

**BRITE-TECH BERHAD**  
Registration No. 200101014455 (550212-U)

*Annual Report 2021*

# CONTENTS

<b>2</b>	Notice Of Annual General Meeting
<b>7</b>	Statement Accompanying Notice Of Annual General Meeting
<b>8</b>	Corporate Information
<b>9</b>	Directors' Profile
<b>12</b>	Management Discussion And Analysis
<b>15</b>	Corporate Governance Overview Statement
<b>22</b>	Audit Committee Report
<b>25</b>	Statement On Risk Management And Internal Control
<b>28</b>	Other Compliance Information
<b>29</b>	Statement Of Directors' Responsibilities
<b>30</b>	Sustainability Statement
<b>31</b>	Financial Statements
<b>107</b>	Statistic Of Shareholdings
<b>108</b>	List Of 30 Largest Shareholders
<b>109</b>	List Of Properties
	Proxy Form Enclosed

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-First Annual General Meeting of **Brite-Tech Berhad** will be conducted fully virtual via Online Meeting Platform at <https://bit.ly/3KXp5q3> provided by Niche & Milestones International Sdn Bhd on Wednesday, 8 June 2022 at 2.30 p.m. for the following purposes:

## AGENDA

### AS ORDINARY BUSINESS

- |    |  |   |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon.                         | <b>Please refer to Explanatory Note 1</b> |
| 2. | To declare a final single tier dividend of 0.80 sen per ordinary share in respect of the financial year ended 31 December 2021.  | <b>(Resolution 1)</b>                     |
| 3. | To approve the payment of Directors' fees of RM297,000.00 and benefits of RM39,600.00 for the financial year ended 31 December 2021.   | <b>(Resolution 2)</b>                     |
| 4. | To approve the payment of Directors' fees and benefits up to RM550,000.00 from 1 January 2022 until the next Annual General Meeting.   | <b>(Resolution 3)</b>                     |
| 5. | To re-elect the following Directors who are retiring by rotation, pursuant to Clause 104 of the Constitution of the Company, and being eligible, offer themselves for re-election: |   |
| a) | Mr. Kan King Choy  | <b>(Resolution 4)</b>                     |
| b) | Mr. Tan Boon Kok   | <b>(Resolution 5)</b>                     |
| 6. | To re-appoint Messrs CAS Malaysia PLT as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.                                    | <b>(Resolution 6)</b>                     |

### AS SPECIAL BUSINESS

To consider and, if thought fit, pass with or without modification, the following resolutions: -

- |    |   |                       |
|----|---|-----------------------|
| 7. | <b>ORDINARY RESOLUTION<br/>AUTHORITY PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT 2016<br/>FOR THE DIRECTORS TO ISSUE SHARES</b>  | <b>(Resolution 7)</b> |
|    | “THAT pursuant to Section 75 and 76 of the Companies Act 2016, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approvals of all the relevant authorities being obtained for such allotment and issue and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.” |                       |
| 8. | <b>ORDINARY RESOLUTION<br/>RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR</b>  | <b>(Resolution 8)</b> |
|    | “THAT Mr. Ng Kok Ann who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years since 21 January 2009 be and is hereby retained as Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company in accordance with the required two-tier voting process as stated in the Malaysian Code on Corporate Governance.”   |                       |

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### 9. **ORDINARY RESOLUTION** **PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY**

**(Resolution 9)**

“THAT subject always to the provisions of the Companies Act 2016 (“Act”), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and other relevant statutory and/or regulatory requirements, the Company be authorised, to the fullest extent permitted by law, to buy-back such amount of Shares in the Company as may be determined by the Directors of the Company from time to time, through Bursa Securities, upon such terms and conditions as the Directors may deem fit and expedient in the interests of the Company, provided that:

- (i) the aggregate number of Shares bought-back does not exceed 10% of the total issued and paid-up ordinary share capital of the Company at any time;
- (ii) the maximum amount of funds to be allocated for the shares buy-back shall not exceed the Company’s audited retained earnings and/or share premium account at any point in time;
- (iii) the Shares purchased shall be treated in the following manner:
  - (a) the purchased Shares shall be cancelled; or
  - (b) the purchased Shares shall be retained as treasury shares for distribution as dividend to the shareholders and/or resale on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancellation subsequently; or
  - (c) part of the purchased Shares shall be retained as treasury shares and the remainder shall be cancelled; or
  - (d) in such other manner as Bursa Securities and other relevant authorities may allow from time to time; or
  - (e) any combination of (a), (b), (c) and (d) above.

AND THAT the authority conferred by this resolution shall commence 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 such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by resolution passed by the Company in general meeting;

whichever occurs first.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as may be necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities (Central Depository) Industry Act, 1991, and the entering into and execution of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the Shares bought-back) in accordance with the provisions of the Act, the Constitution of the Company, the ACE Market Listing Requirements of Bursa Securities and all other relevant statutory and/or regulatory requirements.”

- 10. To transact any other business of the Company of which due notice shall have been given in accordance with the Companies Act 2016.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## NOTICE OF DIVIDEND ENTITLEMENT

**NOTICE IS ALSO HEREBY GIVEN** that the final single tier dividend of 0.80 sen per ordinary share in respect of the financial year ended 31 December 2021, if approved by the shareholders, will be paid on 8 July 2022 to shareholders whose names appear in the Register of Depositors at the close of business on 28 June 2022. A Depositor shall qualify for dividend entitlement only in respect of:

- a) Shares transferred into Depositor's Securities Account before 4.30 p.m. on 28 June 2022 in respect of ordinary transfers; and
- b) Shares bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

### By order of the Board

Wong Maw Chuan (MIA 7413) (SSM PC No. 202008003554)  
Wong Youn Kim (f) (MAICSA 7018778) (SSM PC No. 201908000410)  
Lee Chin Wen (f) (MAICSA 7061168) (SSM PC No. 202008001901)  
Company Secretaries

29 April 2022

### Notes:

1. As a precautionary measure amid the COVID-19 outbreak, the Company's Twenty-First Annual General Meeting ("**21<sup>st</sup> AGM**") will be conducted fully virtual via Online Meeting Platform provided by Niche & Milestones International Sdn Bhd, as the safety of the members, Directors, staff and other stakeholders of the Company who will attend the 21st AGM is of paramount importance to the Company.

As guided by the Securities Commission Malaysia's Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act 2016 provided that the online platform is located in Malaysia.

2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
3. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 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.
5. The instrument of appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing on that behalf.
6. The instrument appointing a proxy must be deposited at the Registered Office at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll.
7. Only a depositor whose name appears on the Record of Depositors as at 31 May 2022 shall be entitled to attend the said meeting and to appoint a proxy or proxies to attend, speak and/or vote on his/her behalf.
8. According to Clause 64 of the Constitution of the Company and pursuant to Paragraph 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## Explanatory Notes:

### 1. Item 1 of the Agenda

The Item 1 of the Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of shareholders for the Audited Financial Statements and hence, is not put forward for voting.

### 2. Item 7 of the Agenda – Ordinary Resolution 7

#### Authority pursuant to Section 75 and 76 of the Companies Act 2016 for the Directors to issue shares

The Ordinary Resolution 7 is proposed to seek for a renewal of the general mandate (“General Mandate”) pursuant to Section 75 and 76 of the Companies Act 2016, and if passed, will give the Directors of the Company authority to allot and issue ordinary shares of the Company up to an amount not exceeding in total, 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Twentieth Annual General Meeting held on 11 June 2021 and which will lapse at the conclusion of the Twenty-First Annual General Meeting.

The General Mandate sought will enable the Directors of the Company to allot and issue shares, including but not limited to further placing of shares, for the purpose of funding investment(s), working capital and/or acquisitions, from time to time at such price, upon such terms and conditions, to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit. This would avoid any delay and costs involved in convening a general meeting to specifically approve such an issue of shares.

### 3. Item 8 of the Agenda – Ordinary Resolution 8

#### Retention of Independent Non-Executive Director

The Board of Directors applied Practice 4.3 of the Malaysian Code on Corporate Governance (“MCCG”) and seek the shareholders’ approval to continue retain Mr Ng Kok Ann, who has served as Independent Non-Executive Director of the Company for a cumulative term of office of more than nine (9) years through a two-tier voting process at this AGM.

The Board through the Nomination Committee (“NC”) has determined that Mr Ng Kok Ann is fair and impartial in carrying out his duties to the Company. As Director, he continues to bring independent and objective judgements to Board deliberations and decision-making process as a whole. Mr. Ng Kok Ann also has vast and diverse range of experiences and brings the right mix of skills to the Board. His length of services on the Board of more than thirteen (13) years does not in any way interfere with his exercise of objective judgement or their ability to act in the best interests of the Company and Group. In fact, Mr Ng Kok Ann, who has been with the Company for more than thirteen (13) years, is familiar with the Group’s business operations and have devoted sufficient time and commitment to his role and responsibilities as an Independent Director for informed and balanced decision making. He has exercised due care during his tenures as Independent Director of the Company and has discharged his duties with reasonable skill and competence, bringing independent judgement and depth into the Board’s decision making in the interest of the Company and its shareholders. The Board therefore, has recommended Mr Ng Kok Ann to be retained as Independent Non-Executive Director of the Company.

### 4. Item 9 of the Agenda – Ordinary Resolution 9

#### Proposed Renewal of Authority for Purchase of Own Shares by the Company

The proposed Ordinary Resolution 9 if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting.

Further information on the Proposed Renewal of Authority for Purchase of Own Shares by the Company is set out in the Share Buy-Back Statements to Shareholders of the Company which can be downloaded from our Corporate Website at [www.brite.tech.com](http://www.brite.tech.com).

# NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

## PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Company's AGM and/or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**").
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

**a) Details of Individuals standing for election as Directors (excluding Directors standing for re-election)**

As at the date of this Notice, there is no individual standing for election as a Director of the Company at the 21<sup>st</sup> AGM.

