100
Subsidiary of Premier Equity Holdings Limited				
Future NRG (SEA) Pte Ltd *	Singapore	Renewable energy development	-	100

* Audited by auditors other than CHENGCO PLT.

** Not required to be audited in their countries of incorporation. The financial statements have been reviewed for consolidation purpose.

17. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

	FMPS RM'000	FMCCT RM'000	MSSB RM'000	Total RM'000
2024				
NCI percentage of ownership interest and voting interest	49%	45%	0%	
Carrying amount of NCI	1	52	-	53
Profit allocated to NCI	78	(4)	-	74
Summarised statements of financial position				
As at 31 March 2024				
Non-current assets	194	-	-	194
Current assets	2,336	150	-	2,486
Current liabilities	(2,761)	(34)	-	(2,795)
Net assets	(231)	116	-	(115)
Summarised statements of comprehensive income				
Financial year ended 31 March 2024				
Revenue	-	-	-	-
(Loss)/Profit for the financial year	(72)	(9)	-	(81)
Total comprehensive (loss)/income	(72)	(9)	-	(81)
Summarised cash flows information				
Financial year ended 31 March 2024				
Cash flows (used in)/from operating activities	(32)	776	-	744
Cash flows from investing activities	-	(830)	-	(830)
Cash flows from financing activities	-	-	-	-
Net (decrease)/increase in cash and cash equivalents	(32)	(54)	-	(86)

17. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Non-controlling interests in subsidiaries (continued)

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows: (continued)

	FMPS RM'000	FMCCT RM'000	MSSB RM'000	Total RM'000
2023				
NCI percentage of ownership interest and voting interest	49%	45%	28%	
Carrying amount of NCI	(77)	430	-	353
Loss allocated to NCI	(231)	(5)	(1,057)	(1,293)
Summarised statements of financial position				
As at 31 March 2023				
Non-current assets	199	-	-	199
Current assets	2,645	962	-	3,607
Non-current liabilities	-	-	-	-
Current liabilities	(3,002)	(7)	-	(3,009)
Net assets	(158)	955	-	797
Summarised statements of comprehensive income				
Financial year ended 31 March 2023				
Revenue	-	-	4,162	4,162
Loss for the financial period	(472)	(12)	(3,812)	(4,296)
Total comprehensive (loss)/income	(472)	(12)	(3,812)	(4,296)
Summarised cash flows information				
Financial year ended 31 March 2023				
Cash flows (used in)/from operating activities	(122)	(6)	-	(128)
Cash flows used in investing activities	-	-	-	-
Cash flows used in financing activities	-	-	-	-
Net (decrease)/increase in cash and cash equivalents	(122)	(6)	-	(128)

17. INVESTMENT IN SUBSIDIARIES (CONTINUED)

On 12 January 2023, FITTERS had entered into a Sale and Purchase Agreement with KAB Energy Holdings Sdn. Bhd for the sale of whole of the issued share capital of Future Biomass Gasification Sdn Bhd at a consideration of RM15,000,000.

The disposal has been completed on 15 November 2023.

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

	At date of disposal RM'000
Property, plant and equipment	17,053
Trade and other receivables	312
Cash and short-term deposits	938
Trade and other payables	(11,907)
Deferred taxation	(361)
Net Assets disposed of	6,035
Gain on disposal of a subsidiary company	(2,335)
Proceeds from disposal	3,700
Cash and cash equivalents disposed off	(938)
	2,762

18. OTHER INVESTMENTS

	Group	
	2024 RM'000	2023 RM'000
Non-current		
Cost		
Corporate membership in golf club	105	105
Current		
Fair value through profit or loss		
Quoted shares outside Malaysia	1	1

The fair value of other investments are disclosed in Note 31(b) to the financial statements.

19. DEFERRED TAX ASSETS/(LIABILITIES)

	2024 RM'000	2023 RM'000
Group		
Deferred tax assets:		
At 1 April	205	264
Transfer from profit or loss	(34)	(59)
At 31 March	171	205
Deferred tax liabilities:		
At 1 April	4,936	5,905
Reclassified as assets held for disposal	-	(967)
Transfer from profit or loss	(991)	(2)
At 31 March	3,945	4,936
Company		
Deferred tax liabilities:		
At 1 April	2,046	2,048
Transfer to profit or loss	(739)	(2)
At 31 March	1,307	2,046

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

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

	Contract liabilities RM'000	Total RM'000
Group		
At 1 March 2022	(264)	(264)
Recognised in profit or loss	59	59
At 31 March 2023 and 1 April 2023	(205)	(205)
Recognised in profit or loss	34	34
At 31 March 2024	(171)	(171)

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

	Revaluation on property, plant and equipment RM'000	Temporary differences between net carrying amounts and corresponding tax written down values RM'000	Total RM'000
Group			
At 1 April 2022	4,423	1,482	5,905
Reclassified as assets held for disposal	(967)	-	(967)
Recognised in profit or loss	(2)	-	(2)
At 31 March 2023 and 1 April 2023	3,454	1,482	4,936
Recognised in profit or loss	(739)	(252)	(991)
At 31 March 2024	2,715	1,230	3,945

19. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

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

	Revaluation on property, plant and equipment RM'000	Temporary differences between net carrying amounts and corresponding tax written down values RM'000	Total RM'000
Company			
At 1 April 2022	1,081	967	2,048
Recognised in profit or loss	(2)	-	(2)
As at 31 March 2023	1,079	967	2,046
Recognised in profit or loss	(739)	-	(739)
At 31 March 2024	340	967	1,307

20. TRADE AND OTHER RECEIVABLES

	Note	Group 2024 RM'000	Group 2023 RM'000
Current			
Trade			
Trade receivables		40,888	46,659
Less: Impairment for trade receivables		(9,055)	(5,551)
		31,833	41,108
Retention sum on contracts		17,249	17,827
Trade receivables, net	(a)	49,082	58,935
Non-trade			
Other receivables		29,929	11,772
Less: Impairment for other receivables	(b)	-	-
		29,929	11,772
Refundable deposits		2,335	2,333
Prepayments	(c)	941	2,778
GST refundable		147	147
		33,352	17,030
Total trade and other receivables		82,434	75,965

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

	Note	Company 2024 RM'000	Company 2023 RM'000
Non-trade			
Other receivables		8,911	8,372
Refundable deposits		45	47
Prepayments		-	666
Amounts owing by subsidiaries	(d)	31,149	29,214
Less: Impairment on amounts owing by subsidiaries	(d)	(864)	(13,608)
		39,241	24,691

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Trade receivables (continued)

The information about the credit risk exposure of the Group's trade receivables is as follows:

	Group	
	2024 RM'000	2023 RM'000
Neither past due nor impaired **	35,718	44,293
1 to 30 days past due not impaired	6,983	869
31 to 60 days past due not impaired	1,218	764
61 to 90 days past due not impaired	677	230
91 to 120 days past due not impaired	1,075	777
More than 121 days past due not impaired	3,411	12,002
	13,364	14,642
Individually impaired	9,055	5,551
	58,137	64,486

** Included in neither past due nor impaired are retention sums amounted to RM17,249,161 (2023: RM17,826,893).

<u>Receivables that are impaired</u>

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement for the impairment of trade receivables are as follows:

	Lifetime allowances RM'000	Credit impaired RM'000	Credit impaired RM'000
Group			
At 1 April 2022	2,693	859	3,552
Impairment loss recognised	2,370	-	2,370
Reversal of impairment losses	(371)	-	(371)
Written off of provision of doubtful debts	-	-	-
At 31 March 2023 and 1 April 2023	4,692	859	5,551
Impairment loss recognised	2,239	1,287	3,526
Reversal of impairment losses	(17)	-	(17)
Written off of provision of doubtful debts	(5)	-	(5)
At 31 March 2024	6,909	2,146	9,055

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Other receivables

Receivables that are impaired

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement for the impairment of other receivables are as follows:

	Group	
	2024 RM'000	2023 RM'000
At 1 April	-	1,577
Written off of provision of doubtful debts	-	(1,577)
At 31 March	-	-
Other receivables written off	-	10,063

In last financial year, Molecor (SEA) Sdn. Bhd., a direct subsidiary of the Group, accrued outstanding amounts totalling RM10,063,094. On 29 July 2022, the Group has entered into a Sale and Purchase Agreement with Molecor Tecnologia S.L.. Consequently, the Group decided to write off the remaining outstanding balance.

(c) Amount owing by subsidiaries

Amount owing by subsidiaries are unsecured, are recoverable on demand and are expected to be settled in cash.

Amount owing by subsidiaries that are impaired at the reporting date and the movement of the impairment of amount owing by subsidiaries is as follow:

	Company	
	2024 RM'000	2023 RM'000
At 1 April	13,608	13,608
Written off of provision of doubtful debts	(12,744)	-
At 31 March	864	13,608

21. INVENTORIES

	Group 2024 RM'000	Group 2023 RM'000
At lower of cost and net realisable value:		
Property under development		
- Leasehold land at cost	29,952	32,000
- Freehold land at cost	29,080	29,080
- Development costs	9,523	9,106
Completed properties	1,008	1,008
Raw materials	5,668	6,615
Work-in-progress	544	544
Finished goods	7,156	5,735
Consumable tools	718	1,023
	83,649	85,111

(a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial period in respect of continuing operations was RM24,067,918 (2023: RM15,543,000).

22. CONTRACT ASSETS/(LIABILITIES)

	Group 2024 RM'000	Group 2023 RM'000
Contract assets relating to construction service contracts	21,527	15,529
Total contract assets	21,527	15,529
Contract liabilities relating to construction service contracts	(16,988)	(12,142)
Total contract liabilities	(16,988)	(12,142)

22. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

Construction activities

The contract assets and liabilities represent timing differences in revenue recognition and the milestone billings in respect of the construction activities.

(a) Significant changes in contract balances

	Group			
	Contract assets Increase/ (Decrease)	Contract liabilities (Increase)/ Decrease	Contract assets Increase/ (Decrease)	Contract liabilities (Increase)/ Decrease
	2024		2023	
	RM'000	RM'000	RM'000	RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	-	7,575	-	3,706
Increases due to consideration received from customers, but revenue not recognised	-	(2,729)	-	(394)
Increases as a result of changes in the measure of progress	-	-	3,580	-
Transfers from contract assets recognised at the beginning of the period to receivables	5,998	-	-	-

Revenue recognised in relation to contract balances

	Group	
	2024	2023
	RM'000	RM'000
Revenue recognised that was included in contract liabilities at the beginning of the financial year	7,575	3,706

23. CASH AND SHORT-TERM DEPOSITS

	2024 RM'000	2023 RM'000
Group		
Cash and bank balances	11,803	21,076
Cash held under Housing Development Accounts	681	683
Deposits placed with licensed banks	138,191	110,267
	150,675	132,026
Company		
Cash and bank balances	560	11,956
Deposits placed with licensed banks	106,836	87,500
Cash and bank balances	107,396	99,456

(a) Cash at banks earns interest at floating rates based on daily bank deposit rates.

(b) Included in deposits with licensed banks of the Group and of the Company are short-term deposits made for varying periods of between 1 and 30 days depending on the immediate cash requirements of the Group and earn interests at the respective short-term deposit rates. The interest rate is 1% to 3% (2023: 1.0% to 2.5%) per annum at the end of the reporting date.

(c) Deposits with licensed banks of the Group amounting to RM Nil (2023: RM1,000,000) are pledged to licensed bank as securities for credit facilities granted to the Group.

(d) Included in cash and bank balances of the Group is an amount of RM680,031 (2023: RM681,220) deposited into Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. These accounts, which consist of monies received from purchasers and interest credited thereon, are restricted for the payment of property development expenditure incurred and fulfilment of all relevant obligations to the purchasers. The surplus monies, if any, will be released to the Group upon the completion of the particular property development projects.

(e) Term deposits are presented as cash equivalents if they have a maturity of three months or less and are repayable within 24 hours' notice. Fixed deposits placed have maturity periods which range from 3-6 month (2023: 3-6 month). Term deposit is being placed to approve non-financial institution.

