

FITTERS DIVERSIFIED BERHAD
(Company No. 149735-M)

QUESTIONS AND ANSWERS SESSION DURING THE THIRTY-SECOND ANNUAL GENERAL MEETING (“**32ND AGM**”) OF THE COMPANY HELD AT WISMA FITTERS, NO. 1, JALAN TEMBAGA SD 5/2, BANDAR SRI DAMANSARA, 52200 KUALA LUMPUR ON FRIDAY, 25 MAY 2018 AT 10.00 A.M.

QUESTIONS AND ANSWERS SESSION DURING THE 32ND AGM

Audited Financial Statements for the financial year ended 31 December 2017

Mr Yap Eng Seong (“**Mr Yap**”), a shareholder of the Company, referred to the Company’s Audited Financial Statements for the financial year ended 31 December 2017, enquired about the performance of the Group and its segmental performance.

Dato’ Wong Swee Yee (“**Dato’ Wong**”), the Managing Director of the Company responded that the Company reported the Group’s financial performance and segment results through unaudited quarterly report released to Bursa Malaysia Securities Berhad.

Dato’ Wong then proceeded to give an update of the performance of the Group for each business segment as follows:-

a) **Fire Services Division**

Under the Company’s Fire Services Division, the Computerised Fire Alarm Monitoring System (CMS) commissioned by the Jabatan Bomba and Penyelamat Malaysia (“**JBPM**”) previously had been replaced by a new service provider appointed by the JBPM in which the Management opposed. Currently, the Company is in the midst of defending against JBPM’s decision on the appointment of the new service provider. In the meantime, the Company is cautious and prudent when taking on new projects under the Engineering & Contracting unit.

b) **Renewable Energy Division**

The Company’s Renewable Energy Division had incurred losses on its overseas investment. Because of the losses incurred, this assets of overseas investment had been sold off. Moving forward, the Company would focus on oil palm renewable energy.

c) **Property Development & Construction Division**

The Company’s Property Development & Construction Division did not launch any new housing project at this juncture. However, the Division through its subsidiary company, FITTERS Building Services Sdn Bhd is in the process of obtaining the necessary approvals from the local authorities to redevelop Plaza Pekeliling Global Tower.

This Division through its subsidiary company, FITTERS Construction Sdn Bhd had also secured two construction contracts from the developer, Pencala Jaya Sdn Bhd as the contractor and project manager for its two and three-storey terraced houses on the Malay Reserved Land in Bukit Rahman Putra.

This residential development would generate revenue for the Group. The first phase of the project was 95% sold out.

d) **HYPRO[®] PVC-O Pipes Manufacturing & Distribution Division**

Under the Company’s Pipes Manufacturing & Distribution Division, Molecor (SEA) Sdn Bhd had been appointed the supplier of its HYPRO[®] PVC-O pipes for Felda Water Sdn Bhd’s project in Pahang.

Dato’ Wong expressed his concern on the change of Government and he hope that the new Government would focus on providing the proper infrastructure for water supply to all households and also reducing Non-revenue water.

Nevertheless, Dato’ Wong expects the division to perform satisfactorily.

Directors’ Fees for the financial year ended 31 December 2017

Mr Yap sought clarification and justification on the payment of Directors’ Fees amounting to RM526,000 for the financial year ended 31 December 2017 and were these fees based on the performance of the Company.

Dato’ Wong explained that the Directors’ Fees were determined based on number of Board Committees sat on by the Directors.

The Chairman, Dato’ Fu Ah Kiow @ Oh (Fu) Soon Guan further added that the payment of Directors’ Fees was also based on the size of the Company.