**b) Statement relating to general mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements**

The Company is seeking shareholders' approval on the renewal of the general mandate for issue of securities pursuant to Section 75 and 76 of the Companies Act 2016. The details of the renewal of the general mandate for issue of securities are set out in Explanatory Note 2 to the Notice of AGM on page 5 of the Annual Report.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Pang Wee See**  
Executive Chairman

**Tan Boon Kok**  
Executive Director

**Kan King Choy**  
Executive Director

**Ir. Koh Thong How**  
Non-Independent Non-Executive Director

**Ng Kok Ann**  
Independent Non-Executive Director

**Wee Swee Cheng**  
Independent Non-Executive Director

**Yee Oii Pah @ Yee Ooi Wah**  
Alternate Director to Pang Wee See

## REGISTERED OFFICE

B-25-2, Block B, Jaya One,  
No. 72A, Jalan Prof Diraja Ungku Aziz,  
46200 Petaling Jaya,  
Selangor Darul Ehsan  
Tel. : 03-7955 0955  
Fax : 03-7955 0959

## BUSINESS OFFICE

Lot 14, Jalan Pendamar 27/90,  
Seksyen 27, 40400 Shah Alam,  
Selangor Darul Ehsan  
Tel. : 03-5192 8188/8288/8388  
Fax : 03-5191 8188  
Email : admin@brite-tech.com.my  
Website : www.brite-tech.com

## AUDITORS

CAS Malaysia PLT  
B-5-1, IOI Boulevard, Jalan Kenari 5,  
Bandar Puchong Jaya,  
47170 Puchong,  
Selangor Darul Ehsan

## AUDIT COMMITTEE

Ng Kok Ann (Chairman)  
Ir. Koh Thong How  
Wee Swee Cheng

## NOMINATION COMMITTEE

Ng Kok Ann (Chairman)  
Ir. Koh Thong How  
Wee Swee Cheng

## REMUNERATION COMMITTEE

Ng Kok Ann (Chairman)  
Wee Swee Cheng  
Kan King Choy

## COMPANY SECRETARIES

Wong Maw Chuan (MIA 7413)  
(SSM PC No. 202008003554)

Wong Youn Kim (f) (MAICSA 7018778)  
(SSM PC No. 201908000410)

Lee Chin Wen (f) (MAICSA 7061168)  
(SSM PC No. 202008001901)

## SHARE REGISTRAR

Bina Management Sdn. Bhd.  
Lot 10, The Highway Centre,  
Jalan 51/205, 46050 Petaling Jaya,  
Selangor Darul Ehsan  
Tel. : 03-7784 3922  
Fax. : 03-7784 1988

## PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad  
Malayan Banking Berhad  
Hong Leong Bank Berhad  
Hong Leong Islamic Bank Berhad  
Public Bank Berhad  
AmFunds Management Berhad  
United Overseas Bank Asset Management (Malaysia)  
Berhad

## STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad  
Stock Name: BTECH  
Stock Code: 0011

## DIRECTORS' PROFILE

### PANG WEE SEE

*Executive Chairman*

Pang Wee See, a Malaysian, male, aged 70, was appointed to the Board on 25 May 2002.

He graduated from University Sains Malaysia with a Bachelor of Applied Science (Hons) majoring in Polymer Science in 1977. He started his career with Asia Tape Corporation Bhd as Chemist in 1978 and later was promoted to the position of Chemist cum Factory Manager. He then moved to Federal Rubber Products Co. Sdn Bhd as Production Manager in 1979. Subsequent to this, he and three partners set up Brite-Tech Corporation Sdn Bhd in 1980. He left Federal Rubber Products in 1984 to manage Brite-Tech Corporation Sdn Bhd and later expanded to set up the Group.

As a founder of the Group, with his excellent entrepreneurial skills and more than 35 years of experience, he has steered the Group to become an established and acclaimed total solution provider in water and wastewater treatment and laboratory services. He sits on the Board of other private companies and also sits on the Board of Yayasan Maha Karuna, a charity organization. He does not hold directorship of any other public listed company.

He is the spouse of Madam Yee Oii Wah and brother-in-law of Ir. Koh Thong How. He has no conflict of interest with the Company and he has not been convicted for any offences in the past ten (10) years.

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2021.

### TAN BOON KOK

*Executive Director*

Tan Boon Kok, a Malaysian, male, aged 64, was appointed to the Board on 25 May 2002.

Upon completion of his Form Six Level education in Tunku Abdul Rahman College in 1978, he joined Paloh Palm Oil Mill in 1979. The following year in 1980, he moved to Bukit Benut Palm Oil Mill and subsequently to Coronation Palm Oil Mill as Laboratory Conductor. He joined Brite-Tech Corporation Sdn Bhd in 1983 as Sales Executive and later was promoted to Sales Manager in 1986. He has been with the Group for more than 25 years.

He does not have any family relationship with other Directors and/or major shareholder of the Company. He has no conflict of interest with the Company and he has not been convicted for any offences in the past ten (10) years. He does not hold directorship of any other public listed company.

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2021.

### KAN KING CHOY

*Executive Director*

Kan King Choy, a Malaysian, male, aged 60, was appointed to the Board on 25 May 2002.

He joined Spectrum Laboratories Sdn Bhd as a Manager of the laboratory in 1990 and has been with the Group for more than 25 years. He graduated from Tunku Abdul Rahman College with a Diploma in Science and a Bachelor of Science degree in Chemistry and Mathematics from Campbell University (U.S.A.) in 1985. After graduation, he joined Sailcos Laboratories Sdn. Bhd. in 1986 as a Chemist where he remained for 4 years, familiarising with the laboratory operations and the laboratory business in general. He was admitted as a Licentiate of the Institut Kimia Malaysia in 1988.

He does not have any family relationship with other Directors and/or major shareholder of the Company. He has no conflict of interest with the Company and he has not been convicted for any offences in the past ten (10) year. He does not hold directorship of any other public listed company.

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2021. He is a member of the Remuneration Committee of the Company.

## DIRECTORS' PROFILE (CONT'D)

### IR. KOH THONG HOW

*Non-Independent Non-Executive Director*

Ir. Koh Thong How, a Malaysian, male, aged 67, was appointed to the Board on 25 May 2002.

He received a Technician Diploma from Singapore Polytechnic in 1977 and subsequently pursued his studies in United Kingdom to obtain a Bachelor of Science degree in Civil Engineering (Honours) from University of Dundee in 1980. He then furthered his studies in Asian Institute of Technology, Thailand to obtain his Master of Engineering degree in Structural Engineering and Construction in 1982. He started his career with Jurutera Konsultant (SEA) Sdn Bhd as Design Engineer in 1982 and later moved to S Chan Project Consultancy Services Sdn Bhd as Senior Engineer and was there until 1995. Thereafter he became the Technical Director (Civil and Structural) of Murray North (M) Sdn Bhd. In 1998, he left the company to venture into his own business, KP Perunding (Civil and Structural Consulting Engineers). He was admitted as a Corporate Member of the Institution of Engineers Malaysia ("IEM") in 1986 and was the Honorary Treasurer of IEM (Southern Branch) for 1988-89, 89-90 and 90-91 sessions and the Honorary Secretary of IEM (Southern Branch) for 1991-92, 92-93 and 93-94 sessions. He was registered as a Professional Engineer (Malaysia) in 1988. Since 1995, Ir. Koh Thong How has been providing advice as the engineering advisor for Hooker Chemical Sdn Bhd.

He is the brother-in-law of Pang Wee See. He has no conflict of interest with the Company and he has not been convicted for any offences in the past ten (10) years. He does not hold directorship of any other public listed company.

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2021. He is a member of the Audit Committee and Nomination Committee of the Company.

### NG KOK ANN

*Independent Non-Executive Director*

Ng Kok Ann, a Malaysian, male, aged 48, was appointed to the Board on 21 January 2009.

He graduated from the Association of Chartered Certified Accountant (ACCA), United Kingdom in 1999. He is a member of the Association of Chartered Certified Accountants (ACCA) and is a Chartered Accountant of Malaysian Institute of Accountants (MIA).

Mr. Ng started his career as an Audit Assistant with Ling Kam Hoong & Co. in 1999 and was involved in accounting, auditing and taxation and business advisory of companies from various industries. He left Ling Kam Hoong & Co. in 2003 and joined Terence Oh & Associates as Principal. Subsequently, he was appointed as Branch Manager of Yee Choon Kong & Co. in 2014. He is currently involved in corporate finance, tax planning, business advisory and secretarial functions of companies for various types of companies.

He does not have any family relationship with other Directors and/or major shareholder of the Company. He has no conflict of interest with the Company and he has not been convicted for any offences in the past ten (10) years. He does not hold directorship of any other public listed company.

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2021. He is the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

## DIRECTORS' PROFILE (CONT'D)

### WEE SWEE CHENG

*Independent Non-Executive Director*

Wee Swee Cheng, a Malaysian, male, aged 66, was appointed to the Board on 28 May 2019.

Mr. Wee has a wide working experience in the finance services industry and has served in various senior capacities. He joined a local bank in 1977 and rose from the rank and file to serve as branch manager for several branches in the Klang Valley with lending exposures in varying industries such as agro & food, wood & furniture, wholesale & retail, plastics & rubber gloves and general services. He subsequently became the regional head in charge of credit administration & supervision, overseeing some 13 branches within the banking group. After his retirement from the bank in 2011, he joined another local bank as a branch manager on a contractual basis until 2013. He is currently self-employed as a freelance financial consultant for loan arrangement, loan restructuring and rescheduling, loan moratorium, hair-cut or debt settlement, negotiation of terms and conditions, due diligence study and any other issue of finance related.

Mr. Wee holds a diploma from the Malaysian Institute of Management (MIM) in 1987 and a diploma from Institut Bank-Bank Malaysia (IBBM) in 1998.

He does not have any family relationship with other Directors and/or major shareholder of the Company. He has no conflict of interest with the Company and he has not been convicted for any offences in the past ten (10) years. He does not hold directorship of any other public listed company.

He attended all four (4) Board meetings of the Company held during the financial year ended 31 December 2021. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company.

### MADAM YEE OII PAH @ YEE OOI WAH

*Alternate Director to Pang Wee See*

Yee Oii Pah @ Yee Ooi Wah, a Malaysian, female, aged 68, was appointed as an Alternate Director to Pang Wee See on 25 May 2002.

She obtained her Bachelor degree in Pharmacy (Hons) from Universiti Sains Malaysia in 1978. She is a registered pharmacist with the Malaysian Pharmacy Board and also a member of the Malaysian Pharmaceutical Society. Upon graduation, she underwent one year of pupillage training. In 1979, she joined Mediko Farmasi Sdn Bhd as a pharmacist. She has since accumulated over 20 years of professional experience and exposure in the pharmaceutical industry. She also sits on the Board of another private company. She does not hold directorship of any other public listed company.

Madam Yee is the spouse of Pang Wee See. She has no conflict of interest with the Company and she has not been convicted for any offences in the past ten (10) years.

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Brite-Tech Group is an integrated water purification and wastewater treatment solutions provider and the Group's business activities comprise of the following business segments:

### *Environmental products and services*

To provide a complete range of services and products in the field of water treatment as well as engineered and formulated chemical products for water and wastewater treatment; and to provide analytical laboratory and environmental monitoring services.

### *System equipment and ancillary products*

To provide consultation, engineering design, construction, installation and commissioning of water purification, water recycling and wastewater treatment systems; and to provide rental of portable ion-exchange resin columns as well as supply of chemicals and consumer products.

### *Investments*

Investments, management and other operations which are not sizeable to be reported separately.