23. CASH AND SHORT-TERM DEPOSITS (CONTINUED)

Movements of the expected credit loss (lifetime ECL):

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 April	-	-	-	-
Charge for the financial year	7,242.00	-	5,623.00	-
At 31 December	7,242.00	-	5,623.00	-

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

	Note	2024 RM'000	2023 RM'000
Group			
Cash and short-term deposits		150,675	132,026
Bank overdrafts	27	(473)	(1,620)
		150,202	130,406
Less: Pledged deposits		-	(1,000)
Add: Assets held for sales		-	103
		150,202	129,509
Company			
Cash and short-term deposits		107,396	99,456
Bank overdrafts	27	-	(1,303)

24. SHARE CAPITAL AND TREASURY SHARES

	Group and Company				
	Number of ordinary share		Amount		
	Share capital (Issued and fully paid) Units ('000)	Treasury shares Units ('000)	Share capital (Issued and fully paid) RM'000	Total share capital RM'000	Treasury shares RM'000
At 1 April 2022	620,801	12,817	262,157	262,157	(3,912)
Share issued pursuant to private placement	-	-	-	-	-
Share issuance expenses	-	-	-	-	-
At 31 March 2023 and 1 April 2023	620,801	12,817	262,157	262,157	(3,912)
Share issued pursuant to					
Right issue	1,733,309	-	112,665	112,665	-
Warrant			(5,777)	(5,777)	
Share issuance expenses	-	-	(825)	(825)	-
At 31 March 2024	2,354,110	12,817	368,220	368,220	(3,912)

(a) Share capital

The holders of ordinary shares (except treasury shares and share premium) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company. The Company's share buyback scheme was first approved by the Company's shareholders in the Annual General Meeting held on 11 June 2008 for the Company to repurchase 10% of its issued ordinary shares. The directors of the Company believe that the repurchase plan are applied in the best interests of the Company and its shareholders. The mandate for share buybacks was renewed in each subsequent Annual General Meeting of shareholders. The share repurchases made to date were financed by internally generated funds and are being held as treasury shares in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

There was no cancellation of treasury shares during the financial year.

In previous financial year, the Company held 12,817,648 treasury shares out of its 620,800,959 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM3,911,977.

25. OTHER RESERVES

	Revaluation reserve RM'000	Capital reserve RM'000	Warrant reserve RM'000	Foreign currency translation reserve RM'000	Total RM'000
Group					
At 1 April 2022	33,839	1,360	-	551	35,750
Realisation of revaluation reserve	(13)	-	-	-	(13)
Effects differences on translation of foreign operations	-	-	-	71	71
At 31 March 2023 and 1 April 2023	33,826	1,360	-	622	35,808
Realisation of revaluation reserve	(2,008)	-	-	-	(2,008)
Revaluation gain on land and buildings	187	-	-	-	187
Effects differences on translation of foreign operations	-	-	-	57	57
Warrants C reserve	-	-	5,777	-	5,777
At 31 March 2024	32,005	1,360	5,777	679	39,821
Company					
At 1 April 2022	8,107	-	-	-	8,107
Realisation of revaluation reserve	-	-	-	-	-
At 31 March 2023 and 1 April 2023	8,107	-	-	-	8,107
Revaluation gain on land and buildings	1,120	-	-	-	1,120
Warrants C reserve	-	-	5,777	-	5,777
At 31 March 2024	9,227	-	5,777	-	15,004

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

(a) Revaluation reserve

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

(b) Capital reserve

Included in the capital reserve, RM1,360,010 represents a reserve set aside for bonus issues made by subsidiaries.

25. OTHER RESERVES (CONTINUED)

(c) Warrant reserve

Free detachable warrants issued pursuant to the renounceable rights issue of up to 1,733,308,505 new ordinary shares at an issue price of RM 0.065 per rights shares up to 1,155,538,938 free detachable warrants in the Company on the basis of 3 rights shares together with 2 free warrants for every 1 existing share held by the entitled shareholders.

	Number of warrants			
	2023 Unit'000	Additions Unit'000	Sold Unit'000	2024 Unit'000
Warrants	-	1,155,539	-	1,155,539

(d) 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.

26. LOANS AND BORROWINGS

	Note	Maturity	2024 RM'000	2023 RM'000
Group				
Non-current				
Secured:				
Lease liabilities	(a)	2028	1,021	743
Term loans	(b)	2024	-	750
			1,021	1,493
Current				
Secured:				
Lease liabilities	(a)	2024	744	2,286
Term loans	(b)	2024	366	5,802
Bank overdrafts	(c)	2024	-	1,303
Bankers' acceptances	(d)	2024	13,848	10,505
Revolving credit	(e)	2024	9,100	22,845
			24,058	42,741
Unsecured:				
Bank overdrafts	(c)	2024	473	317
Bankers' acceptances	(d)	2024	1,254	1,254
			1,727	1,571
			25,785	44,312
Total loans and borrowings			26,806	45,805

26. LOANS AND BORROWINGS (CONTINUED)

	Note	Maturity	2024 RM'000	2023 RM'000
Company				
Non-current				
Secured:				
Term loans	(b)	2024	-	750
			-	750
Current				
Secured:				
Term loans	(b)	2023	366	750
Bank overdrafts	(c)	2023	-	1,303
Revolving credit	(e)	2023	9,100	22,845
			9,466	24,898
Total loans and borrowings			9,466	25,648

The maturities of the loans and borrowings at end of the reporting period are as follows:

	2024 RM'000	2023 RM'000
Group		
On demand or within 1 year	25,785	44,312
More than 1 year and less than 2 years	333	1,142
More than 2 year and less than 5 years	688	323
	26,806	45,777
Company		
On demand or within 1 year	9,466	24,898
More than 1 year and less than 2 years	-	750
More than 2 year and less than 5 years	-	-
	9,466	25,648

26. LOANS AND BORROWINGS (CONTINUED)

(a) Lease liabilities

	2024 RM'000	2023 RM'000
Group		
Future minimum lease payments:		
Not later than 1 year	884	2,423
Later than 1 year and not later than 2 years	398	481
Later than 2 years and not later than 5 years	718	342
Total minimum lease payments	2,000	3,246
Less: Future finance charges	(235)	(217)
Present value of lease liabilities	1,765	3,029

	2024 RM'000	2023 RM'000
Group		
Analysis of present value of lease liabilities		
Not later than 1 year	744	2,286
Later than 1 year and not later than 2 years	333	420
Later than 2 years and not later than 5 years	688	323
	1,765	3,029
Less: Amount due within 12 months	(744)	(2,286)
Amount due after 12 months	1,021	743

26. LOANS AND BORROWINGS (CONTINUED)

(a) Lease liabilities (continued)

Group

The weighted average effective interest rate implicit in the at 4.90% (202: 4.90%) per annum. These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

(b) Term loans

Group

(a) The term loans of the Group bear a weighted average effective interest rate ranging of 7.04% (2022: 7.04%) per annum.

(b) The term loans of the Group are secured by way of:

(i) a first party first legal charge over a freehold land and all the plant and machineries on the said land of the Group at Baling, Kedah;
(ii) corporate guarantees provided by the Company;
(iii) first party first legal charge over a freehold land and building of the Company at Sri Damansara, Kuala Lumpur;

Company

(a) The term loans of the Company bear a weighted average effective interest rate ranging of 6.80% (2023: 6.80%) per annum.

(b) The term loans of the Company are secured by way of:

(i) first party first legal charge over a freehold land and building of the Company at Sri Damansara, Kuala Lumpur;

26. LOANS AND BORROWINGS (CONTINUED)

(c) Bank overdrafts

Group

(a) Bank overdrafts are denominated in RM, bear interests ranging from 7.82% to 8.14% (2023: 7.82% to 8.14%) per annum.

(b) The bank overdrafts of the Group are secured by way of:

(i) corporate guarantees provided by the Company; and
(ii) properties owned by a debtor of the Group

Company

(a) Bank overdrafts are denominated in RM, bear interest at 7.82% (2022: 7.82%) per annum.

(b) The bank overdrafts of the Company is secured by the properties owned by a debtor of the Company

(d) Bankers' acceptances

Group

(a) The bankers' acceptance of the Group bear interests ranging from 4% to 5.58% (2023: 4% to 5.58%) per annum.

(b) The bankers' acceptance of the Group is secured by way of

(i) corporate guaranteed by the Company; and
(ii) first party first legal charge over a long term leasehold land of the Company at Kuantan, Pahang.

(e) Revolving credits

Group and Company

The revolving credits of the Group and Company are secured by way of:

(i) corporate guarantees provided by the subsidiaries;
(ii) properties owned by a debtor of the Group;
(iii) second charge over a freehold land of the Group at Baling Kedah; and
(iv) second charge over a long term leasehold land of the Company at Kuantan Pahang.

27. TRADE AND OTHER PAYABLES

	Note	2024 RM'000	2023 RM'000
Group			
Trade			
Trade payables	(a)	30,360	33,554
Amount owing to related parties	(b)	-	-
		30,360	33,554
Non-trade			
Other payables	(c)	2,710	3,250
Deposits received		4,917	1,859
Accruals		4,490	3,604
Shareholders' Right Issue application fund		-	98,476
		12,117	107,189
Total trade and other payables		42,477	140,743
Company			
Non-trade			
Other payables		68	2
Deposits received		330	1,777
Accruals		186	97
Shareholders' Right Issue application fund		-	98,476
Amount owing to subsidiaries	(b)	40,077	26,832
Total other payables		40,661	127,184

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 30 to 90 days (2022: 30 to 90 days). The retention sum is payable upon the expiry of defect liability period.

(b) Amounts owing to related parties and subsidiaries

The amount owing to related parties and subsidiaries are unsecured, repayable on demand and are expected to be settled in cash.

(c) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 3 months (2022: average term of 3 months).

28. RELATED PARTY DISCLOSURES

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Associates;
(iii) Entities in which directors have substantial financial interest; and
(iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

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:

	2024 RM'000	2023 RM'000
Group		
Transaction with related parties		
Syarikat Logam Unitrade Sdn. Bhd.		
- sales to	-	(6)
- purchases from	-	13,555
Company		
Transaction with subsidiaries		
- administrative income	(2,022)	(2,134)
- rental income	(1,090)	(2,234)

(c) Compensation of key management personnel

The Group considers the directors to be the key management personnel. Disclosure of their remuneration is made in Directors' remuneration to the Directors' report.

29. CAPITAL COMMITMENT

Capital commitment as at the reporting date is as follows:

	Group	
	2024	2023
	RM'000	RM'000
Capital expenditure approved and contracted for:		
Property, plant and equipment	-	833

30. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost ("AC")
(ii) Fair value through profit or loss ("FVPL")

	Carrying amount RM'000	AC RM'000	FVPL RM'000
2024			
Financial assets			
Group			
Trade and other receivables (exclude GST refundable and prepayments)	81,344	81,344	-
Other investments	106	-	106
Cash and short-term deposits	150,675	150,675	-
	232,125	232,019	106
Company			
Trade and other receivables (exclude prepayments)	39,241	39,241	-
Cash and short-term deposits	107,396	107,396	-
	146,637	146,637	-

30. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM'000	AC RM'000	FVPL RM'000
2023			
Financial assets			
Group			
Trade and other receivables (exclude GST refundable and prepayments)	73,040	73,040	-
Other investments	106	-	106
Cash and short-term deposits	132,026	132,026	-
	205,172	205,066	106
Company			
Trade and other receivables (exclude prepayments)	24,025	24,025	-
Cash and short-term deposits	99,456	99,456	-
	123,481	123,481	-

30. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM'000	Amortised cost RM'000
2024		
Financial liabilities		
Group		
Loans and borrowings	26,806	26,806
Trade and other payables (exclude SST/GST payable)	42,477	42,477
	69,283	69,283
Company		
Loans and borrowings	9,466	9,466
Trade and other payables	40,661	40,661
	50,127	50,127
2023		
Group		
Loans and borrowings	45,805	45,805
Trade and other payables (exclude SST/GST payable)	140,743	140,743
	186,548	186,548
Company		
Loans and borrowings	25,648	25,648
Trade and other payables	127,184	127,184
	152,832	152,832

(a) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There is no transfer between levels of fair values hierarchy during the financial year.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement (continued)

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
2024									
Financial assets									
Other investments	106	-	105	1	106	-	-	-	-
Financial liability									
Term loans	366	-	-	-	-	-	-	366	366
Company									
2024									
Financial liability									
Term loans	366	-	-	-	-	-	-	366	366

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement (continued)

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows: (continued)

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group									
2023									
Financial assets									
Other investments	106	-	105	1	106	-	-	-	-
Financial liability									
Term loans	750	-	-	-	-	-	-	750	750
Company									
2023									
Financial liability									
Term loans	750	-	-	-	-	-	-	750	750

30. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Fair value measurement (continued)

Level 3 fair value

Fair value of financial instruments carried at fair value

The fair value of unquoted equity investments has been estimated using a discounted cash flows model. The valuation requires management to make certain assumptions about the model inputs, including forecast cash flows, the discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in the management's estimate of fair value for these unquoted equity investments.

The fair values of investment in corporate membership in golf club is based on price quoted for similar instruments or valuation techniques based on market observable inputs (Level 2) as quoted prices of identical instruments from an active market (Level 1) is not available.

Fair value of financial instruments not carried at fair value

The fair value of other receivables, lease liabilities and term loans are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

Fair value hierarchy is not presented for those financial assets and financial liabilities of the Group and the Company which are not carried at fair value by any valuation method.

(c) Financial risk management objectives and policies

The Group's and the Company's activities 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 and foreign currency risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholder.

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 period, 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.

(i) Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous period.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

Concentration of credit risk

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period by geographic region are as follows:

	Group			
	2024		2023	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	70,609	100%	74,451	100%
Singapore	-	0%	13	0%
	70,609	100%	74,464	100%

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Concentration of credit risk (continued)

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period by industry sectors are as follows:

	Group			
	2024		2023	
	RM'000	% of total	RM'000	% of total
By industry sectors:				
Fire services division	56,655	80%	51,156	69%
Property development and construction	7,878	11%	18,051	24%
Renewable and waste-to-energy and green palm oil mill	6,076	9%	5,257	7%
	70,609	100%	74,464	100%

Included in trade receivables of the Group is an amount of RM3,192,080 (2023: RM15,154,735) due from 1 (2023: 1) of its significant receivables.

Recognition and measurement of impairment loss

The Group applies the simplified approach to provide for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit characteristics and the days past due. The impairment losses also incorporate forward-looking information.

The Group does not have any significant credit risk as its services and products are engage in a wide spectrum of activities and sell in a variety of end markets and their operations are with financing facilities from reputable end-financiers. The Group's historical credit loss experience does not show significantly different loss patterns and the collection of accounts receivable falls within the recorded allowances.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

Recognition and measurement of impairment loss (continued)

The information about the movements in allowance for impairment and ageing of trade receivables as at 31 March 2024 are disclosed in Note 20(a) to the financial statements.

The Group also assessed the risk of loss of its major customers individually based on their financial information, past trend of payments and external credit ratings, where applicable.

Inter-company loans and advances

The Company provides unsecured loans and advances to its subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other receivables and other financial assets

For other receivables and other financial assets (including other investments and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Credit risk (continued)

Other receivables and other financial assets (continued)

Other than the credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk. As at the reporting date, the Group and the Company did not recognised any loss allowance for impairment for other receivables and other financial assets other than as disclosed in Note 21 to the financial statements.

Refer to Note 3.14(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to certain subsidiaries. The Company monitors the results of the subsidiaries and their repayment on an on-going basis. The nominal amount relating to the corporate guarantee provided by the Company is as follow:

	2024 RM'000	2023 RM'000
Secured		
Corporate guarantee given to banks for credit facilities granted to subsidiaries	37,360	176,814
Unsecured		
Corporate guarantee given to banks for credit facilities granted to subsidiaries	29,000	26,000
Corporate guarantee given to corporations for credit facilities granted to subsidiaries	139,100	139,100
	205,460	341,914

As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee. The financial guarantees have not been recognised since the fair value on initial recognition was not material.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

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 facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(ii) Liquidity risk (continued)

Maturity analysis
The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM'000	Contractual cash flows On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Group					
2024					
Loans and borrowings	26,806	25,785	1,021	-	26,806
Trade and other payables	42,477	42,477	-	-	42,477
Total undiscounted financial liabilities	69,283	68,262	1,021	-	69,283
2023					
Loans and borrowings	45,805	40,145	5,888	-	46,033
Trade and other payables	140,743	140,743	-	-	140,743
Total undiscounted financial liabilities	186,548	180,888	5,888	-	186,776

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(ii) Liquidity risk (continued)

Maturity analysis (continued)
The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows: (continued)

		Contractual cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Company					
2024					
Loans and borrowings	9,466	9,466	-	-	9,466
Trade and other payables	40,661	40,661	-	-	40,661
Financial guarantee contracts	-	205,460	-	-	205,460
Total undiscounted financial liabilities	50,127	255,587	-	-	255,587
2023					
Loans and borrowings	25,648	25,648	-	-	25,648
Trade and other payables	127,184	127,184	-	-	127,184
Financial guarantee contracts	-	341,914	-	-	341,914
Total undiscounted financial liabilities	152,832	494,746	-	-	494,746

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result 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 with floating interest rates. The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

	2024 RM'000	2023 RM'000
Group		
Fixed rate		
Financial asset		
Fixed deposits with licensed banks	138,191	110,267
Financial liabilities		
Lease liabilities	1,765	3,029
Bank borrowings	24,675	36,224
	26,440	39,253
Floating rate		
Financial liability		
Bank borrowings	366	6,552
Company		
Fixed rate		
Financial asset		
Fixed deposits with licensed banks	106,836	87,500
Financial liabilities		
Lease liabilities	-	-
Bank borrowings	9,100	21,148
	9,100	21,148
Floating rate		
Financial liability		
Bank borrowings	366	1,500

30. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iii) Interest rate risk

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been RM695 respectively (2023: RM12,449 and RM2,850) 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.

(iv) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result 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 United States Dollar ("USD"), and European Dollar ("EURO"), Singapore Dollar ("SGD").

Approximately 0.01% (2023: 0.01%) of the Group's sales are denominated in foreign currencies whilst almost 1.56% (2023: 2.14%) 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 also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currency balances of the Group mainly in SGD amount to RM95,182 (2023: RM105,000).

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.

31. CAPITAL MANAGEMENT

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

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company 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 financial year ended 31 March 2024 and financial year ended 31 March 2023.

The Group and the Company monitor capital using a gearing ratio, which is net debt divided by capital. Net debt includes loans and borrowings, less cash and bank balances. Capital includes equity attributable to the owners of the parent.

	2024 RM'000	2023 RM'000
Group		
Loans and borrowings	26,806	45,805
Less: Cash and bank balances	(150,675)	(132,026)
Net (cash)/debt	(123,869)	(86,221)
Equity attributable to the owners of the Company	391,677	298,087
Gearing ratio	N/A	N/A
Company		
Loans and borrowings	9,466	25,648
Less: Cash and bank balances	(107,396)	(99,456)
Net (cash)/debt	(97,930)	(73,808)
Equity attributable to the owners of the Company	345,966	242,148
Gearing ratio	N/A	N/A

There was no change in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are required to comply with certain debts equity ratios in respect of its credit facilities.

Gearing ratios are not governed by the MFRSs and their definitions and calculations may vary between reporting entities.

32. SEGMENT INFORMATION

Factors used to identify reportable segments

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

(i) Fire services division

Manufacturing and trading of safety, fire fighting equipment, industrial products, installation and maintenance of the Fire Department's privatised Computerised Fire Alarm Monitoring System ("CMS"), contract for mechanical and electrical engineering works, corrective and preventive maintenance within the fire industry and speciality construction industry.

(ii) Property development and construction

Development and construction in the property industry.

(iii) Renewable and waste-to-energy and green palm oil mill

Providing renewable, 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.

The fire services division is involved in the manufacturing, trading and specialised installation of firefighting materials and equipment as well as the supply of fire safety protection services and products. It also manages and operates the Fire Department’s privatised computerised fire alarm monitoring system. The division also provides mechanical and electrical services related to fire protection, gas supply, electrical power, air conditioning, ventilation and water supply. These operating segments are aggregated into the reportable fire services segment due to the similarity of the nature of business. The performance of these operations is evaluated internally as a single business unit.

Property development and construction segment are aggregated into one reportable segment due to the regulatory environments in which the businesses operate. The performance of these operations is evaluated internally as a single business unit.

The renewable and waste-to-energy operating segment and the green palm oil mill operating segment are aggregated into one reportable segment due to similar construction technology and business objectives. The two operating segments are evaluated internally as a single business unit.

33. SEGMENT INFORMATION (CONTINUED)

Factors used to identify reportable segments (continued)

HYPRO® PVC-O pipes manufacturing and distribution is organised and identified as separate reportable segment due to the industry in which it operates.

Segment profit

Segment performance is used to measure performance as Group's Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total of segment asset is measured based on all assets (excluding investment in associate) of a segment, as included in the internal reports that are reviewed by the Group's Managing Director.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Group's Managing Director, hence no disclosures are made on segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. SEGMENT INFORMATION (CONTINUED)

2024	Fire services division RM'000	Property development and construction RM'000	Renewable and waste-to-energy and green palm oil mill RM'000	HYPRO® PVC-O pipes manufacturing and distribution RM'000	Investment holding and others RM'000	Elimination RM'000		Total RM'000
Revenue								
External sales	98,797	18,882	168,210	-	-	-		285,889
Inter-segment sales	4,589	-	-	-	-	(4,589)	(a)	-
	103,386	18,882	168,210	-	-	(4,589)		285,889
Results								
Segment results	1,764	841	(9,722)	-	(8,002)	1,941	(b)	(13,178)
Finance costs	(157)	(240)	(483)	-	(619)	-		(1,499)
Taxation	(1,148)	5	(14)	-	(590)	-		(1,747)
Loss for the financial year	459	606	(10,219)	-	(9,211)	1,941		(16,424)

33. SEGMENT INFORMATION (CONTINUED)

	Fire services division RM'000	Property development and construction RM'000	Renewable and waste-to-energy and green palm oil mill RM'000	HYPRO® PVC-O pipes manufacturing and distribution RM'000	Investment holding and others RM'000	Elimination RM'000	Total RM'000
2024 (continued)							
Assets							
Segment assets	144,499	219,162	154,667		420,238	(456,916) **(c)**	481,650
Unallocated assets	622	1,088	54		-		1,764
Total assets	145,121	220,250	154,721	-	420,238	(456,916)	483,414
Other information:							
Capital expenditure	301	726	5,536		38	-	6,601
Depreciation and amortisation	280	167	5,402		253	-	6,102
Bad debts written off	-	-	-		-	-	-
Net reversal of impairment losses	(17)	-	-		-	-	(17)
Provision of doubtful debts	3,382	-	145		-	-	3,527
Impairment of financial assets	-	1,618	-		5,623	-	7,241
Loss on disposal of investment	-	-	1,725		-	-	1,725
Net gain on disposal of property, plant and equipment	(3)	-	(10)		554	-	- 541

33. SEGMENT INFORMATION (CONTINUED)

	Fire services division RM'000	Property development and construction RM'000	Renewable and waste-to-energy and green palm oil mill RM'000	HYPRO® PVC-O pipes manufacturing and distribution RM'000	Investment holding and others RM'000	Elimination RM'000		Total RM'000
2023								
Revenue								
External sales	85,046	48,369	281,497	-	-	-		414,912
Inter-segment sales	5,382	-	-	-	-	(5,382)	**(a)**	-
	90,428	48,369	281,497	-	-	(5,382)		414,912
Results								
Segment results	2,552	(55,872)	2,656	(3,811)	(48,496)	37,854	**(b)**	(65,117)
Finance costs	(115)	(244)	(395)	-	(979)	(17)		(1,750)
Taxation	(1,293)	(56)	(28)	-	(881)	-		(2,258)
Loss for the financial year	1,144	(56,172)	2,233	(3,811)	(50,356)	37,837		(69,125)

33. SEGMENT INFORMATION (CONTINUED)

2023 (continued)	Fire services division RM'000	Property development and construction RM'000	Renewable and waste-to-energy and green palm oil mill RM'000	HYPRO® PVC-O pipes manufacturing and distribution RM'000	Investment holding and others RM'000	Elimination RM'000	Total RM'000
Assets							
Segment assets	139,015	217,496	179,670	-	418,183	(453,239) **(c)**	501,125
Unallocated assets	1,309	1,633	37	-	276	-	3,255
Total assets	140,324	219,129	179,707	-	418,459	(453,239)	504,380
Other information:							
Capital expenditure	181	358	3,299	-	16	-	3,854
Depreciation and amortisation	709	50	4,849	-	718	-	6,326
Bad debts written off	-	-	-	-	10,063	-	10,063
Net reversal of impairment losses	(353)	-	(18)	-	-	-	(371)
Provision of doubtful debts	2,313	-	57	-	-	-	2,370
Loss on disposal of investment	-	28,391	-	-	-	-	28,391
Net gain on disposal of right of use asset	2	42	-	-	-	-	44

33. SEGMENT INFORMATION (CONTINUED)

Notes

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

(a) Inter-segment revenues are eliminated on consolidation.