## FIVE-YEAR FINANCIAL HIGHLIGHTS

Financial year ended ("FYE")	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Revenue	25,760	26,611	27,855	24,273	23,690
Profit before tax	5,513	5,789	7,154	6,519	10,474
Profit after tax	3,996	4,285	6,041	4,847	8,622
Profit after tax attributable to owners of the Company	3,984	4,313	5,846	4,644	8,571
Share capital	25,200	25,200	25,200	25,200	25,200
Total Assets	69,197	81,215	93,121	114,154	120,160
Total Liabilities	13,757	22,429	30,466	43,448	42,578
Basic earnings per share attributable to owners of the Company (sen)	1.58	1.71	2.32	1.84	3.40
Gross Dividends per share (sen)	1.60	1.60	1.60	1.60	0.80*

\* The Board of Directors is proposing a final single tier dividend of 0.80 sen per share in respect of the financial year ended 31 December 2021 for the approval of shareholders at the forthcoming Annual General Meeting.

## FINANCIAL PERFORMANCE REVIEW

### Financial Result

	FYE 31 December 2021 RM'000	FYE 31 December 2020 RM'000	Variance RM'000	%
Revenue	23,690	24,273	(583)	(2.40)
Profit before tax	10,474	6,519	3,955	60.67
Profit after tax	8,622	4,847	3,775	77.88
Profit after tax attributable to owners of the Company	8,571	4,644	3,927	84.56

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The Group's revenue for the financial year ended 31 December 2021 ("FYE 2021") showed a slight decrease of 2.40% to RM23.690 million from RM24.273 million in the financial year ended 31 December 2020 ("FYE 2020"). The decrease in revenue was partly due to the effects of the COVID-19 pandemic and the movement control order imposed by the government during the financial year.

The Group's profit before tax for the FYE 2021 increased by 60.67% to RM10.474 million as compared to RM6.519 million for FYE 2020 while the Group's profit after tax for FYE 2021 increased by 77.88% to RM8.622 million as compared to RM4.847 million for FYE 2020.

The increase in the Group's profit before tax and profit after tax for the FYE 2021 was due to gain on fair value adjustment on investment properties.

The environmental products and services segment is the main contributor to the Group's revenue, contributing 88.22% or RM20.899 million while the system equipment and ancillary products contributed 11.78% or RM2.791 million.

### ANTICIPATED OR KNOWN RISKS

#### Competition Risk

We are faced with competition from a large number of companies in the environmental products and services sector. Our Group will continuously focus on retaining existing customers, securing new customers based on quality, range of services, price competitiveness of services, timeliness in delivery, accessibility of sales personnel and the ability to meet customers' requirements.

#### Dependence on Key Personnel

The Group believes that its continued success will depend upon the abilities and continued efforts of its existing key management and technical personnel. The loss of any key member of the Group's management and technical personnel could adversely affect the Group's business and operations.

The Group continues to attract and retain the key management personnel who are essential in the support of the Group's operations by providing employees benefits and incentives to ensure long term commitment of the key management personnel to the Group.

#### Impact of COVID-19

As a result of the COVID-19 pandemic, the Malaysian Government has imposed various containment measures since 18 March 2020 and the imposition of various stages of movement control order since 2020 has affected and slowed down the business operations of the Group. However, due to the implemented National Recovery Plan, the Group has managed to minimize the adverse impact on the Group's current financial performance.

The Group shall continue to monitor the developments of the COVID-19 situation closely and will assess and react actively to its impact on the Group's financial performance.

### ECONOMIC OUTLOOK

In line with favourable global growth, Malaysia's GDP is expected to grow between 3% - 4% in 2021 and further expand in the range of 5.5% - 6.5% in 2022. The growth is projected to be driven by normalization in economic activities arising from a high nationwide vaccination rate, resumption of projects with high multiplier effects, strong external demand and targeted travel activities, particularly for business, health and education purposes.

Nevertheless, there are still downside risks to the country's economic prospects. These include a prolonged COVID-19 outbreak with emergence of new variants, volatility in global financial markets, slower labour market recovery, commodity supply shocks and geopolitical uncertainties. Notwithstanding, the Malaysian Government will ensure efforts to strengthen the nation's economic fundamentals to secure prosperous, inclusive and sustainable economic growth.

*(Source: Economic Outlook 2022; Ministry of Finance Malaysia)*

# MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

## PROSPECTS

The Group is cautiously optimistic on the business prospects and expects the year ahead to be challenging due to the ongoing COVID-19 pandemic which has impacted the economy and interrupted business operations for all industries in Malaysia including our Group.

Despite such challenges, the Group has managed to maintain a reasonably level of business with the resources the Group has and efforts taken by the Group. The gradual recovery of national economy from the COVID-19 pandemic after the government eased the movement control and resumption of business is expected to contribute to better revenue for the Group.

The Group maintains a positive outlook for the business activities that the Group is involved in. The Group will continue to focus on its existing business activities and concentrate on its core competencies while at the same time, improve its operational efficiency and cost management. The Group will continue to implement various cost saving measures and stringent cost control to counter the challenges ahead and to enhance the Group's competitiveness in the Group's industry.

The Group will continue to explore and assess other viable business and investment opportunities within the same or complementary sectors and also outside the Group's industry domain for opportunities which can bring financial stability to the Group.

Barring any unforeseen circumstances, the Board of Directors is of the opinion that the performance of the existing business of the Group is likely to remain satisfactory for the coming year.

## DIVIDENDS

We are always grateful for the support of our shareholders and we remained committed to paying steady dividend as recognition of your continuous support.

The Board of Directors is pleased to recommend a final single tier dividend of 0.80 sen per share for the approval of shareholders at the forthcoming Annual General Meeting.

Currently, the Company does not have any formal dividend policy. Any declaration of interim dividends and recommendation of final dividends are at the discretion of the Board of Directors, subject to various factors, such as operating cash flow, capital expenditure requirements, financial performance and commitments.

## ACKNOWLEDGEMENT AND APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to express our sincere appreciation to the management and staff for their hard work and contribution to the Group; our valued shareholders, all regulatory authorities, bankers, customers and business associates for their co-operation and support.

Finally, I would like to express my sincere appreciation and gratitude to my fellow directors for their invaluable contributions and support.

**Pang Wee See**  
Executive Chairman

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of the Company recognizes the importance of good corporate governance and is committed to promote the highest standards of corporate governance within the Group by supporting and implementing the principles and best practices as outlined in the Malaysian Code on Corporate Governance (“MCCG”) and the relevant provisions of the Bursa Securities Listing Requirements for ACE Market.

The Board strives to ensure that high standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and the financial performance of the Company.

The Board is pleased to set out below our Corporate Governance Overview Statement which describes how the Group has applied the principles of the MCCG and the extent to which it has complied with the best practices set out in the MCCG during the financial year ended 31 December 2021. This statement also serves as a compliance with Rule 15.25 of the Bursa Securities Listing Requirements for ACE Market. The detailed explanation on the application of the corporate governance practices are reported in the Corporate Governance Report announced to Bursa Malaysia and published in the Company’s website at [www.brite-tech.com.my](http://www.brite-tech.com.my).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### 1. Establish Clear Roles and Responsibilities

#### 1.1 Responsibilities of the Board

The Board has overall responsibility for the performance of the Group and its responsibilities include the following:-

- reviewing and adopting a strategic plan for the Group;
- overseeing the conduct of the Group’s business to evaluate whether the business is being properly managed;
- identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- developing and implementing an investor relations programme or shareholder communications policy for the Group; and
- reviewing the adequacy and the integrity of the Group’s internal control systems and management information systems, including system for compliance with applicable laws, regulations, rules, directives and guidelines.

#### 1.2 Composition of the Board

The Board currently consists of six (6) members, comprising an Executive Chairman, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors. This composition complies with Rule 15.02(1) of the Bursa Securities Listing Requirements for ACE Market which requires that at least two directors or one-third of the Board, whichever is the higher, comprises of independent directors. In the event of any vacancy in the Board, resulting in the non-compliance with Rule 15.02(1), the Company must fill the vacancy within three (3) months.

The Company considers that its complement of non-executive directors provides an effective Board with a mix of industry-specific knowledge and broad business and commercial experience. The balance enables the Board to provide clear and effective leadership of the Company and to bring informed and independent judgment to many aspects of the Company’s strategy and performance so as to ensure the highest standards of conduct and integrity are maintained throughout the Group.

No individual or group of individuals dominates the Board’s decision making and the number of directors fairly reflects the investment of the shareholders.

The Board has a formal schedule of matters specifically reserved to it for decision to ensure that the direction and control of the Company is firmly in its hands

The Board acknowledges the need for gender diversity for good governance practices and to enhance the efficient functioning of the Board. The Board believes that the evaluation of any candidate’s suitability is guided by the skills, experience, competency and knowledge of the individual candidate and it shall review any potential candidate wherever reasonably possible. The Company currently has one (1) female representative in the Board. The Board will remain mindful of the need for gender diversity and has set an objective to appoint more women directors to the Board when suitable candidates are identified to support the Company’s objective.



# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## (CONT'D)

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

#### 1. Establish Clear Roles and Responsibilities (Cont'd)

##### 1.3 Access to Information and Advice

All Directors receive appropriate and timely information which includes an agenda prior to the Board meetings to enable the Board to discharge its duties.

The Board receives information that is not just historical and bottom line and financial-oriented but information that is beyond assessing the quantitative performance of the Group and looks at other performance factors such as customer satisfaction, product and service quality, market share, market reaction, environmental performance. This enables the Board to deal with any item on the agenda to facilitate informed decision-making and thus enable the Board to discharge its duties effectively.

All Directors have full access to information pertaining to all matters for the purpose of making decisions. There is an agreed procedure for the Directors to take independent professional advice at the Company's expense, if necessary.

All Directors have access to the advice and services of the Company Secretary who ensures compliance with statutory obligations, Bursa Securities Listing Requirements for ACE Market or other regulatory requirements.

##### 1.4 Company Secretaries

The Board recognizes that the Company Secretary should be suitably qualified and capable to carry out the duties required. The Company Secretaries of the Company, who are members of professional bodies, assist the Board to ensure that Board meetings procedures are followed and the applicable statutory and regulatory requirements are complied with. The Board is satisfied with the service and support rendered by the Company Secretaries to the Board in the discharge of their roles and responsibilities. The removal of the Company Secretary shall be a matter for the Board as a whole.

##### 1.5 Board Charter

The Board has adopted a Board Charter which sets out of the role, functions, authority, compositions and responsibilities of the Board to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities. The Board Charter serves as a source of reference and primary literature to provide insight to existing and prospective Board members in their performance and discharge of their fiduciary duties and responsibilities.

The Board Charter is available for reference on the Company's website at [www.brite-tech.com](http://www.brite-tech.com).

##### 1.6 Directors' Code of Conduct

The Board has adopted the Code of Ethics for Company Directors established by the Companies Commission of Malaysia in discharging its role effectively. The Code of Ethics requires all Directors to observe high ethical business standards and to apply these values to all aspects of the Group's business and professional practices and to act in good faith in the best interest of the Group and its shareholders.