(b) Profit from inter-segment sales are eliminated on consolidation.

(c) Reconciliation of assets

	2024 RM'000	2023 RM'000
Non-reportable segments	-	-
Inter-segment assets	(456,916)	(453,239)
	(456,916)	(453,239)

\# Segment assets comprise total current and non-current assets, less current tax assets and deferred tax assets.

Information about major customers

Major customers' information is revenue from transactions with a single external customer amount to ten percent or more of the Group's revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer, and a government and entities known to the reporting entity to be under the control of that government shall be considered a single customer.

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	2024 RM'000	2023 RM'000	Segments
Customer A	42,593	68,168	Renewable and waste-to-energy
Customer B	33,838	82,756	Renewable and waste-to-energy
Customer C	14,837	48,369	Property development and construction

33. SEGMENT INFORMATION (CONTINUED)

Geographical information

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

	Segments assets		Capital expenditure	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Malaysia	482,115	503,160	6,601	3,854
Singapore	1,111	1,082	-	-
British Virgin Island	138	138	-	-
	483,364	504,380	6,601	3,854

34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

The disposal has been completed on 5th May 2023.

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

The disposal has been completed on 15 November 2023.

34. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR (CONTINUED)

(c) Rights Issue with Warrants

On 1 March 2023, the Company proposed to undertake a Proposed Renounceable Rights Issue of up to 1,862,402,877 new Shares ("Rights Shares") together with up to 1,241,601,918 free detachable warrants in the Company ("Warrants") on the basis of 3 Rights Shares together with 2 free Warrants for every 1 existing Shares held by the entitled shareholders of the Company at 5.00 p.m. on 17 March 2023.

The Stock Short Name and Number are FITTERS-WC and 9318WC.

The important relevant dates for renounceable rights are as follow:

(i) The Right commence of trading: 20 Mar 2023
(ii) The Date of Despatch of the Prospectus and Provisional Allotment Letter of Offer: 21 Mar 2023
(iii) The last day and time for Acceptance, Renunciation and Payment: 03 Apr 2023
(iv) The Rights cessation quotation: 27 Mar 2023

On 17 April 2023 1,733,308,505 Rights Shares and 1,155,538,938 warrants were subscribed and issued. These shares and warrants were listed on the Main Market of Bursa Securities. Total proceed from the issuance of shares amounting to RM112,665,054.

(d) Pursuant to Section 551(3) of the Companies Act, 2016, publication of the notice of striking off had been made to strike off and dissolved FITTERS-NRG Sdn. Bhd. and FITTERS (Ipoh) Sdn. Bhd., a wholly owned subsidiary of FITTERS Group, on 22 June 2023 and 7 July 2023 respectively. The strike off is voluntary.

(e) On 8 September 2022, Rasa Anggun Development Sdn Bhd, an indirect wholly-owned subsidiary of FITTERS, entered into a Sale and Purchase agreement with Aikbee Development (Kepong) Sdn Bhd to dispose a piece of leasehold land held under title no. PN122559, Lot 93260, Mukim Rawang, Daerah Gombak, Negeri Selangor for a consideration of RM36 million, completion subject to terms and conditions of the agreement.

The agreement had been terminated on 4 August 2023 due to the purchaser failure to pay the balance purchase price on or before the extended completion date.

(f) On 26 October 2023, Master Pyrodor Sdn. Bhd., a wholly-owned subsidiary of FITTERS has entered into a sale and purchase agreement with Cameron Highlands Floriculture Sdn Bhd for the disposal of a piece of freehold land held under individual title Geran 34685, Lot 5585, in Mukim of Ulu Telom, District of Cameron Highlands, Pahang Darul Makmur for a consideration of RM15.00 million, completion is subject to terms and conditions of the agreement.

35. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 19 April 2024, FITTERS Engineering Services Sdn. Bhd., a wholly-owned subsidiary of the Company had accepted a letter of acceptance for subcontract works ("LOA") from IJM Construction Sdn. Bhd. for the fire protection services on the proposed phase 1A consists of a 4-storey logistic hub, 4-storey multilevel parking with 1-storey office, and ancillary buildings at PT846 (formerly Lot 10980, PT757 & PT758, Persiaran Selangor, Seksyen 16, 40000 Shah Alam, Selangor Darul Ehsan for Messrs. Global Vision Logistics Sdn. Bhd. for a subcontract sum of RM26,100,000.00 as prescribed in the LOA.

LIST OF MATERIAL PROPERTIES HELD BY THE GROUP

As at 31 March 2024

	Description	Address	Net Book Value RM'000	Tenure	Date of last valuation / acquisition	Existing Use	Age Of Building (Year)
1	5-storey office block 1,779.20 m^2	No. 1 Jalan Tembaga SD 5/2 Bandar Sri Damansara 52200 Kuala Lumpur	16,000	Freehold	31-03-2024	Office	30
2	Land 20.23 hectares	HS(D) 15865, Lot 18059 Mukim Rawang District of Gombak Selangor Darul Ehsan	29,892	Leasehold expire on 26-10-2102	27-11-2012	Development	–
3	18-storey office tower 290,798 sq ft	No. 2 Jalan Tun Razak 50400 Kuala Lumpur	29,080	Freehold	28-08-2015	Commercial	41
4	1-storey factory & 2-storey office 4,155.878 m^2	Lot PT 6127 Jalan Tech Valley 3A/1 Sendayan Tech Valley Bandar Sri Sendayan 71950 Negeri Sembilan Darul Khusus	16,500	Freehold	31-03-2024	Industrial	8
5	Land 8.094 hectares (20 acres)	HS(D) 34685, Lot 5585 Mukim of Ulu Telom District of Cameron Highlands Pahang Darul Makmur	15,000	Freehold	05-10-2023	Agriculture	–
6	Factory complex 125,130 m^2	No. 3998, Batu 5 Jalan Baling 09300 Kuala Ketil Kedah Darul Aman	10,981	Freehold	09-03-2022	Industrial	18
7	3-storey shop house 143.07 m^2	66 Lintang Angsana Bandar Baru Ayer Itam 11500 Pulau Pinang	1,800	Leasehold expire in 2093	10-06-2024	Office	29
8	2-storey shop house 143.07 m^2	12 Jalan Sagu 5 Taman Daya 81100 Johor Bahru Johor Darul Takzim	700	Freehold	25-06-2024	Office	29
9	Condominium 70.24 m^2	A-06-13A, Block A The Azure @ Paradigm Petaling Jaya, Selangor Darul Ehsan	674	Leasehold expire in 2111	20-05-2015	Residential	8
10	2-storey shop office 130 m^2	13 & 13A Jalan Dato Haji Megat Khas Taman Bandaraya Utama 31400 Ipoh, Perak	650	Leasehold expire in 2093	26-06-2024	Office	29

ANALYSIS OF SHAREHOLDINGS
As at 28 June 2024

Total number of issued shares	:	2,354,109,464 ordinary shares
Treasury Shares	:	12,817,648 treasury shares held by the Company
Class of Shares	:	Ordinary Shares ("Shares")
Voting Rights by poll	:	One (1) vote for every Share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 28 JUNE 2024

Size of Shareholdings	No. of Shareholders	%	No. of Shares Held#	%
Less than 100	1,028	14.50	51,134	0.00
100 to 1,000	588	8.30	257,592	0.01
1,001 to 10,000	1,599	22.56	9,247,707	0.40
10,001 to 100,000	2,829	39.91	104,680,488	4.47
100,001 to less than 5% of issued shares	1,043	14.72	2,080,347,203	88.85
5% and above of issued shares	1	0.01	146,707,692	6.27
Total	**7,088**	**100.00**	**2,341,291,816**	**100.00**

Excluding a total of 12,817,648 shares bought back and retained as treasury shares.

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 28 JUNE 2024
(As per the Register of Substantial Shareholders)

	Direct Interest		Indirect Interest	
Substantial Shareholders	**No. of Shares Held**	**%**	**No. of Shares Held**	**%**
Ho Jien Shiung	232,211,492	9.96	–	–
Dato' Sri Dr Pang Chow Huat	195,699,800	8.36	–	–
Florence Wong Wei Wei	186,853,846	7.98	–	–
Doris Wong Sing Ee	158,900,000	6.79	–	–

DIRECTORS' SHAREHOLDINGS AS AT 28 JUNE 2024
(As per the Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Directors	**No. of Shares Held**	**%**	**No. of Shares Held**	**%**
Dato' Sok One A/L Esen	–	–	–	–
Hoo Swee Guan	115,424,616	4.93	–	–
Dato' Sri Gan Chow Tee	–	–	–	–
Wong Kok Seong	–	–	–	–
Kho See Yiing	–	–	–	–

* *Negligible*

ANALYSIS OF SHAREHOLDINGS (CONT'D)

TOP THIRTY (30) LARGEST SECURITIES HOLDERS AS AT 28 JUNE 2024
(without aggregating the securities from different securities account belonging to the same Depositor)

No.	Name	No. of Shares	%
1.	RHB Nominees (Tempatan) Sdn. Bhd. *OSK Capital Sdn. Bhd. for Ho Jien Shiung*	146,707,692	6.27
2.	Tan Li Sin	115,394,615	4.93
3.	Hoo Swee Guan	115,384,616	4.93
4.	RHB Nominees (Tempatan) Sdn. Bhd. *OSK Capital Sdn. Bhd. for Florence Wong Wei Wei*	106,000,000	4.53
5.	Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Doris Wong Sing Ee (Margin)*	98,900,000	4.22
6.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Arena Evolusi Sdn. Bhd.*	74,886,615	3.20
7.	Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Florence Wong Wei Wei (Margin)*	70,653,846	3.02
8.	TA Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Pang Chow Huat*	65,500,000	2.80
9.	Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Pang Chow Huat (Margin)*	63,199,800	2.70
10.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Cita Realiti Sdn. Bhd.*	61,000,000	2.61
11.	Apex Nominees (Tempatan) Sdn. Bhd. *Apex Equity Capital Sdn. Bhd. for Doris Wong Sing Ee*	60,000,000	2.56
12.	Apex Nominees (Tempatan) Sdn. Bhd. *Apex Equity Capital Sdn. Bhd. for Chen Huei Ping*	60,000,000	2.56
13.	Apex Nominees (Tempatan) Sdn. Bhd. *Apex Equity Capital Sdn. Bhd. for Ho Kee Wee*	60,000,000	2.56
14.	RHB Nominees (Tempatan) Sdn. Bhd. *OSK Capital Sdn. Bhd. for Pang Chow Huat*	60,000,000	2.56
15.	TA Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for M N C Wireless Berhad*	56,000,000	2.39
16.	RHB Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ho Jien Shiung*	46,503,800	1.99
17.	Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chen Huei Ping (Margin)*	43,255,500	1.85
18.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Leong Kim Fong*	40,343,100	1.72

ANALYSIS OF SHAREHOLDING (CONT'D)

TOP THIRTY (30) LARGEST SECURITIES HOLDERS AS AT 28 JUNE 2024 (CONT'D)

(without aggregating the securities from different securities account belonging to the same Depositor)

No.	Name	No. of Shares	%
19.	Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ho Jien Shiung (Margin)*	40,000,000	1.71
20.	Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Kok Hui (Margin)*	37,538,461	1.60
21.	Amsec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chin Chin Seong*	26,742,078	1.14
22.	Amsec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Dato' Sri Gan Chow Tee*	24,000,000	1.03
23.	Apex Nominees (Tempatan) Sdn. Bhd. *Apex Equity Capital Sdn. Bhd. for Tan Kok Hui*	24,000,000	1.03
24.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Kiam Lam (001)*	18,765,800	0.80
25.	TA Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Metronic Global Berhad*	18,000,000	0.77
26.	Newaction Marketing Sdn. Bhd.	15,400,000	0.66
27.	RHB Capital Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Kak Seng*	14,253,000	0.61
28.	Amsec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Yong Bee Bee*	12,231,100	0.52
29.	Apex Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chong Li Ping (Margin)*	12,000,000	0.51
30.	Koay Bee Li	10,517,000	0.45
	Total	**1,597,177,023**	**68.22**

ANALYSIS OF WARRANTS HOLDINGS
As at 28 June 2024

Type of Securities	:	Warrants C 2023/2026
Total Number of Warrants Issued	:	1,155,538,938
Exercise Price	:	RM0.07
Exercise Period	:	11 April 2023 to 10 April 2026

DISTRIBUTION SCHEDULE OF WRRANTS HOLDERS AS AT 28 JUNE 2024

Size of Holdings	No. of Holders	%	No. of Warrants Held	%
Less than 100	37	1.80	1,397	0.00
100 to 1,000	64	3.11	21,890	0.00
1,001 to 10,000	154	7.49	994,930	0.08
10,001 to 100,000	802	39.01	43,161,363	3.74
100,001 to less than 5% of issued warrants	999	48.59	1,111,359,358	96.18
5% and above of issued warrants	0	0.00	0	0
Total	**2,056**	**100.00**	**1,155,538,938**	**100.00**

DIRECTORS' WARRANTS HOLDINGS AS AT 28 JUNE 2024
(As per the Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Directors	**No. of Shares Held**	**%**	**No. of Shares Held**	**%**
Dato' Sok One A/L Esen	–	–	–	–
Hoo Swee Guan	77	*	–	–
Dato' Sri Gan Chow Tee	–	–	–	–
Wong Kok Seong	–	–	–	–
Kho See Yiing	–	–	–	–

** Negligible*

TOP THIRTY (30) LARGEST WARRANTS HOLDERS AS AT 28 JUNE 2024
(without aggregating the securities from different securities account belonging to the same Depositor)

No.	Name	No. of Shares	% #
1.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Ong King Seng*	42,987,800	3.72
2.	Foo Fook Min	38,800,000	3.36
3.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Leong Kim Fong*	27,012,200	2.34
4.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securities Account for Bu Yaw Seng (MY3086)*	27,000,000	2.34
5.	Amsec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Chin Chin Seong*	17,828,052	1.54
6.	Hee Yuen Sang	16,000,000	1.38

ANALYSIS OF WARRANTS HOLDINGS (CONT'D)

TOP THIRTY (30) LARGEST WARRANTS HOLDERS AS AT 28 JUNE 2024 (CONT'D)

(without aggregating the securities from different securities account belonging to the same Depositor)

No.	Name	No. of Shares	% #
7.	Tey Say Ek	15,135,200	1.31
8.	Wong Lee Swee	14,700,100	1.27
9.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. *Pledged Securities Account for Hee Yuen Sang (MY2105)*	14,500,000	1.25
10.	Amsec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lee Chong Pa*	13,500,000	1.17
11.	Chan Keng Mun	11,000,000	0.95
12.	Kenanga Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Lim Kiam Lam (001)*	10,825,400	0.94
13.	Yusmie Bin Abdul Rani	10,640,000	0.92
14.	Lim Chui Theng	10,110,300	0.87
15.	Koay Bee Li	10,000,000	0.87
16.	Liau Tam Sang	10,000,000	0.87
17.	Ng Kheng Leong	10,000,000	0.87
18.	Tie Teck Chung	10,000,000	0.87
19.	Chia Cheng Guang	8,156,500	0.71
20.	Maybank Nominees (Tempatan) Sdn. Bhd. *Fua Kia Pha*	8,055,300	0.70
21.	Newaction Marketing Sdn. Bhd.	7,700,000	0.67
22.	Gan Foo Yew	7,000,000	0.61
23.	Goh Seng Huat	7,000,000	0.61
24.	Lam Kam Moi	7,000,000	0.61
25.	Lee Chee Kian	7,000,000	0.61
26.	Ng Kim Hock	7,000,000	0.61
27.	Public Nominee (Tempatan) Sdn. Bhd. *Pledged Securities Account for Law Ching Ching (E-Tai)*	6,051,000	0.52
28.	Liew Sher Vy	6,000,000	0.52
29.	Maybank Nominees (Tempatan) Sdn. Bhd. *Wee Song Ching*	6,000,000	0.52
30.	Wong Kam Sang	5,700,000	0.49
	Total	**392,701,852**	**33.98**

NOTICE OF
THIRTY-EIGHTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Eighth Annual General Meeting ("38th AGM" or "Meeting") of **FITTERS DIVERSIFIED BERHAD** ("FITTERS" or "the Company") will be held on a fully virtual basis and entirely via remote participation and voting through live streaming and online remote voting using Remote Participation and Electronic Voting facilities via the online meeting platform at https://www.dvote.my (Domain registration number with MYNIC : D6A434007) on Friday, 27 September 2024 at 10:00 a.m. or at any adjournment thereof, to transact the following businesses:

A G E N D A

AS ORDINARY BUSINESS:

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon.	***Please refer to Explanatory Note 1***
2.	To approve the payment of Directors' fees and/or benefits of up to RM300,000.00 for the period commencing from the date immediately after the 38th AGM until the next Annual General Meeting ("AGM") of the Company.	***Ordinary Resolution 1***
3.	To re-elect Mr. Wong Kok Seong who retires by rotation pursuant to Clause 87 of the Company's Constitution.	***Ordinary Resolution 2***
4.	To re-elect Mr. Pang Wei Kang who retires pursuant to Clause 93 of the Company's Constitution.	***Ordinary Resolution 3***
5.	To re-appoint ChengCo PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.	***Ordinary Resolution 4***

AS SPECIAL BUSINESS:

To consider and if thought fit, pass with or without any modifications, the following resolutions:

6. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 ("ACT")** ***Ordinary Resolution 5***

"THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company ("Shares") to such persons, at any time, 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 ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time ("Mandate") AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND the Mandate shall continue in force until the conclusion of the next Annual General Meeting ("AGM") of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier;

NOTICE OF THIRTY-EIGHTH ANNUAL GENERAL MEETING (CONT'D)

AND FURTHER THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares."

7. **PROPOSED RENEWAL OF THE AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENTUM (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")** ***Ordinary Resolution 6***

"THAT subject always to the Companies Act 2016 ("the Act"), provisions of the Constitution of the Company, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and all prevailing laws, rules, regulations, orders, guidelines and requirements for the time being in force, approval and authority be and are hereby given to the Directors of the Company ("Directors"), to the extent permitted by law, to purchase and/or hold such number of ordinary shares of the Company ("Shares") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:-

(i) the maximum aggregate number of Shares, which may be purchased and/or held as treasury shares does not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time subject to compliance with the Act, the Listing Requirements of Bursa Securities and/or any other relevant authorities;

(ii) the maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company; and

(iii) the Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority are to be treated in any of the following manners:-

    (a) cancel the purchased Shares; or

    (b) retain the purchased Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or resell in accordance with the relevant rules of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; or

    (c) retain part of the purchased Shares as treasury shares and cancel the remainder.

NOTICE OF THIRTY-EIGHTH ANNUAL GENERAL MEETING (CONT'D)

AND THAT such authority shall commence immediately upon the passing of this resolution until:-

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which this resolution is passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or

(ii) the expiration of the period within the next AGM after the date it is required by law to be held; or

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

whichever occurs first, but not so as to prejudice the completion of the purchase(s) of the Shares by the Company before the aforesaid expiry date and made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any other relevant government and/or regulatory authorities.

AND FURTHER THAT the Directors be and are hereby authorised to take all such steps as are necessary or expedient to implement, finalise, complete or to effect the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, resolutions, variations and/or amendments (if any) as may be imposed by the relevant authorities and to do all such acts and things as they may deem fit and expedient in the best interest of the Company to give effect to and to complete the purchase of the Shares."

8 . To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)
LEE SIEW FUN (MAICSA 7063623) (SSM PC No. 202008000735)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
31 July 2024

NOTICE OF THIRTY-EIGHTH ANNUAL GENERAL MEETING (CONT'D)

Notes:

(a) A member who is entitled to be present, participate, speak and vote at the Meeting shall be entitled to appoint not more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

(c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 65 of the Company's Constitution to issue the General Meeting Record of Depositors as at 18 September 2024. Only members whose names appear in the General Meeting Record of Depositors as at 18 September 2024 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(g) The instrument appointing a proxy may be made in the following manner and must be deposited not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned thereof at which the person named in the appointment proposes to vote:-

   (i) In hard copy form
   In the case of an appointment made in hard copy form, the Proxy Form must be deposited with Share Registrar's office, Sectrars Management Sdn Bhd at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

   (ii) By electronic form
   The Proxy Form can be electronically lodged by email to dvoteservice@gmail.com. Kindly refer to the Administrative Notes on the procedures for electronic lodgement of the Proxy Form.

(h) All the resolutions as set out in this Notice of the Meeting will be put to vote by poll.

(i) Kindly check Bursa Malaysia Securities Berhad's website and the Company's website at http://www.fittersgroup.com/ for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 March 2024

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the audited financial statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and/or Benefits

Pursuant to Section 230(1) of the Act, the directors' fees and/or any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and/or benefits for the period commencing from the date immediately after the 38th AGM until the date of the next AGM of the Company.

In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for such shortfall.

3. Items 3 and 4 of the Agenda – Re-election of Directors

Clause 87 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS THAT all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election.

Clause 93 of the Company's Constitution provides that any Director appointed either to fill a casual vacancy or as an additional Director shall hold office only until the next AGM and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors to retire by rotation at such meeting.

Mr. Wong Kok Seong will retire by rotation pursuant to Clause 87 of the Company's Constitution whereas Mr. Pang Wei Kang who was appointed on 8 January 2024 will retire pursuant to Clause 93 of the Company's Constitution (collectively referred to as "the Retiring Directors"). The Retiring Directors, being eligible, have offered themselves for re-election at the 38th AGM.

The Board has endorsed the Nomination and Remuneration Committee's recommendation to seek shareholders' approval to re-elect all the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the said Retiring Directors are provided in the Profile of Directors of the Company's Annual Report 2024.

4. Item 6 of the Agenda – General Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 5 proposed under item 6 of the Agenda, is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will provide flexibility for the Company and empower the Directors to issue and allot new Shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued Shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such Shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

NOTICE OF THIRTY-EIGHTH ANNUAL GENERAL MEETING (CONT'D)

4. Item 6 of the Agenda – General Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act (cont'd)

This general mandate will provide flexibility to the Company for issuance and allotment of Shares for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new Shares in the Company were issued and allotted pursuant to the mandate granted to the Directors at the last AGM held on 22 September 2023 which will lapse at the conclusion of the Meeting.

5. Item 7 of the Agenda – Proposed Renewal of Share Buy-Back Authority

The Ordinary Resolution 6 proposed under item 7 of the Agenda is to renew the shareholders' mandate for the share buy-back by the Company. The said proposed renewal of shareholders' mandate will empower the Directors to buy-back and/ or hold up to a maximum of ten per centum (10%) of the Company's total number of issued shares at any point in time, by utilising the amount allocated which shall not exceed the total retained profits of the Company. This authority unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM, or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

Please refer to the Share Buy-Back Statement dated 31 July 2024 for further details.

SHARE BUY-BACK STATEMENT

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad ("Bursa Securities") has not perused this Statement prior to its issuance and takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement as it is prescribed as Exempt Circulars pursuant to Practice Note 18 of the Main Market Listing Requirements of Bursa Securities.