The Directors' Code of Conduct is available for reference on the Company's website at [www.brite-tech.com](http://www.brite-tech.com).

##### 1.7 Whistleblowing Policy

The Board has established the Whistleblowing Policy to enable the stakeholders to report on any suspected and/or known misconduct, wrong doings, corruption, fraud and possible improprieties in financial reporting.

The Whistleblowing Policy is available for reference on the Company's website at [www.brite-tech.com](http://www.brite-tech.com).

##### 1.8 Anti-Bribery and Anti-Corruption Policy

The Board has established its Anti-Bribery and Anti-Corruption Policy which outlines the relevant guiding principles and mitigating controls to ensure compliance with Section 17A of the Malaysian Anti-Corruption Commission Act.

The Anti-Bribery and Anti-Corruption Policy is available for reference on the Company's website at [www.brite-tech.com](http://www.brite-tech.com).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

### 1. Establish Clear Roles and Responsibilities (Cont'd)

#### 1.9 Strategies Promoting Sustainability

The Board recognizes the need for the Company strategies to promote sustainability and regularly reviews the strategic direction of the Group as well as the progress of the Group's operations. The Board will take into consideration the environmental, social and governance aspects when developing the Company's strategies.

### 2. Strengthen composition

To assist the Board in the discharge of its duties effectively, the Board has delegated certain responsibilities to the Board Committees, namely Audit Committee, Remuneration Committee and Nomination Committee, which operate within clearly defined terms of reference.

#### 2.1 Audit Committee

The composition and the terms of reference of the Audit Committee are set out in the Audit Committee Report on Page 22 of this Annual Report.

#### 2.2 Remuneration Committee

The present members of the Remuneration Committee are as follows:

Chairman	: Ng Kok Ann	(Independent Non-Executive Director)
Members	: Wee Swee Cheng	(Independent Non-Executive Director)
	Kan King Choy	(Executive Director)

The Committee's roles include making recommendations to the Board on the remuneration framework for Directors and senior management of the Group as well as reviewing and recommending annual remuneration adjustments of the Directors and senior management, where necessary, with the emphasis being placed on performance and comparability with market practices and the performance of the Group.

The Board, as a whole, determines the remuneration of the Executive and Non-Executive Directors and the individual Director is required to abstain from discussing his own remuneration.

#### 2.3 Directors' Remuneration

The Group's remuneration scheme for Executive Directors is linked to performance, seniority, experience and scope of responsibility and is benchmarked to market/industry practices. For Non-Executive Directors, the level of remuneration reflects the level of responsibilities undertaken by them.

Details of the aggregate remuneration received/receivable by the Directors of the Company from the Company and the Group for the financial year ending 31 December 2021 are as follows:

#### Received/receivable from the Company

	Fees RM	Salaries and other emoluments RM	Bonus RM	Benefit- in-kind RM	Total RM
Pang Wee See	87,000	294,000	49,000	-	430,000
Tan Boon Kok	87,000	188,400	31,400	-	306,800
Kan King Choy	87,000	188,400	31,400	-	306,800
Ir. Koh Thong How	12,000	-	-	-	12,000
Ng Kok Ann	12,000	-	-	-	12,000
Wee Swee Cheng	12,000	-	-	-	12,000

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

### 2. Strengthen composition (Cont'd)

#### 2.3 Directors' Remuneration (Cont'd)

##### Received/receivable from the Group

	Fees RM	Salaries and other emoluments RM	Bonus RM	Benefit- in-kind RM	Total RM
Pang Wee See	87,000	294,000	49,000	17,400	447,400
Tan Boon Kok	87,000	188,400	31,400	11,100	317,900
Kan King Choy	87,000	188,400	31,400	11,100	317,900
Ir. Koh Thong How	12,000	-	-	-	12,000
Ng Kok Ann	12,000	-	-	-	12,000
Wee Swee Cheng	12,000	-	-	-	12,000

#### 2.4 Nomination Committee

The Nomination Committee's role includes reviewing and recommending of candidates to the Board for directorships and seats of Board committees. The Committee is also responsible for assessing the effectiveness of the Board and the various committees of the Board as a whole, and contribution of all members of the Board. It also reviews the appropriate Board balance and size, and that the Board has the required mix of expertise, skills, independence and experience.

The present members of the Nomination Committee are as follows:

Chairman	: Ng Kok Ann	(Independent Non-Executive Director)
Members	: Ir. Koh Thong How	(Non-Independent Non-Executive Director)
	Wee Swee Cheng	(Independent Non-Executive Director)

The Nomination Committee, upon a recent annual assessment carried out, is satisfied that the current balance, size and composition of the Board, Board Committees, and its directors are adequately appropriate for its current purpose. The assessment of the Board and Board Committees are carried out by way of questionnaires.

The effectiveness of the Board was assessed in the areas of the Board's roles and responsibilities, composition, meeting process, operation and conduct, interaction and communication with management and stakeholders, and the Board engagement as well as the effectiveness of the Chairman. The effectiveness of the Board Committees was assessed in terms of structure and processes, accountabilities and responsibilities as well as its effectiveness.

An assessment was also conducted on the individual directors. The criteria used in the evaluation involved the assessment of fit and properness, contribution and performance, calibre and personality as well as exercise of independent judgement.

The Terms of Reference of the Nomination Committee is available for reference on the Company's website at [www.brite-tech.com](http://www.brite-tech.com).

#### 2.5 Retirement and Re-election of Directors

In accordance with the Company's Constitution, at least one-third of the Directors shall retire by rotation from office at least once every three (3) years but shall be eligible for re-election.

All Directors who are appointed by the Board shall subject themselves for re-election by shareholders at the next Annual General Meeting immediately after their appointment.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

### 3. Reinforce Independence

The Board takes note that the MCCG recommends that the tenure of an independent director should not exceed a cumulative term of nine (9) years and upon completion of the nine years, an independent director may continue to serve on the Board subject to the director's re-designation as a non-independent director. In the event the director is to remain designated as an independent director, the Board shall first justify and seek shareholders' approval. If the tenure of an independent director exceeds a cumulative term of twelve (12) years, the retention of such independent director shall be subject to shareholders' approval through a two-tier voting process as prescribed under MCCG.

From the date the independent directors were appointed, they were required to give an undertaking to Bursa Securities confirming and declaring that they are independent directors as defined under Rule 1.01 of the Listing Requirements for ACE Market. The Board is of the view that the length of service of the independent directors for more than nine years does not interfere with their exercise of independent judgment or their ability to act in the best interest of the Company. On the other hand, length of service enables the independent directors to better understand the Company and its businesses over long-term and therefore, better serve the interests of the Company and its shareholders by having long-term familiarity with and understanding of the Company, its operations and growth strategies.

The Board is satisfied that Mr. Ng Kok Ann has fulfilled the criterias and would recommend to retain him as independent director of the Company, notwithstanding that he has served for more than twelve years as independent director. In view thereof, the Board has recommended that approval be sought for Mr. Ng Kok Ann to be retained as independent director at the forthcoming Annual General Meeting of the Company.

The MCCG recommends that the Chairman of the Board is a Non-Executive member of the Board and the Board must comprise a majority of independent directors where the Chairman of the Board is not an independent director. Though the Company deviates from the recommendation of the MCCG, the Board believes that the interests of shareholders are best served by the Executive Chairman who is sanctioned by the shareholders and, who will act and safeguard the interests of shareholders as a whole. As the Executive Chairman is the major shareholder of the Company, he is well placed to act on behalf of the shareholders and in their best interests. The Board is of the view that the independent directors are able to exercise strong independent judgement and provide independent views and advice in all Board deliberations. The Board believes that the Executive Chairman is competent to act on behalf of the shareholders in their best interests and does not recommend the necessity of nominating an Independent Non-Executive Chairman at this juncture. The Board will look into identifying suitable candidates as independent directors but the process will be executed with due care and careful assessment to ensure that the suitable candidates are able to provide meaningful contribution to the effectiveness of the Board as a whole.

### 4. Foster Commitment

#### 4.1 Board Meetings

The Board ordinarily meets at least four (4) times a year at quarterly interval with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. There were four (4) meetings held during the financial year ended 31 December 2021.

Details of the attendance of Directors at the Board meetings are as follows:-

Name	Designation	Attendance
Pang Wee See	Executive Chairman	4/4
Tan Boon Kok	Executive Director	4/4
Kan King Choy	Executive Director	4/4
Ir. Koh Thong How	Non-Independent Non-Executive Director	4/4
Ng Kok Ann	Independent Non-Executive Director	4/4
Wee Swee Cheng	Independent Non-Executive Director	4/4

Based on the above, all Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in Rule 15.05 of the Bursa Securities Listing Requirements for ACE Market.

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

### 4. Foster Commitment (Cont'd)

#### 4.2 Directors' Training

All the Directors have attended and successfully completed the Mandatory Accreditation Programme (MAP) in accordance to Bursa Securities Listing Requirements for ACE Market.

The Directors are encouraged to attend relevant training programmes, seminars and courses to keep abreast with development in the business environment as well as with the new regulatory and statutory requirements. The Board will assess the training needs of the Directors and encourages the Directors to attend any relevant programme to further enhance their knowledge to enable them to discharge their responsibilities more effectively.

During the financial year ended 31 December 2021, the seminars and training courses attended by the Directors are as follows:

Directors	Seminar/Training Course Attended
Tan Boon Kok	Roles and Responsibilities of Directors
Kan King Choy	Advocacy Session for Directors and Senior Management of ACE Market Listed Corporations
Ir. Koh Thong How	Usage of Geosynthetic Products of Soft Ground or Reinforced Slope Integrated Urban Water Management Towards Sustainable Cities
Ng Kok Ann	Transfer Pricing Documentation: Do's and Don'ts Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions Withholding Taxes – Law and Implications on Cross Border Transaction Malaysian Tax Conference 2021
Wee Swee Cheng	ICDM Post Budget Power Talk Audit Oversight Board Conversation with Audit Committee

Other than as disclosed above, the Directors have kept themselves abreast on the financial and business matters through readings to enable them to contribute to the Board. The Directors are mindful that they shall continue to participate in relevant training programmes to keep abreast with new regulatory developments and on corporate governance matters, from time to time.

In addition, the Directors were briefed at Board meetings and Audit Committee meetings on any updates or changes to the relevant guidelines on the regulatory and statutory requirements by the Company Secretary, Internal Auditors and External Auditors.

## PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1. Audit Committee

The Board of Directors aims to provide and present a balanced and understandable assessment of the Group's financial performance and prospects through the annual financial statements, quarterly announcements to shareholders as well as Chairman's Statement and Financial Review in the Annual Report. In this respect, the Audit Committee assists the Board by overseeing the Group's financial reporting processes, the quality of the financial reporting and that the financial statements comply with applicable reporting standards.