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Statement:

"Act"	:	The Companies Act 2016 as amended from time to time and any re-enactment thereof
"AGM"	:	Annual General Meeting
"Annual Report 2024"	:	Annual Report of FITTERS for the financial year ended 31 March 2024
"Board"	:	The Board of Directors of FITTERS
"Bursa Securities"	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
"Code"	:	Malaysian Code on Take-Overs and Mergers, 2016, including any amendment that may be made from time to time
"Director(s)"	:	Director(s) of FITTERS or its subsidiaries (as the case may be)
"EPS"	:	Earnings per Share
"FITTERS" or "Company"	:	FITTERS Diversified Berhad [Registration No. 198601000595 (149735-M)]
"FITTERS Group" or "Group"	:	FITTERS and its subsidiaries companies, collectively
"FITTERS Share(s)" or "Share(s)"	:	Ordinary share(s) in FITTERS
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities, including any amendments that may be made from time to time
"LPD"	:	22 July 2024, being the latest practicable date prior to the printing of this Statement
"Major Shareholder"	:	A person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares, is: (a) ten per centum (10%) or more of the total number of voting shares in the Company; or (b) five per centum (5%) or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act
"Minister"	:	Minister charged with the responsibility for companies pursuant to Section 2 of the Act
"NA"	:	Net assets
"Proposed Renewal of Share Buy-Back Authority"	:	Proposed Renewal of the authority for the Company to purchase its own Shares of up to ten per centum (10%) of the total number of issued shares of FITTERS
"Purchased Share(s)"	:	FITTERS Share(s) that are purchased pursuant to the Proposed Renewal of Share Buy-Back Authority
"Record of Depositors"	:	A record consisting of names of depositors provided by Bursa Depository under the Rules of Bursa Depository

SHARE BUY-BACK STATEMENT (CONT'D)

DEFINITIONS (CONT'D)

Except where the context otherwise requires, the following definitions shall apply throughout this Statement: (Cont'd)

"RM" and "sen"	:	Ringgit Malaysia and sen respectively
"Rules"	:	Rules on Take-Overs, Mergers and Compulsory Acquisitions as may be amended, modified or re-enacted from time to time
"Statement"	:	The share buy-back statement dated 31 July 2024 in relation to the Proposed Renewal of Share Buy-Back Authority
"Treasury Shares"	:	Has the meaning given in Section 127(4) of the Act
"Warrants"	:	Warrants C 2023/2026 issued by FITTERS

All references to "we", "us", "our" and "ourselves" are to FITTERS or FITTERS Group. All references to "you" in this Statement are to the shareholders of FITTERS.

Words denoting the singular shall, where applicable, include the plural and vice versa. Words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include corporations, unless otherwise specified.

Any reference in this Statement to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Statement shall be a reference to Malaysian time, unless otherwise specified.

Any discrepancy in the figures included in this Statement between the amounts stated and the totals thereof are due to rounding.

1. INTRODUCTION

At the Thirty-Seventh AGM held on 22 September 2023, our shareholders had approved, amongst others, the renewal of authority for the Company to undertake a share buy-back of up to ten per centum (10%) of the total number of issued shares of the Company through Bursa Securities at any point in time subject to the compliance of the Act, rules and regulations made pursuant to the Act, the provisions of the Company's Constitution and the Listing Requirements and any other relevant authority ("Existing Authority"). The Existing Authority will expire at the conclusion of the forthcoming Thirty-Eighth ("38th") AGM of the Company scheduled to be held on 27 September 2024.

On 25 July 2024, the Board announced the Company's intention to seek the approval of the shareholders of FITTERS for the Proposed Renewal of Share Buy-Back Authority by way of an ordinary resolution at the forthcoming 38th AGM.

The purpose of this statement is to provide you with the relevant information on the Proposed Renewal of Share Buy-Back Authority, together with the recommendation of the board to seek your approval for the ordinary resolution to be tabled at the forthcoming 38th AGM. The notice of the 38th AGM is set out in the Annual Report 2024, the extract of which is enclosed in this Statement.

SHARE BUY-BACK STATEMENT (CONT'D)

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Board proposes to seek its shareholders' approval for the renewal of the authority for the Company to purchase up to ten per centum (10%) of its total number of issued shares at any point in time, subject to compliance with the Act, rules, regulations and orders made pursuant to the Act, the provisions of the Company's Constitution and the Listing Requirements and any other relevant authority ("Prevailing Laws") at the time of purchase.

The approval from the shareholders for the Proposed Renewal of Share Buy-Back Authority would be effective immediately upon the passing of the ordinary resolution for the Proposed Renewal of Share Buy-Back Authority at the forthcoming 38th AGM of the Company and shall be valid until:

i. the conclusion of the next AGM of the Company following the general meeting at which this resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or

ii. the expiration of the period within the next AGM of the Company after the date it is required by law to be held; or

iii. revoked or varied by ordinary resolution passed by the shareholders at a general meeting of the Company,

whichever occurs first.

2.1 Maximum number or percentage of FITTERS shares to be acquired

The maximum aggregate number of FITTERS Shares which may be purchased by the Company shall not exceed 10% of the total number of issued shares in the Company at any point in time subject to compliance with the provisions of the Act, the Listing Requirements and/or any other relevant authorities.

As at LPD, our total number of issued shares is 2,354,109,464 Shares. For illustration purposes, the maximum number of FITTERS Shares which may be purchased and/or held by the Company shall not be more than 235,410,946 Shares based on the total number of issued shares as at LPD, representing up to 10% of its issued shares as at the LPD.

As at LPD, our Company has 1,155,538,938 Warrants. Assuming full exercise of the Warrants, a total of 1,155,538,938 new FITTERS Shares will be issued and the enlarged issued shares of the Company shall be 3,509,648,402 Shares. For illustration purposes, the maximum number of FITTERS Shares which may be purchased and/or held by our Company shall not be more than 350,964,840 Shares based on the total number of enlarged issued shares.

2.2 Pricing

Pursuant to Paragraph 12.17 of the Listing Requirements, the Company may only purchase FITTERS shares on Bursa Securities at a price which is not more than 15% above the weighted average market price ("WAMP") of FITTERS Shares for the five (5) market days immediately before the date of purchase(s).

In addition, pursuant to Paragraph 12.18 of the Listing Requirements, provided that in the case of a resale or transfer of Treasury Shares, the Company may only resell Treasury Shares on Bursa Securities or transfer Treasury Shares pursuant to Section 127(7) of the Act, at: -

a) a price which is not less than the WAMP of FITTERS Shares for the five (5) market days immediately before the resale or transfer; or

b) a discounted price of not more than five per centum (5%) to the WAMP of FITTERS Shares for the five (5) market days immediately before the resale or transfer provided that:

    i) the resale or transfer takes place not earlier than thirty (30) days from the date of purchase; and
    ii) the resale or transfer price is not less than the cost of purchase of FITTERS Shares being resold or transferred.

2. DETAILS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

2.3 Treatment of Purchased Shares

In accordance with Section 127(4) and (7) of the Act, the Directors may deal with the Purchased Shares, at their discretion, in the following manner: -

a) to cancel the Purchased Shares; or

b) to retain the Purchased Shares as Treasury Shares; or

c) to retain part of the Purchased Shares as Treasury Shares and cancel the remainder.

Accordingly, based on Section 127(7) of the Act, where such Purchased Shares are held as Treasury Shares, the Directors may, at their discretion: -

a) distribute the Purchased Shares as dividends to shareholders, such dividends to be known as "shares dividends";

b) resell the Purchased Shares or any of the Purchased Shares in accordance with the relevant rules of Bursa Securities;

c) transfer the Purchased Shares or any of the Purchased Shares for the purpose of or under an employees' share scheme;

d) transfer the Purchased Shares or any of the Purchased Shares as purchase consideration;

e) cancel the Purchased Shares or any of the Purchased Shares;

f) sell, transfer or otherwise use the Purchase Shares for such other purposes as the Minister may by order prescribe; and/or

g) in any other manner as may be prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities, and/or any other relevant authority for the time being in force.

In the event the Purchased Shares are held as Treasury Shares, the rights attaching to them as to voting, dividends and participation in other distributions or otherwise, will be suspended and the Treasury Shares will not be taken into account in calculating the number of percentage of Shares, or of a class of shares in the Company for any purpose including substantial shareholdings, takeovers, notices, requisitioning of meetings, a quorum for a meeting and result of a vote on the resolution(s) at a meeting.

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority, if implemented, will enable FITTERS to utilise any of its surplus financial resources, which are not immediately required for other uses, to purchase its own Shares from the open market. The Company will be able to purchase its own Shares when the Shares are being traded at values that are below what the Board believes to be their intrinsic value. This will enable the prices of FITTERS Shares traded on the Main Market of the Bursa Securities to be stabilised and therefore better reflect its fundamentals.

If the Purchased Shares are subsequently cancelled, the Proposed Renewal of Share Buy-Back Authority may strengthen the EPS of FITTERS. Consequently, long-term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company.

SHARE BUY-BACK STATEMENT (CONT'D)

3. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

The Purchased Shares can also be held as Treasury Shares and resold on Bursa Securities at a higher price with the intention of realising a potential gain without affecting the total number of issued shares of the Company. Should any Treasury Shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

The Proposed Renewal of Share Buy-Back Authority is not expected to have any potential material disadvantage to the Company and its shareholders, and it will be exercised only after due consideration of the financial resources of FITTERS Group, and of the resultant impact on the shareholders of the Company. The Board will be mindful of the interests of FITTERS and its shareholders in undertaking the Proposed Renewal of Share Buy-Back Authority.

4. FUNDING FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority may be funded through internally-generated funds and/or external borrowings as long as the purchase is backed by an equivalent amount of retained profits of the Company. As at the LPD, we have not determined the source of funding for the Proposed Renewal of Share Buy-Back Authority.

The actual amount of funds to be utilised for the Proposed Renewal of Share Buy-Back Authority will only be determined later depending on the actual number of FITTERS Shares to be purchased, the availability of funds at the time of purchase(s) and other relevant costs factors.

The maximum amount of funds to be allocated for the Proposed Renewal of Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statement and/or the latest unaudited financial statements of the Company (where applicable) available. The audited retained losses of the Company as at 31 March 2024 (being the latest available audited financial statements of the Company was RM33,346,000.

The Proposed Renewal of Share Buy-Back Authority, if funded through internally generated funds, is not expected to have a material impact on the cash flow position of the Company. In the event the Proposed Renewal of Share Buy-Back Authority is to be financed by bank borrowings, the Company will ensure its capabilities of repaying such borrowings and that such repayment will not have a material effect on the cash flow position. In addition, the Board will ensure that the Company satisfies the solvency test as stated in Section 112(2) of the Act before execution of the Proposed Renewal of Share Buy-Back Authority.

5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The potential advantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:-

i. allows the Company to take preventive measures against speculation particularly when its shares are undervalued, which would, in turn, stabilise its market price and hence, enhance investors' confidence;

ii. allows the Company the flexibility in achieving the desired capital structure, in terms of debt and equity composition and size of equity;

iii. the Company may distribute any shares held as Treasury Shares as share dividends to reward the shareholders of the Company; and

iv. the Company may realise potential gains from the resale of the Treasury Shares, if the Purchased Shares which are retained as Treasury Shares are resold at a higher price.

5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority to the Company and its shareholders are as follows:-

i. the Proposed Renewal of Share Buy-Back Authority will reduce the financial resources of FITTERS and may result in the Group foregoing other investment opportunities that may emerge in the future; and

ii. as the Proposed Renewal of Share Buy-Back Authority can only be made out of retained earnings of the Company, it may result in the reduction of financial resources available for distribution to shareholders in the immediate future.

However, these disadvantages are mitigated by the prospect that the financial capacity of the Group may increase, if the Purchased Shares held as Treasury Shares are resold at a higher price than their purchase price.

The Board, in exercising any decision on the purchase of FITTERS Shares pursuant to the Proposed Renewal of Share Buy-Back Authority and any subsequent resale of Treasury Shares on the Bursa Securities, will be mindful of the interest of the Company and its shareholders.

6. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

6.1 Issued Share Capital

The effect of the Proposed Renewal of Share Buy-Back Authority on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares.