The composition and the terms of reference of the Audit Committee are set out in the Audit Committee Report on Page 22 of this Annual Report

### 2. Relationship with the Auditors

The Board has established a transparent and independent relationship with the external auditors through the Audit Committee, which has been accorded the power to communicate directly with the external auditors, towards ensuring compliance with the accounting standards and other related regulatory requirements.

The Audit Committee will convene meetings with the external auditors without the presence of management as and when necessary. The Audit Committee also assesses and reviews the appointment, independence, performance and remuneration as well as the re-appointment of the external auditors before recommending to the Board for approval and subsequently to the shareholders for their re-appointment during the Annual General Meeting.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

### 3. Risk Management and Internal Control

The Board acknowledges its responsibility for the Group's system of risk management and internal controls that is designed to identify and manage the risks to which the Group is exposed. However, the Board recognizes that such system is structured to manage rather than eliminate possibility of encountering risk of failure to achieve corporate objectives.

The Group's overall internal controls system includes :-

- clearly established policies and procedures;
- regular review and update of policies and procedures to meet business needs;
- clearly defined job responsibilities and appropriate segregation of duties; and
- regular internal audits to monitor compliance with policies, procedures, external regulations and assess integrity of financial information.

The internal audit function has been outsourced to an external independent internal audit service provider to advise and assist the Audit Committee in the internal audit functions of the Group.

These are covered in more detailed in the "Statement on Risk Management and Internal Control" in Pages 25 to 27.

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

### 1. Communications with Stakeholders

The Board maintains an effective and timely communications policy that enables both the Board and the management to communicate effectively with its shareholders, stakeholders and the public. The policy effectively interprets the operations of the Group to the shareholders and accommodates feedback from shareholders, which are factored into the Group's business decisions.

The Board communicates information on the operations, activities and performance of the Group to the shareholders, stakeholders and the public through the following:-

- a) the Annual Report, which contains the financial and operational review of the Group's business, corporate information, financial statements, and information on Audit Committee and Board of Directors. The Notice of Annual General Meeting ("AGM") together with the Annual Report is dispatched to shareholders at least twenty eight (28) days prior to the AGM date; and
- b) various announcements made to the Bursa Securities, which includes announcement on quarterly results.

The Company maintains a website at [www.brite-tech.com](http://www.brite-tech.com) that allows all shareholders and investors to gain access information about the Group to encourage effective communication and proactive engagements with shareholders. The Company has yet to identify a senior independent non-executive director to whom concerns may be conveyed by shareholders and the general public. However, any enquiry regarding the Company and the Group may be conveyed to Mr. Kan King Choy, Executive Director, at [kc\\_kan@brite-tech.com.my](mailto:kc_kan@brite-tech.com.my).

### 2. Conduct of General Meetings

In addition to the timely communications policy mentioned above, the AGM provides an opportunity for the shareholders to seek and clarify any matter pertaining to the business and financial performance of the Group. The Board encourages shareholders to attend and participate in the AGM held annually.

As a precautionary measure amid the COVID-19 outbreak, the Company's forthcoming AGM will be conducted fully virtual on our Online Meeting Platform, as the safety of our members, Directors, staff and other stakeholders who will attend the AGM is of paramount importance to us. This is in line with the recommendation by the MCCG to consider leveraging technology to facilitate electronic voting and remote shareholding participation to facilitate greater shareholders' participation.

Pursuant to Paragraph 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, any resolution set out in the notice of any general meeting, or in any resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. An announcement of the detailed results will be made showing the number of votes cast for and against each resolution.

## STATEMENT OF COMPLIANCE

Except for the explanations provided above on any departures from the best practices of the MCCG, the Board believes that the Company has, in all material aspects, complied with the best practices of the MCCG during the financial year.

This Corporate Governance Overview Statement was approved by the Board on 15 April 2022.

# AUDIT COMMITTEE REPORT

## 1. Introduction

The Audit Committee was established in 2002 and currently comprises the following committee members:

Chairman:	Ng Kok Ann	Independent Non-Executive Director
Members:	Ir. Koh Thong How	Non-Independent Non-Executive Director
	Wee Swee Cheng	Independent Non-Executive Director

## 2. Terms of Reference

### a) Composition of Audit Committee

The Audit Committee shall be appointed by the Board of Directors from amongst their members and shall comprise no fewer than three (3) members, the majority of whom shall be independent and all members should be non-executive directors. At least one (1) member must be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience approved by the Bursa Securities.

No alternate director of the Board shall be appointed as a member of the Audit Committee and no former key audit partner shall be appointed as a member of the Audit Committee unless the said former key audit partner has observed a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.

In the event of any vacancy in the Audit Committee resulting in non-compliance of Rules 15.09(1) and 15.10 of the ACE Market Listing Requirements, the Board shall fill the vacancy within three (3) months.

The members of the Audit Committee shall elect a Chairman from amongst its members who shall be an Independent Non-Executive Director. The Nomination Committee shall review the term of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee has carried out their duties according with their terms of reference.

### b) Meetings

The Audit Committee shall meet not less than four (4) times per year and as and when necessary. The quorum of each meeting shall be a minimum of two (2) members of which the majority must be Independent Non-Executive Directors. The presence of external auditors can be requested if required while other members of the Board and employees may attend the meeting upon the invitation of the Committee. The secretary to the Audit Committee shall be the Company Secretary and minutes of each meeting shall be distributed to each member of the Board. The Chairman of the Audit Committee shall report on each meeting to the Board.

### c) Authority

The Audit Committee is authorised by the Board to investigate any activity of the Company and its subsidiaries within its terms of reference. The Committee shall have unrestricted access to information, records, properties and personnel of the Company and has direct communication channels with the external auditors and person(s) carrying out the internal audit function. The Audit Committee shall have all the resources it needs to perform its duties at the cost of the Company including the right to appoint independent professionals to advise the Audit Committee.

Notwithstanding the above, the Audit Committee does not have executive powers, and shall report to the Board on matters considered and its recommendations thereon, pertaining to the Company.

### d) Duties and Responsibilities

The duties and responsibilities of the Audit Committee shall include the following:

- (i) To consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal;
- (ii) To discuss with the external auditors before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (iii) To discuss with the external auditors on the evaluation of the system of internal controls and the assistance given by the employees to the external auditors;

## AUDIT COMMITTEE REPORT (CONT'D)

### 2. Terms of Reference (Cont'd)

#### d) Duties and Responsibility (Cont'd)

- (iv) To review and report to the Board if there is reason (supported by grounds) to believe that the external auditors are not suitable for reappointment;
- (v) To review the quarterly and year-end financial statements of the Board, focusing particularly on:
  - any changes in the accounting policies and practices;
  - significant adjustments arising from the audit;
  - the going concern assumptions; and
  - compliance with accounting standards and other legal requirements.
- (vi) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of the management where necessary);
- (vii) To review the external auditors' management letter and the management's response;
- (viii) To do the following where the internal audit function is outsourced:
  - review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
  - review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate action is taken on the recommendations of the internal audit function;
  - review any appraisal or assessment of the performance of members of the internal audit function;
  - approve any appointment or termination of the internal audit function; and
  - inform itself of resignation of the internal audit function and provide the resigning internal audit function an opportunity to submit their reasons for resigning.
- (ix) To consider any related party transactions and conflicts of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (x) To consider the major findings of internal investigations and the management's response;
- (xi) To consider other topics as defined by the Board from time to time.

### 3. Summary of Activities

The Audit Committee held four (4) meetings during the financial year ended 31 December 2021. The details of their meetings are as follows:

Audit Committee Members	Attendance
Ng Kok Ann	4/4
Ir. Koh Thong How	4/4
Wee Swee Cheng	4/4

The activities of the Audit Committee during the financial year ended 31 December 2021 include the following:-

- (i) Reviewed the Group's quarterly unaudited financial statements prior to submission to the Board for consideration and approval for release to Bursa Securities;
- (ii) Reviewed the Group's year end audited financial statements prior to submission to the Board for consideration and approval;
- (iii) Reviewed the scope of work and audit planning memorandum of the external auditors;
- (iv) Reviewed the scope of work and audit plan of the internal auditors. Thereafter discussed with internal auditors and management on the management's response to the findings and recommendations highlighted in the internal audit reports;
- (v) Reviewed the Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control, and recommended the same to the Board for approval and disclosure in the Company's Annual report;



## AUDIT COMMITTEE REPORT (CONT'D)

### 3. Summary of Activities (Cont'd)

- (vi) Held discussions with external auditors without the presence of management;
- (vii) Reviewed related party transactions and conflicts of situation that may arise within the Group;
- (viii) Reviewed the effectiveness of the Group's system of internal control;
- (ix) Considered and recommended to the Board for approval the audit fees payable to external auditors; and
- (x) Reviewed the performance of the external auditors and made recommendation to the Board for their re-appointment.

### 4. Internal Audit Function

The Group has outsourced its Internal Audit function to an external independent internal audit service provider, IA Essential Sdn Bhd, to advise and assist the Audit Committee in the Internal Audit functions of the Group within the framework as directed by the Audit Committee and is reporting directly to the Audit Committee.

The engagement director/CEO of the outsourced internal audit function, Mr. Chong Kian Soon, is a member of Chartered Accountants Australia & New Zealand, Certified Public Accountant of the Malaysian Institute of Certified Public Accountants as well as a Chartered Member and Certified QAR Assessor of the Institute of Internal Auditors Malaysia. He was assisted by an audit team comprising a manager and executives in the internal audit carried out during the financial year under review.

The internal audit engagement team members are independent of the activities of the Group and are free from any relationships or conflicts of interest which may threaten their ability to carry out responsibility in an unbiased manner or which may impair their objectivity.

The internal audit activities during the financial year covered amongst others, areas such as Sales and Credit Control as well as to carry out a Corporate Liability Review on Anti-Bribery Prevention for the Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors of Brite-Tech Berhad (“the Board”) is pleased to present this Statement on Risk Management and Internal Control (“Statement”) for the financial year ended 31 December 2021. This Statement is prepared pursuant to paragraph 15.26(b) of the Ace Market Listing Requirements and guided by the “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers” (“the Guidelines”).

## BOARD RESPONSIBILITIES

The Board acknowledges its overall responsibility for maintaining a sound internal control system for the Group to safeguard the shareholders’ investment and the Group’s assets and discharge their stewardship responsibilities in identifying and reviewing risks and ensuring the implementation of appropriate systems to manage these risks.

The Board understands the principal risks of the business that the Group involves and accepts that business decisions require the incurrence and balancing of risk and return in order to reward the shareholders. Functionally, risk management is the responsibility of all Executive Directors and management staff members who manage the business risks in the Group and ensure that businesses are under control.

In overseeing the effectiveness of the systems of risk management and internal control, the Board continues to use the following processes and information during the financial year to derive its comfort:

- Quarterly review of financial information covering financial performance and quarterly financial results;
- Discussion during the board meetings on business, financial and operational performances and updates;
- Audit Committee review the audit findings presented by External Auditors in assessing the integrity of financial information and performance; and
- Management assurance that the Group’s risk management and internal control systems are adequate and effective, in all material respects.

## RISK MANAGEMENT

The risk management thought process involves the identification of issues, consideration of the impact of the identified issues as well as effectiveness and adequacy of management actions in accordance with Risk Management Policy Statement.

In complementing the above risk management process, when deliberating business agenda, the Board together with the Audit Committee has applied the risk management thought process for identifying, evaluating and managing the significant risks faced by the Group and improving the system of internal controls when there are changes to business environment or regulatory guidelines.

Due to the prolonged Covid-19 pandemic, the Group’s business environment remains challenging as market economy weakens and Group’s business operations were disrupted. During the financial year, the Group managed to maintain a reasonable level of business with the resources the Group has. The Group remains focused on the existing business activities and concentrates on its core competencies. Besides, the Group will continuously improve its operational efficiency and cost management by implementing various cost-saving measures and stringent cost control to counter the challenges ahead and to enhance the Group’s competitiveness in the Group’s industry.

Following the government’s relaxation of movement controls from Covid-19, gradual recovery of the national economy and resumption of business is expected to contribute to a higher revenue for the Group.

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

## INTERNAL CONTROLS

Internal controls are important to support the function of the risk management system. Following key elements of the systems of internal control maintained in the Group:

- Periodic Board and management meetings to review financial performance and business operations of the Group to ensure that they are in line with the corporate objectives, strategies and annual sales target;
- Annual budget prepared for the subsidiaries of the Group are reviewed and approved by the Executive Directors. Management accounts/reports are prepared and the actual performance against the budget is reviewed on a monthly basis with detailed explanation of any major variances;
- Board Committees, namely the Audit Committee, Remuneration and Nomination Committees are established with defined terms of reference;
- Management organisation structure with defined lines of responsibilities and appropriate levels of delegation and authority;
- MS ISO/IEC 17025 standard operating procedures for the analytical laboratory services business of the Group are operationalised and subjected to internal quality audits and surveillance audits carried out by a certified body to provide assurance of compliance;
- Guidelines for selection and hiring of staff, formal training programmes as well as annual performance appraisals are in place to ensure that staff are competent and adequately trained in carrying out their responsibilities;
- The Audit Committee reviews of the quarterly financial results, annual report, audited financial statements, and internal control issues identified by the External Auditors, Internal Auditors and the management; and
- The internal audit function assists the Board and Audit Committee to overseeing the adequacy and integrity of the systems of internal control and reports its findings to the Audit Committee periodically.

The Anti-Corruption Policy and Whistleblowing Policy in pursuant to corporate liability provision under Section 17A of the MACC Act 2009 established and adopted by the Group. These policies set as a guide for employees and other stakeholders with regards to avoidance of corrupt activities and procedures to whistle-blow of any improper conducts noted. The Board has also reviewed Board Charter and Code of Conduct and Ethics to streamline with the Anti-Corruption Policy and Whistleblowing Policy.

The Board Charter, Code of Conduct and Ethics and Whistleblowing Policy are published in the Company's Website.

## INTERNAL AUDIT FUNCTION

The Company has outsourced the Internal Audit function to an internal audit consulting firm. The Internal Auditors report independently and directly to the Audit Committee in respect of its function in accordance with the approved internal audit plan.

In determining the audit scope for Internal Audit Plan, Internal Auditor has considered the current market risk and prioritised its audit focus.

The fee incurred for the outsourced internal audit function for the financial year ended 31 December 2021 is RM38,160.

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

## MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Bursa's Guidelines, management is accountable to the Board for identifying risks relevant to the Group's business objectives, implementing strategies, maintaining sound systems of risk management and internal control, and monitoring and reporting to the Board on significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objective and performance.

As provided in the Guideline, the Executive Chairman and the Management have represented to the Board that, to the best of his knowledge the Group's risk management and internal control systems have operated adequately and effectively, in all material aspects during the financial year under review and up to the date of approval of this statement for inclusion in the annual report.

## BOARD ASSURANCE AND LIMITATION

The Board recognises that the system of risk management and internal control should be continuously improved, consistent with the evolving business and operating environment. Nonetheless, it should be noted that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the systems of risk management and internal control in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

During the financial year, there were no weaknesses in the internal control that resulted in significant material loss. The Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives.

## REVIEW BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the External Auditors have reviewed this Statement on Risk Management and Internal Control. As set out in their terms of engagement, the procedures were performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3.

The external auditors have reviewed this statement on risk management and internal control and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of risk management and internal control.

This Statement on Risk Management and Internal Control was made in accordance with the approval of the Board on 15 April 2022.

## OTHER COMPLIANCE INFORMATION

### 1. Utilisation of Proceeds

There were no proceeds raised by the Company from any corporate proposal during the financial year.

### 2. Audit and Non-Audit Fees

During the financial year, the total audit and non-audit fees paid to the external auditors by the Company and the Group is disclosed in Note 26 to the financial statements.

### 3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries which involved the directors and substantial shareholders' interest during the financial year ended 31 December 2021.

### 4. Recurrent Related Party Transaction of Revenue Nature

The Company does not have any recurrent related party transaction of revenue nature during the financial year.

### 5. Corporate Social Responsibility

Apart from giving some token donations to certain charity organization, the Group did not undertake any corporate social responsibility activities during the financial year ended 31 December 2021.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Directors are responsible in the preparation of financial statements prepared for each financial year to give a true and fair view of the state of affairs of the Group and the Company and of the results and cash flow of the Group and the Company for the financial year then ended.

The Directors are satisfied that in ensuring the preparation of these financial statements, the Group and the Company have:-

- adopted suitable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent; and
- ensured that applicable approved accounting standards have been complied with.

The Directors are responsible for ensuring that proper accounting and other records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and ensuring that the financial statements comply with the applicable Accounting Standards of Malaysia, the Companies Act 2016 and Bursa Securities Listing Requirements for ACE Market.

The Directors are also responsible for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities.

# SUSTAINABILITY STATEMENT

The Board recognizes the need for the Group's strategies to promote sustainability and regularly reviews the strategic direction of the Group as well as the progress of the Group's operations. The Board will take into consideration the economic, environmental, social and governance aspects when developing the Group's strategies.

## Economic

The Group is committed to ensure that our shareholders' interests are taken care of and also to ensure that the interests of all other stakeholders in particular, customers, suppliers, bankers and regulatory bodies are being taken care of. In that regard, the Group emphasizes on good corporate governance practices and transparency to meet the expectation of these stakeholders including the Company's shareholders.

The Group recognises that customers' satisfaction is one of the key factors underlying the long-term sustainability of our Group's operations. In this regard, we value our customers' feedback and continuously enhance our services and reliability. Our staffs schedule regular meetings, both formal and informal, with our customers to build a strong and trustworthy relationship.

The Group is committed that all services delivered to customers must be of the required quality that meets the customers' expectations. We uphold the belief to deliver quality services to our customers and conducting business in an ethical manner.

## Environmental

The Group is dedicated to upholding environmental-friendly practices and will continue to pursue the initiatives in reducing the impact that our business operations have on the environment. The Group will continue to operate in a responsible manner by optimising our resources and reducing the generation of waste. We also ensure that waste is recycled where possible, and that non-recyclable waste is disposed off responsibly.

The Group has identified opportunities to reduce or reuse the resources we consume as we believe that efficient reuse, recycling and utilisation of resources will help reduce our overall carbon footprint. We constantly educate our staff on the importance of energy conservation by practicing good habits of switching off unused lights and air conditioning, and our paper management initiative to print only where necessary and where possible, recycling of used printed papers. In addition, to minimize energy usage, energy saving light-bulbs are used whenever possible throughout our operations and our staffs are encouraged to communicate to customers via email to reduce usage of paper.

## Social

The Group is committed to developing our employees to the best of their abilities as we believe every employee plays a vital role in our Group's success. The Group encourages employee diversity and employees of different background are given equal opportunity for career development and advancement in the Group. The Group ensures that the safety and wellbeing of its employees are given the highest priority and ensuring they can work in safe and conducive environment.

The Group provides opportunities to attend various training programmes, workshops and seminars for our management and staff and through these opportunities our employees acquire the right technical knowledge and skills for their daily duties.

# FINANCIAL STATEMENTS

<b>32</b>	Directors' Report
<b>36</b>	Statement By Directors
<b>36</b>	Statutory Declaration
<b>37</b>	Independent Auditors' Report
<b>41</b>	Statements Of Financial Position
<b>43</b>	Statements Of Profit Or Loss And Other Comprehensive Income
<b>45</b>	Consolidated Statement Of Changes In Equity
<b>46</b>	Statement Of Changes In Equity
<b>47</b>	Statements Of Cash Flows
<b>49</b>	Notes To The Financial Statements



## DIRECTORS' REPORT

The directors have pleasure in presenting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiary companies.

The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements.

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

### FINANCIAL RESULTS

	<b>Group 2021 RM</b>	<b>Company 2021 RM</b>
Profit for the financial year	8,622,354	1,856,169
Attributable to:		
Owners of the Company	8,570,946	1,856,169
Non-controlling interests	51,408	-
	<b>8,622,354</b>	<b>1,856,169</b>

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than those as disclosed in the notes to the financial statements.

### RESERVES AND PROVISIONS

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

### DIVIDENDS

The amount of dividends paid/payable or declared by the Company since previous financial year were as follows:

RM

In respect of the financial year ended 31 December 2020, as reported in the Directors' Report of that financial year:

Single Tier final dividend of 0.80 sen per share, on 252,000,000 ordinary shares, was declared on 11 June 2021 and paid on 12 July 2021.

2,016,000

At the forthcoming Annual General Meeting, a final dividend (single-tier) in respect of the financial year ended 31 December 2021, of 0.80 sen on 252,000,000 ordinary shares, amounting to a dividend payable of RM2,016,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

## DIRECTORS' REPORT (CONT'D)

### SHARES AND DEBENTURES

There were no changes in the issued and paid up capital of the Company during the financial year.

There were no debentures issued during the financial year.