The Proposed Renewal of Share Buy-Back Authority will, however, result in the reduction of the issued share capital of the Company if the Purchased Shares are cancelled. Based on the issued share capital of the Company as at LPD, and assuming that the maximum number of FITTERS Shares (of up to ten per centum (10%) of the total number of issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased and cancelled, the effect of the Proposed Renewal of Share Buy-Back Authority is set out as follows:

	No. of Shares	Assuming full exercise of Warrants
Issued share capital as at LPD	2,354,109,464[(1)]	3,509,648,402
Maximum number of purchased shares cancelled	(235,410,946)	(350,964,840)
Resultant issued share capital	2,118,698,518	3,158,683,562

Note:
[(1)] *Inclusive of 12,817,648 Shares that have been purchased and retained as Treasury Shares as at LPD.*

On the other hand, if FITTERS Shares purchased are retained as Treasury Shares, resold or distributed to its shareholders, the Proposed Renewal of Share Buy-Back Authority will not affect the issued share capital of FITTERS.

6. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

6.2 Earnings and EPS

The effects of the share buy-back on the earnings and EPS of FITTERS Group is dependent on the purchase price of the FITTERS Shares, the number of Purchased Shares and the effective funding cost to FITTERS to finance the purchase of such FITTERS Shares or any loss in interest income to FITTERS or opportunity cost in relation to other investment opportunities. The effective reduction in the issued share capital of the Company pursuant to the Proposed Renewal of Share Buy-Back Authority will, generally, all else being equal, have a positive impact on the consolidated EPS of the Company.

6.3 NA and Working Capital

The effects of the Proposed Renewal of Share Buy-Back Authority on the NA of the Group will depend on the purchase price for such FITTERS Shares and whether the Purchased Shares are cancelled or retained as Treasury Shares.

The effects of the Proposed Renewal of Share Buy-Back Authority on the NA of the Group, whether the Purchased Shares are cancelled or retained as Treasury Shares are as follows:-

a. Purchased Shares are subsequently retained as Treasury Shares

The NA of the Group would decrease if the Purchased Shares are retained as Treasury Shares due to the requirement for Treasury Shares to be carried at cost and be offset against equity, resulting in a decrease in the NA of the Group by the cost of the Treasury Shares.

If the Purchased Shares are resold on Bursa Securities, the NA of the Group would increase if FITTERS realises a gain from the resale, and vice-versa.

If the Purchased Shares were distributed as share dividends, the NA of the Group will decrease by the cost of the Treasury Shares.

b. Purchased Shares are subsequently cancelled

If the Purchased Shares are cancelled, the Proposed Renewal of Share Buy-Back Authority will reduce the NA per FITTERS Share if the purchase price per FITTERS Share exceeds the NA per FITTERS Share at the relevant point in time, and vice-versa.

The Proposed Renewal of Share Buy-Back Authority, as and when implemented, will reduce the working capital and cash flow of FITTERS Group, the quantum of which will depend on, amongst others, the purchase price(s) of FITTERS Shares and the number of Purchased Shares. The Proposed Renewal of Share Buy-Back Authority will affect the cash flow of the Group if it is wholly and/or partly financed by internally generated funds and result in a lower amount of cash reserves available for dividends to be declared to shareholders as funds are utilised to purchase shares.

6.4 Dividends

The Proposed Renewal of Share Buy-Back Authority is not expected to have any impact on the dividend policy of the Board in recommending dividends, if any, to shareholders of FITTERS. However, as stated herein above, the Board may distribute future dividends in the form of the Treasury Shares purchased pursuant to the Proposed Renewal of Share Buy-Back Authority.

6. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

6.5 Substantial Shareholders' Shareholdings

Based on the Register of Substantial Shareholders of the Company as at LPD and assuming that the maximum number of FITTERS Shares (of up to ten per centum (10%) of the total number issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased from shareholders other than the existing substantial shareholders of FITTERS, and all such shares purchased are cancelled, the effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the existing substantial shareholders of FITTERS are set out below:

	As at LPD				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholders	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)
Ho Jien Shiung	233,211,492	9.96	–	–	233,211,492	11.01	–	–
Dato' Sri Dr Pang Chow Huat	195,699,800	8.36	–	–	195,699,800	9.24	–	–
Florence Wong Wei Wei	186,853,846	7.98	–	–	186,853,846	8.82	–	–
Doris Wong Sing Ee	158,900,000	6.79	–	–	158,900,000	7.50	–	–

Assuming full exercise of Warrants

	Upon full exercise of Warrants				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
Substantial Shareholders	No. of Shares	%(3)	No. of Shares	%(3)	No. of Shares	%(4)	No. of Shares	%(4)
Ho Jien Shiung	233,211,492	6.64	–	–	233,211,492	7.38	–	–
Dato' Sri Dr Pang Chow Huat	195,699,800	5.58	–	–	195,699,800	6.20	–	–
Florence Wong Wei Wei	186,853,846	5.32	–	–	186,853,846	5.92	–	–
Doris Wong Sing Ee	158,900,000	4.53	–	–	158,900,000	5.03	–	–

Notes:

(1) *Based on 2,341,291,816 issued shares (excluding 12,817,648 Treasury Shares) as at LPD.*

(2) *Assuming the Proposed Share Buy-Back is undertaken in full and that the maximum of 235,410,946 Shares purchased (inclusive of 12,817,648 Shares that have been purchased and retained as Treasury Shares) representing 10% of the total number of issued shares of FITTERS as at LPD of 2,354,109,464 shares, are to be retained as treasury shares and/or to be cancelled.*

(3) *Based on 3,509,648,402 issued shares (excluding 12,817,648 Treasury Shares) upon full exercise of Warrants.*

(4) *Assuming the Proposed Share Buy-Back is undertaken in full and that the maximum of 350,964,840 Shares purchased (inclusive of 12,817,648 Shares that have been purchased and retained as Treasury Shares) representing 10% of the total number of issued shares of FITTERS upon full exercise of Warrants of 3,509,648,402 shares, are to be retained as Treasury Shares and/or to be cancelled.*

Save for the resulting increase in percentage shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of the substantial shareholders or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority or the resale of Treasury Shares, if any.

6. FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (CONT'D)

6.6 Directors' Shareholdings

Based on the Register of Directors' Shareholdings of the Company as at LPD and assuming that the maximum number of FITTERS Shares (of up to ten per centum (10%) of the total number of issued shares) authorised under the Proposed Renewal of Share Buy-Back Authority are purchased from shareholders other than the existing Directors of FITTERS, and all such shares purchased are cancelled, the effect of the Proposed Renewal of Share Buy-Back Authority on the shareholdings of the Directors of FITTERS are set out below:

	As at LPD				After the Proposed Renewal of Share Buy-Back Authority			
	Direct		Indirect		Direct		Indirect	
Directors	No. of Shares	%(1)	No. of Shares	%(1)	No. of Shares	%(2)	No. of Shares	%(2)
Dato' Sok One A/L Esen	–	–	–	–	–	–	–	–
Hoo Swee Guan	115,424,616	4.93	–	–	115,424,616	5.45	–	–
Dato' Sri Gan Chow Tee	–	–	–	–	–	–	–	–
Wong Kok Seong	–	–	–	–	–	–	–	–
Kho See Yiing	–	–	–	–	–	–	–	–

<u>Assuming full exercise of Warrants</u>

	Upon full exercise of Warrants				After the Proposed Renewal of Share Buy-Back Authority			
	Direct	Indirect	Direct	Indirect				
Directors	No. of Shares	%(3)	No. of Shares	%(3)	No. of Shares	%(4)	No. of Shares	%(4)
Dato' Sok One A/L Esen	–	–	–	–	–	–	–	–
Hoo Swee Guan	115,424,693	3.29	–	–	115,424,693	3.65	–	–
Dato' Sri Gan Chow Tee	–	–	–	–	–	–	–	–
Wong Kok Seong	–	–	–	–	–	–	–	–
Kho See Yiing	–	–	–	–	–	–	–	–

<u>Notes:</u>
(1) *Based on 2,341,291,816 issued shares (excluding 12,817,648 Treasury Shares) as at LPD.*
(2) *Assuming the Proposed Share Buy-Back is undertaken in full and that the maximum of 235,410,946 Shares purchased (inclusive of 12,817,648 Shares that have been purchased and retained as Treasury Shares) representing 10% of the total number of issued shares of FITTERS as at LPD of 2,354,109,464 shares, are to be retained as Treasury Shares and/or to be cancelled.*
(3) *Based on 3,509,648,402 issued shares (excluding 12,817,648 Treasury Shares) upon full exercise of Warrants.*
(4) *Assuming the Proposed Share Buy-Back is undertaken in full and that the maximum of 350,964,840 Shares purchased (inclusive of 12,817,648 Shares that have been purchased and retained as Treasury Shares) representing 10% of the total number of issued shares of FITTERS upon full exercise of Warrants of 3,509,648,402 shares, are to be retained as Treasury Shares and/or to be cancelled.*

Save for the resulting increase in percentage shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of the Directors or persons connected to them has any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority of or the resale of Treasury Shares, if any.

SHARE BUY-BACK STATEMENT (CONT'D)

7. PUBLIC SHAREHOLDING SPREAD

The Proposed Renewal of Share Buy-Back Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with the 25% shareholding spread as required under Paragraph 8.02(1) of the Listing Requirements.

As at LPD, the Record of Depositors of FITTERS showed 2,354,109,464 Shares, representing 61.98% of its total number of issued shares were held by the public shareholders. The Company will endeavour to ensure that the Proposed Renewal of Share Buy-Back Authority will not breach Paragraph 12.14 of the Listing Requirements, which states that a listed corporation must not purchase its own shares on Bursa Securities if that purchase(s) will result in the listed corporation being in breach of the public shareholding spread requirements as set out under Paragraph 8.02(1) of the Listing Requirements.

8. PURCHASE, RESALE AND CANCELLATION OF FITTERS SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

A total of 12,817,648 FITTERS Shares are currently held as Treasury Shares as at the LPD. There was no resale, transfer or cancellation of Treasury Shares made in the previous twelve (12) months.

9. HISTORICAL SHARE PRICES

The monthly high and low market prices of FITTERS Shares for the past twelve (12) months from July 2023 to June 2024 are as follows:

	High (RM)	**Low (RM)**
2023		
July	0.045	0.035
August	0.040	0.035
September	0.040	0.030
October	0.040	0.035
November	0.060	0.035
December	0.055	0.045
2024		
January	0.065	0.040
February	0.055	0.040
March	0.060	0.045
April	0.060	0.045
May	0.055	0.045
June	0.055	0.045

(Source: investing.com)

The last transacted price of FITTERS Shares as at the LPD before printing this Statement was RM0.050.

SHARE BUY-BACK STATEMENT (CONT'D)

10. IMPLICATIONS OF THE CODE

A person and any person acting in concert with him will be obliged to make a mandatory general offer (MGO) under Part III and subparagraph 10.1 of Practice Note 9 of the Code for the remaining ordinary shares of the Company not already owned by him/them if as a result of the Proposed Renewal of Share Buy-Back Authority:

a. a person obtains control in the Company;

b. a person (holding more than 33% but not more than 50% of the voting shares or voting rights of a company) increases his holding of the voting shares or voting rights of the Company by more than 2% in any six (6)-month period; or

c. a person (holding more than 33% but not more than 50% of the voting shares or voting rights of a company) acquires more than 2% of the voting shares or voting rights of the Company when he knows or reasonably ought to know that the Company would carry out a share buy-back scheme.

As it is not intended for the Proposed Renewal of Share Buy-Back Authority to trigger the obligation to undertake a mandatory general offer under the Code by any of the Company's substantial shareholders and/or persons acting in concert with them, the Board will ensure that such number of Shares are purchased, retained as Treasury Shares, cancelled or distributed such that the Proposed Renewal of Share Buy-Back Authority would not result in the triggering of any mandatory offer obligation on the part of our Company's substantial shareholders and/or persons acting in concert with them. In this connection, the Board is mindful of the requirements when making any purchase of our Shares pursuant to the Proposed Renewal of Share Buy-Back Authority.

11. APPROVAL REQUIRED

The Proposed Renewal of Share Buy-Back Authority is subject to the approval of FITTERS's shareholders to be obtained at the forthcoming 38th AGM of the Company.

12. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

Save for the proportionate increase in the percentage of shareholdings and/or voting rights of the shareholdings as a consequence of the Proposed Renewal of Share Buy-Back Authority, none of the Directors, substantial shareholders of FITTERS, and/or person connected to them, as defined in the Listing Requirements, have any interest, whether directly or indirectly, in the Proposed Renewal of Share Buy-Back Authority.

13. DIRECTORS' STATEMENT

The Board of FITTERS, having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of the Company.

14. DIRECTORS' RECOMMENDATION

The Board recommends that you vote in favour of the ordinary resolution pertaining to the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming 38th AGM of the Company.

FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Directors of FITTERS and they collectively and individually, accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there is no other fact, the omission of which would make any statement herein misleading.

2. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan, during normal business hours from Monday to Friday (except for Public Holidays) from the date of this Statement up to and including the date of the 38th AGM:-

(i) Constitution of FITTERS; and

(ii) Audited financial statements of FITTERS for the financial year ended 31 March 2024.

ADMINSTRATIVE NOTES

For The Fully Virtual Thirty-Eighth Annual General Meeting ("38th AGM" or "Meeting") of FITTERS Diversified Berhad ("FITTERS" or "the Company")

Meeting Day, Date	:	Friday, 27 September 2024
Time	:	10:00 a.m.
Online Meeting Platform	:	https://www.dvote.my (Domain registration number with MYNIC : D6A434007)
Depository of Proxy Form	:	(i) In hard copy form In the case of an appointment made in hard copy form, the Proxy Form must be deposited with Share Registrar's office, Sectrars Management Sdn Bhd at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia. (ii) By electronic form The Proxy Form can be electronically lodged by email to dvoteservice@gmail.com. Kindly refer to the Administrative Notes on the procedures for electronic lodgement of the Proxy Form.

REMOTE PARTICIPATION AND ELECTRONIC VOTING ("RPEV") FACILITIES

Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "participate") remotely at the 38th AGM using the RPEV Facilities provided by Dvote Services Sdn. Bhd. ("Dvote") via its **Dvote Online Portal** at https://www.dvote.my

A shareholder who has appointed a proxy or attorney or authorised representative to participate at this 38th AGM via RPEV Facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPEV Facilities at Dvote Online Portal at https://www.dvote.my

As the 38th AGM will be held as a fully virtual meeting, shareholders who are unable to participate in this 38th AGM via RPEV Facilities may also appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.

ENTITLEMENT TO PARTICIPATE AND VOTE AT THE 38TH AGM

In respect of deposited securities, only members whose names appear in the Record of Depositors on **18 September 2024** (Annual General Meeting Record of Depositors) shall be eligible to participate in the 38th AGM or to appoint proxy(ies) to participate and/or vote on his/her behalf.

ADMINSTRATIVE NOTES
(CONT'D)

PROXY FORM(S)

Shareholders who are unable to participate in our 38th AGM are encouraged to appoint the Chairman of the Meeting as your proxy and indicate the voting instructions in the proxy form.

Please take note that you **must** complete the Proxy Form for the 38th AGM should you wish to appoint a proxy(ies).

The instrument appointing a proxy may be made in the following manner and must be deposited not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned thereof at which the person named in the appointment proposes to vote:-

(i) In hard copy form
In the case of an appointment made in hard copy form, the Proxy Form must be deposited with Share Registrar's office, Sectrars Management Sdn Bhd at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

(ii) By electronic form
The Proxy Form can be electronically lodged by email to dvoteservice@gmail.com. Kindly refer to the Administrative Notes on the procedures for electronic lodgement of the Proxy Form.

VOTING PROCEDURES

The voting at the 38th AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Company has appointed Dvote as Poll Administrator to conduct the poll by way of electronic voting or online remote voting ("e-voting").

Kindly refer to item (2) below on the Procedures for RPEV Facilities for guidance on how to vote remotely from Dvote Online website at https://www.dvote.my

During the 38th AGM, the Chairman of the Meeting will invite the Poll Administrator to brief on the e-Polling housekeeping rules. The voting session will commence as soon as the Chairman of the Meeting calls for the poll to be opened and until such time when the Chairman of the Meeting announces the closure of the poll.

For the purposes of the 38th AGM, e-voting will be carried out via personal smart mobile phones, tablets or personal computers/laptops.

Upon the conclusion of the poll session, the Scrutineers will verify the poll results followed by the declaration by the Chairman of the Meeting whether the resolutions put to vote were successfully carried or not.

Kindly follow the steps below on how to register, request for login ID and password:-

1. REMOTE PARTICIPATION AND E-VOTING FACILITIES

   Members are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, "Participate") remotely at the 38th AGM using RPEV Facilities provided by Dvote via its Dvote Online website at https://www.dvote.my Please refer to the Procedures for RPEV Facilities.

ADMINSTRATIVE NOTES (CONT'D)

2. PROCEDURES FOR RPEV FACILITIES

Member(s)/proxy(ies)/corporate representative(s)/attorney(s) who wish to participate in the 38th AGM remotely using the RPEV Facilities are to follow the requirements and procedures as summarised below:

BEFORE MEETING DAY		
A. USER REGISTRATION		
	Procedure	**Action**
(a)	Sign-up as a user with **Dvote Online**	*Note: If you are already a user with Dvote Online, you are not required to sign-up again. You may proceed to sign-in using your email address and password.* • Access the website at https://www.dvote.my • Click on [**Sign up**] to register as a new user with Dvote Online. • Complete registration and upload softcopy of Malaysia Identification card (front and Back) or passport (foreigner(s). You will be notified via email once your user registration is accepted/rejected by Dvote Online.
(b)	Register Meeting with **Dvote Online**	• Registration for Remote Participation will remain open from 20 September 2024 until the commencement of the polling during the 38th AGM. • Login to https://www.dvote.my with your user ID (i.e.: email address) and password. • Select event: **"FITTERS Diversified Berhad – 38th Annual General Meeting**" and click [**Register**]. • You will receive an email notifying on your registration for the remote participation and verification. • Once your registration has been verified against the Record of Depositors as at 18 September 2024, you will be notified via email whether your request for remote participation is approved/rejected. • If approved, you will receive an invitation email together with the meeting link to "*Join Meeting*".

ON THE DAY OF 38TH AGM		
	Procedure	**Action**
(a)	Join the Live Stream Meeting	• Click on ***"Join Meeting"*** link in the invitation email and you will be directed to the live streaming room. • You are advised to log in early, at least 20 minutes, before the Meeting time.
(b)	Post Questions during Live Streaming	• If you have any question(s) for the Board of Directors, you may use the "**Question**" box to transmit your question(s).
(c)	Online Voting during Live Streaming	• Click on [**Vote**], to cast your votes for each resolution(s). • Review your casted votes, confirm and submit your votes.
(d)	End of remote participation	• Upon the announcement by the Chairman on the closure of the 38th AGM, the live streaming room will end.

ADMINSTRATIVE NOTES (CONT'D)

2. PROCEDURES FOR RPEV FACILITIES (CONT'D)

   Notes to users of the RPEV Facilities:

   - The quality of the live streaming is highly dependent on the bandwidth and stability of the internet connection at the location of the user and the device of the user.
   - Users are advised to afford ample time to complete the log in process in advance of the meeting.
   - In the event you encounter any issues with logging-in, connection to live streamed meeting or online voting on the meeting day, kindly call 03-2276 6138 and email to dvoteservice@gmail.com for assistance.
   - Member(s)/proxy(ies)/corporate representative(s)/attorney(s) are encouraged to register as a user with Dvote Online before the meeting day. The user registration is open from 20 September 2024.

3. APPOINTMENT OF PROXY(IES)/CORPORATE REPRESENTATIVE(S)/ATTORNEY(S)

   A member who has appointed a proxy(ies)/authorised representative(s)/attorney(s) to participate in the 38th AGM via RPEV Facilities must request his/her proxy(ies)/authorised representative(s)/attorney(s) to register himself/herself for RPEV Facilities via Dvote Online website at https://www.dvote.my

NO DOOR GIFTS OR FOOD VOUCHERS

There will be no distribution of food vouchers or door gifts during the 38th AGM as the meeting is conducted on a fully virtual basis.

NO RECORDING OR PHOTOGRAPHY

By participating at the 38th AGM, you agree that no part of the 38th AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronic, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the right to take appropriate legal actions against anyone who violates this rule.

ENQUIRY

If you have any enquiry(ies) relating to the 38th AGM, Administrative Notes for the Fully Virtual 38th AGM, RPEV Facilities or encounters issues with the log in, steps to connect to live streaming and online voting, you may send them in advance or contact the following during office hours from Monday to Friday (except for public holiday):-

For Agenda of the 38th AGM related:

Email : fdb@fittersgroup.com

For Pre-Registration via RPEV Facilities:

DVOTE SERVICES SDN. BHD.
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad
Brickfield, 50470 Kuala Lumpur

Name : Ms Sangetha / Mr Hugo Wong
Telephone No. : +603-2276 6138
Email : dvoteservice@gmail.com

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PROXY FORM

FITTERS Diversified Berhad
(Registration No. 198601000595 (149735-M))

CDS Account No.	
No. of Shares Held	

I/We, ... Tel. No.: ....
(Full name as NRIC/Passport and NRIC No. / Registration No.)

of ....
(Address)

being a member of FITTERS DIVERSIFIED BERHAD, hereby appoint(s):

Full Name as per NRIC/Passport	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address		

and / or*

Full Name as per NRIC/Passport	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email address		

or failing him/her*, the Chairman of the meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Thirty-Eighth General Meeting of the Company ("38th AGM" or "Meeting") to be held on a fully virtual basis and entirely via remote participation and voting through live streaming and online remote voting using Remote Participation and Electronic Voting facilities via the online meeting platform at https://www.dvote.my (Domain registration number with MYNIC : D6A434007) on Friday, 27 September 2024 at 10:00 a.m. or at any adjournment thereof, and to vote as indicated below:-

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and/or benefits of up to RM300,000.00 for the period commencing from the date immediately after the 38th AGM until the next Annual General Meeting ("AGM") of the Company.		
2.	To re-elect Mr. Wong Kok Seong as a Director of the Company.		
3.	To re-elect Mr. Pang Wei Kang as a Director of the Company.		
4.	To re-appoint ChengCo PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.		
5.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
6.	To approve the Proposed Renewal of Share Buy-Back Authority.		

** delete whichever is not applicable*

Dated this .... day of 2024

....
Signature of Member(s) / Common Seal

NOTES:

(a) A member who is entitled to be present, participate, speak and vote at the Meeting shall be entitled to appoint not more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.

(b) A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

(c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.

(d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

(e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

(f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 65 of the Company's Constitution to issue the General Meeting Record of Depositors as at 18 September 2024. Only members whose names appear in the General Meeting Record of Depositors as at 18 September 2024 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

(g) The instrument appointing a proxy may be made in the following manner and must be deposited not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned thereof at which the person named in the appointment proposes to vote:-

(i) In hard copy form
In the case of an appointment made in hard copy form, the Proxy Form must be deposited with Share Registrar's office, Sectrars Management Sdn Bhd at Lot 9-7, Menara Sentral Vista, No. 150, Jalan Sultan Abdul Samad, Brickfields, 50470 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

(ii) By electronic form
The Proxy Form can be electronically lodged by email to dvoteservice@gmail.com. Kindly refer to the Administrative Notes on the procedures for electronic lodgement of the Proxy Form.

(h) All the resolutions as set out in this Notice of the Meeting will be put to vote by poll.

(i) Kindly check Bursa Malaysia Securities Berhad's website and the Company's website at http://www.fittersgroup.com/ for the latest updates on the status of the Meeting.

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AFFIX
STAMP

THE SHARE REGISTRAR OF
FITTERS Diversified Berhad 198601000595 (149735-M)

Sectrars Management Sdn. Bhd.
Lot 9-7, Menara Sentral Vista
No. 150, Jalan Sultan Abdul Samad, Brickfields
50470 Kuala Lumpur
Wilayah Persekutuan

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FITTERS Diversified Berhad
198601000595 (149735-M)

Wisma FITTERS,
No. 1, Jalan Tembaga SD 5/2, Bandar Sri Damansara
52200 Kuala Lumpur, Malaysia

Tel +(603) 6276 7155 (General) **Fax** +(603) 6275 8692 **Email** fdb@fittersgroup.com

www.fittersgroup.com