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

### DIRECTORS

The names of the Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Pang Wee See  
 Tan Boon Kok  
 Kan King Choy  
 Ir. Koh Thong How  
 Ng Kok Ann  
 Wee Swee Cheng  
 Yee Oii Pah @ Yee Ooi Wah (f) *(Alternate Director to Pang Wee See)*

### DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares of the Company during the financial year were as follows:

Shareholdings in the name of directors	Number of ordinary shares			As at 31.12.2021
	As at 01.01.2021	Acquired	Sold	
Direct interest				
Pang Wee See	113,152,861	-	-	113,152,861
Tan Boon Kok	24,821,963	-	-	24,821,963
Kan King Choy	10,215,841	-	-	10,215,841
Ir. Koh Thong How	337,200	-	-	337,200
Yee Oii Pah @ Yee Ooi Wah (f) <i>(Alternate Director to Pang Wee See)</i>	2,544,320	2,080,000	-	4,624,320
Indirect interest				
Pang Wee See *	2,881,520	2,080,000	-	4,961,520
Tan Boon Kok **	2,825,800	-	-	2,825,800
Kan King Choy #	90,552	-	-	90,552
Ir. Koh Thong How +	113,152,861	-	-	113,152,861
Yee Oii Pah @ Yee Ooi Wah (f) ^ <i>(Alternate Director to Pang Wee See)</i>	113,152,861	-	-	113,152,861

\* Deemed interest by virtue of the shareholdings of his spouse, Yee Oii Pah @ Yee Ooi Wah and brother-in-law, Ir. Koh Thong How

\*\* Deemed interest by virtue of the shareholdings of his spouse, Liong Mee Mee and his son, Tan Shern Tzer

# Deemed interest by virtue of the shareholdings of his spouse, Lee Kim Peng

+ Deemed interest by virtue of the shareholdings of his brother-in-law, Pang Wee See

^ Deemed interest by virtue of the shareholdings of her spouse, Pang Wee See

By virtue of their interests in the shares of the Company, all the above Directors are also deemed to have interests in the shares of the subsidiary companies to the extent the Company has an interest.

Other than disclosed above, the other Directors in office at the end of the financial year did not have any interest in the shares of the Company or its related corporations during the financial year.

# DIRECTORS' REPORT (CONT'D)

## **DIRECTORS' REPORT (CONT'D)**

### **DIRECTORS' REMUNERATIONS**

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are disclosed in Note 29 to the financial statements.

The details of the other benefits otherwise than in cash received or receivable from the Group and the Company by the Directors of the Group and of the Company during the financial year are disclosed in Note 29 to the financial statements.

No payment has been paid to or payable to any third party in respect of the services provided to the Group and the Company by the Directors of the Group and of the Company during the financial year.

### **INDEMNITY AND INSURANCE COSTS**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

### **DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 29 to the financial statements) 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 STATUTORY INFORMATION**

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had 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:

- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and of the Company; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) 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 of the Company misleading.

# DIRECTORS' REPORT (CONT'D)

## **DIRECTORS' REPORT (CONT'D)**

### **OTHER STATUTORY INFORMATION (CONT'D)**

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

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

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 of 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 operations of the Group and of the Company for the financial year in which this report is made.

### **SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR**

The significant events during and subsequent to the financial year are disclosed in Note 37 to the financial statements.

### **AUDITORS**

The auditors, CAS Malaysia PLT, Chartered Accountants have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 26 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 27 April 2022.

### **PANG WEE SEE**

Director

### **KAN KING CHOY**

Director

# STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **PANG WEE SEE** and **KAN KING CHOY**, being two of the directors of **BRITE-TECH BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 41 to 106 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 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 27 April 2022.

**PANG WEE SEE**  
Director

**KAN KING CHOY**  
Director

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, **PANG WEE SEE**, being the director primarily responsible for the accounting records and financial management of **BRITE-TECH BERHAD**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 41 to 106 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
**PANG WEE SEE** )  
at Puchong in the state of Selangor Darul Ehsan )  
on 27 April 2022 )

**PANG WEE SEE**

Before me,

**TAN KAI YONG**

Commissioner for Oath

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BRITE-TECH BERHAD [REGISTRATION NO. 200101014455 (550212-U)]  
(INCORPORATED IN MALAYSIA)

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinion**

We have audited the financial statements of BRITE-TECH BERHAD, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and statements 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 41 to 106.

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 December 2021, 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 of 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 Group and 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' International Code of Ethics for Professional Accountants (including International Independence Standards) ("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 year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BRITE-TECH BERHAD [REGISTRATION NO. 200101014455 (550212-U)]  
(INCORPORATED IN MALAYSIA) (CONT'D)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### Key Audit Matters (Cont'd)

Key audit matters	How the matter was addressed in the audit
<p><b>1. Valuation of properties</b></p> <p><i>Refer to Note 3.4 and 3.5 - Significant Accounting Policies, Note 4.1 - Significant Accounting Judgements, Estimates and Assumptions, Note 5 - Property, Plant and Equipment, Note 6 - Leases and Note 7 - Investment Properties.</i></p> <p>The Group holds properties which are significant to the Group as these represent approximately 70% (2020: 70%) of the total assets. These properties are classified as land and buildings, right-of-use assets and investment properties as disclosed in Note 5, Note 6 and Note 7 to the financial statements respectively and are measured at fair value, unless otherwise stated.</p> <p>The Group is required to perform an impairment test on the land and buildings where there is an indication of impairment, by comparing the carrying amount with its recoverable amount.</p> <p>Revaluations for each class of land and buildings are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.</p> <p>The Group has engaged an independent valuer in December 2021 to carry out a formal valuation of these assets. When estimating the fair value of the land and buildings, right-of-use assets and investment properties, the objective is to estimate the price that would be received from the sale of land and buildings, right-of-use assets and investment properties in an orderly transaction between market participants under the current market condition.</p> <p>We considered this as key audit matter due to the significance of land and buildings, right-of-use assets and investment properties to the Group's financial statements and the determination of the fair values involves significant judgement and estimation.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> <li>(i) obtained and reviewed the approved board resolution in respect of the management's plan on properties classified as investment properties;</li> <li>(ii) evaluated the independent external valuers' competency, capabilities and objectivity which included consideration of their qualifications and experiences;</li> <li>(iii) reviewed the valuation reports and discussed with the independent valuers on the valuation approach and the significant judgement, including the selection of comparable properties and adjustments for differences in key attributes made to the transacted value of comparable properties;</li> <li>(iv) obtained understanding on the scope and purpose of the valuation and assessed their independence; and</li> <li>(v) assessed the appropriateness of the disclosures on the fair values of land and buildings and investment properties in the financial statements.</li> </ul>

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BRITE-TECH BERHAD [REGISTRATION NO. 200101014455 (550212-U)]  
(INCORPORATED IN MALAYSIA) (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 included in the 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 this other information, 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 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.

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:

- (i) 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.
- (ii) 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.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BRITE-TECH BERHAD [REGISTRATION NO. 200101014455 (550212-U)]  
(INCORPORATED IN MALAYSIA) (CONT'D)

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

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

- (iv) 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.
- (v) 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 of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 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.

### **CAS MALAYSIA PLT**

[No. (LLP0009918-LCA) & (AF 1476)]

Chartered Accountants

### **KONG JUNE HON**

[No. 03258/05/2022(J)]

Chartered Accountant

Date: 27 April 2022

Puchong

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	21,431,035	51,631,492	37,074	34,339
Right-of-use assets	6	2,091,096	2,247,314	-	-
Investment properties	7	67,852,502	33,729,145	-	-
Investment in subsidiary companies	8	-	-	22,039,288	17,371,690
Goodwill	9	640,714	640,714	-	-
		92,015,347	88,248,665	22,076,362	17,406,029
<b>CURRENT ASSETS</b>					
Inventories	10	1,204,006	1,113,733	-	-
Trade receivables	11	5,870,978	6,440,382	470,400	275,840
Other receivables	12	640,101	334,459	2,246,000	2,073,900
Amount due from subsidiary companies	13	-	-	-	2,685,357
Tax recoverable		328,886	335,376	97,470	104,694
Short-term investments	14	16,966,171	14,434,994	1,278,296	3,833,306
Fixed deposits with a licensed bank	15	307,273	140,000	-	-
Cash and bank balances		2,826,907	3,106,338	136,574	188,630
		28,144,322	25,905,282	4,228,740	9,161,727
<b>TOTAL ASSETS</b>		120,159,669	114,153,947	26,305,102	26,567,756

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021 (CONT'D)

	Note	2021 RM	Group 2020 RM	2021 RM	Company 2020 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	16	25,200,000	25,200,000	25,200,000	25,200,000
Revaluation reserve	17	24,859,680	24,590,976	-	-
Retained earnings	18	26,737,548	20,182,602	952,494	1,112,325
<b>Total equity attributable to owners of the Company</b>		<b>76,797,228</b>	<b>69,973,578</b>	<b>26,152,494</b>	<b>26,312,325</b>
Non-controlling interest	8	784,183	732,775	-	-
<b>TOTAL EQUITY</b>		<b>77,581,411</b>	<b>70,706,353</b>	<b>26,152,494</b>	<b>26,312,325</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred taxation	19	4,724,430	4,455,412	1,221	45,699
Lease liabilities	6	232,257	425,649	-	-
Loan and borrowings	20	31,537,075	24,539,883	-	-
		<b>36,493,762</b>	<b>29,420,944</b>	<b>1,221</b>	<b>45,699</b>
<b>CURRENT LIABILITIES</b>					
Trade payables	21	1,553,656	1,423,745	-	-
Other payables	21	2,321,883	10,615,317	145,388	200,648
Amount due to directors	22	5,999	12,083	5,999	9,084
Lease liabilities	6	216,251	267,068	-	-
Loan and borrowings	20	1,607,880	1,319,490	-	-
Provision for taxation		378,827	388,947	-	-
		<b>6,084,496</b>	<b>14,026,650</b>	<b>151,387</b>	<b>209,732</b>
<b>TOTAL LIABILITIES</b>		<b>42,578,258</b>	<b>43,447,594</b>	<b>152,608</b>	<b>255,431</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>120,159,669</b>	<b>114,153,947</b>	<b>26,305,102</b>	<b>26,567,756</b>

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	23	23,690,301	24,273,219	3,721,655	5,192,240
Cost of sales		(12,000,298)	(12,359,622)	-	-
<b>GROSS PROFIT</b>		11,690,003	11,913,597	3,721,655	5,192,240
Other operating income		6,612,433	2,131,259	9,950	5,628
Administrative expenses		(5,035,956)	(5,512,478)	(1,567,586)	(1,695,747)
Other operating expenses		(1,874,057)	(1,593,536)	(334,089)	(1,367)
<b>PROFIT FROM OPERATIONS</b>		11,392,423	6,938,842	1,829,930	3,500,754
Finance income	24	292,155	383,622	48,984	111,188
Finance costs	25	(1,210,776)	(803,592)	-	-
<b>PROFIT BEFORE TAXATION</b>	26	10,473,802	6,518,872	1,878,914	3,611,942
Taxation	27	(1,851,448)	(1,672,018)	(22,745)	(10,233)
<b>PROFIT AFTER TAXATION</b>		8,622,354	4,846,854	1,856,169	3,601,709
Other comprehensive income, net of tax					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Gain on revaluation of properties	17	268,704	7,636,770	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR</b>		8,891,058	12,483,624	1,856,169	3,601,709

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

	Note	2021 RM	Group 2020 RM	2021 RM	Company 2020 RM
<b>PROFIT AFTER TAXATION</b>					
<b>ATTRIBUTABLE TO:</b>					
Owners of the company		8,570,946	4,643,597	1,856,169	3,601,709
Non-controlling interest		51,408	203,257	-	-
		8,622,354	4,846,854	1,856,169	3,601,709
<b>TOTAL COMPREHENSIVE INCOME</b>					
<b>ATTRIBUTABLE TO:</b>					
Owners of the company		8,839,650	12,268,219	1,856,169	3,601,709
Non-controlling interest		51,408	215,405	-	-
		8,891,058	12,483,624	1,856,169	3,601,709
Basic earnings per share attributable to owners of the company (sen)	30	3.40	1.84		

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group 2021	Attributable to owners of the Company						Total equity RM
	Share capital RM	Revaluation reserve RM	Retained earnings RM	Total RM	Non- controlling interest RM	Total equity RM	
<b>Balance as at 1 January 2021</b>	25,200,000	24,590,976	20,182,602	69,973,578	732,775	70,706,353	
Profit for the financial year	-	-	8,570,946	8,570,946	51,408	8,622,354	
Other comprehensive income, net of tax	-	268,704	-	268,704	-	268,704	
Total comprehensive income for the financial year	-	268,704	8,570,946	8,839,650	51,408	8,891,058	
Dividend	-	-	(2,016,000)	(2,016,000)	-	(2,016,000)	
<b>Balance as at 31 December 2021</b>	25,200,000	24,859,680	26,737,548	76,797,228	784,183	77,581,411	
<b>2020</b>							
Balance as at 1 January 2020	25,200,000	16,966,354	19,571,005	61,737,359	917,370	62,654,729	
Profit for the financial year	-	-	4,643,597	4,643,597	203,257	4,846,854	
Other comprehensive income, net of tax	-	7,624,622	-	7,624,622	12,148	7,636,770	
Total comprehensive income for the financial year	-	7,624,622	4,643,597	12,268,219	215,405	12,483,624	
Dividend	-	-	(4,032,000)	(4,032,000)	(400,000)	(4,432,000)	
<b>Balance as at 31 December 2020</b>	25,200,000	24,590,976	20,182,602	69,973,578	732,775	70,706,353	

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

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Company	Note	Share capital RM	Retained earnings RM	Total RM
<b>Balance as at 1 January 2020</b>		25,200,000	1,542,616	26,742,616
Total comprehensive income for the financial year		-	3,601,709	3,601,709
Dividend paid	31	-	(4,032,000)	(4,032,000)
<b>Balance as at 31 December 2020</b>		25,200,000	1,112,325	26,312,325
Total comprehensive income for the financial year		-	1,856,169	1,856,169
Dividend paid	31	-	(2,016,000)	(2,016,000)
<b>Balance as at 31 December 2021</b>		25,200,000	952,494	26,152,494

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before taxation		10,473,802	6,518,872	1,878,914	3,611,942
Adjustments for:					
Allowance for impairment losses on:					
- trade receivables	11	283,715	311,013	-	-
- other receivables	12	20,600	-	-	-
Bad debts written off on:					
- other receivables	26	47,999	-	-	-
Depreciation of property, plant and equipment	5	1,270,733	1,262,212	1,315	1,367
Depreciation of right-of-use assets	6	173,287	163,914	-	-
Fair value (gain)/loss on investment properties	7	(4,017,830)	540,189	-	-
Finance income	24	(292,155)	(383,622)	(48,984)	(111,188)
Finance costs	25	1,210,776	803,592	-	-
Gain on disposal of property, plant and equipment	26	(12,180)	-	-	-
Inventories written down	10	64,055	-	-	-
Property, plant and equipment written off	26	13,668	325	-	-
Reversal for impairment losses of trade receivables	11	(310,684)	(292,721)	-	-
Dividend income	23	-	-	(2,222,000)	(3,644,000)
Unrealised gain on foreign exchange	26	(336)	-	-	-
Impairment losses on investment in subsidiary companies	8	-	-	332,774	-
Operating profit/(loss) before working capital changes		8,925,450	8,923,774	(57,981)	(141,879)
(Increase)/Decrease in inventories		(154,328)	89,710	-	-
Decrease/(Increase) in receivables		222,132	2,384,836	(366,660)	(1,779)
(Decrease)/Increase in payables		(8,163,187)	8,126,546	(55,260)	43,410
Cash generated from/(used in) operations		830,067	19,524,866	(479,901)	(100,248)
Interest received		292,155	383,622	48,984	111,188
Interest paid		(1,210,776)	(803,592)	-	-
Income tax paid		(1,641,238)	(1,934,326)	(59,999)	(71,772)
Net cash (used in)/generated from operating activities		(1,729,792)	17,170,570	(490,916)	(60,832)



# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of property, plant and equipment, right-of-use assets and investment properties	32	(866,167)	(625,409)	(4,050)	(3,550)
(Placement)/Drawdown of short-term investments		(2,531,177)	(912,637)	2,555,010	470,098
Acquisition of additional shares in a subsidiary company	8	-	-	(5,000,372)	-
Proceeds from disposal of plant and equipment		12,504	-	-	-
Dividends received		-	-	2,222,000	3,644,000
<b>Net cash (used in)/generated from investing activities</b>		<b>(3,384,840)</b>	<b>(1,538,046)</b>	<b>(227,412)</b>	<b>4,110,548</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
(Repayment to)/Advance from directors		(6,084)	12,083	(3,085)	9,084
Repayment from subsidiary companies		-	-	2,685,357	70,400
Net drawdown/(repayment) of loan and borrowings		7,285,582	(11,602,384)	-	-
Repayment of lease liabilities	6	(261,278)	(100,219)	-	-
Dividend paid to the owners of the Company	31	(2,016,000)	(4,032,000)	(2,016,000)	(4,032,000)
Dividend paid to non-controlling interests		-	(400,000)	-	-
<b>Net cash generated from/(used in) financing activities</b>		<b>5,002,220</b>	<b>(16,122,520)</b>	<b>666,272</b>	<b>(3,952,516)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(112,412)</b>	<b>(489,996)</b>	<b>(52,056)</b>	<b>97,200</b>
<b>Cash and cash equivalents as at beginning of the financial year</b>		<b>3,147,061</b>	<b>3,637,057</b>	<b>188,630</b>	<b>91,430</b>
<b>Cash and cash equivalents as at end of the financial year</b>		<b>3,034,649</b>	<b>3,147,061</b>	<b>136,574</b>	<b>188,630</b>
<b>Cash and cash equivalents comprise of:</b>					
Fixed deposits with a licensed bank		307,273	140,000	-	-
Cash and bank balances		2,826,907	3,106,338	136,574	188,630
Bank overdraft	20	(99,531)	(99,277)	-	-
		<b>3,034,649</b>	<b>3,147,061</b>	<b>136,574</b>	<b>188,630</b>

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The Company's registered office is located at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Lot 14 (PT 5015), Jalan Pendamar 27/90, Seksyen 27, 40400 Shah Alam, Selangor Darul Ehsan.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2021 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial year ended 31 December 2021 do not include other entities.

The Company is principally engaged in the business of investment holding and provision of management services to subsidiary companies. The principal activities of its subsidiary companies are set out in Note 8 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 27 April 2022.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

#### 2.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 ("CA 2016") in Malaysia.

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year.

#### 2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company have adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 January 2021:

Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement
Amendments to MFRS 7	Financial Instruments: Disclosure
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 16	Leases
Amendments to References to Conceptual Framework in IFRS Standards	

The adoption of the above pronouncements did not have any material impact on the financial statements of the Group and of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (CONT'D)

### 2.3 Standards issued but not yet effective

The Group and the Company have not adopted the following Standards, Amendments and Annual Improvements that have been issued but are not yet effective by the Malaysian Accounting Standards Board ("MASB").

#### Effective for financial periods beginning on or after 1 April 2021

Amendments to MFRS 16	Leases
-----------------------	--------

#### Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
Amendments to MFRS 3	Business Combinations
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 116	Property, Plant and Equipment
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
Amendments to MFRS 141	Agriculture
Amendments to Annual Improvements to MFRS Standards 2018-2020	

#### Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes

#### Effective date to be determined by Malaysian Accounting Standards Board

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
------------------------------------	---

The Group and the Company will adopt the above mentioned standards, amendments or interpretations, if applicable, when they become effective in respective financial periods. The Directors do not expect any material impact to the financial statements of the above pronouncements.

### 2.4 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis except as disclosed in the financial statements.

### 2.5 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information are presented in RM, unless otherwise stated.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2021.

The financial statements of the Company's subsidiaries are prepared for the same reporting date as the Company, using consistent accounting policies to like transactions and events in similar circumstances.

Subsidiaries are consolidated using the acquisition method of accounting. Under the acquisition method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and de-consolidated from the date that control ceases.

All intercompany balances, income and expenses and unrealised gain or loss transactions between Group and subsidiary companies are eliminated.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income ("OCI") to profit or loss or retained earnings, if required in accordance with other MFRSs.

All of the above will be accounted for from the date when control is lost.

The accounting policies for business combination and goodwill are disclosed in Note 3.3.

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not owned, directly and indirectly by the Company. NCI are presented separately in the consolidated statements of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, but separate from parent shareholders' equity. Total comprehensive income is allocated against the interest of NCI, even if this results in a deficit balance. Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

#### 3.2 Investment in subsidiaries

Subsidiaries are entities over which the Company has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.3 Business combination and goodwill

Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve. The statement of profit or loss and other comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

All other business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at fair value on the date of acquisition and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at fair value on the date of acquisition and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to OCI. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill 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. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.6.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

### 3.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.4 Property, plant and equipment (Cont'd)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

Freehold land and buildings and leasehold buildings are stated at their revalued amount, being its fair value at the date of revaluation, less subsequent accumulated depreciation and subsequent impairment losses, if any. Revaluation is made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Except for freehold land and building under construction, depreciation on the property, plant and equipment are calculated so as to write off the cost or valuation of the assets to their residual values on a straight line basis over the expected useful lives of the assets, summarised as follows:

Freehold buildings	50 - 100 years
Leasehold buildings	Over the period of lease (65 - 93 years)
Electrical fittings	10 - 20 years
Motor vehicles	4 - 10 years
Furniture and fittings, laboratory, signboard, demo, store, office, equipment and machinery	4 - 20 years
Renovation	5 - 10 years

Depreciation of an asset begins when it is ready for its intended use.

Freehold land is not depreciated as it has an infinite life.

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

Residual values and useful lives of assets are reviewed, and adjusted if appropriate, at each reporting date.

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.6 on impairment of non-financial assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the profit or loss. On disposal of revalued assets, amounts in the revaluation reserve relating to those assets are transferred to retained earnings.

#### 3.5 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.5 Investment properties (Cont'd)

Investment properties are initially measured at cost and subsequently at fair value, representing open market value determined annually by external valuers or assessed by the Directors. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific assets. If this information is not available, the Group will use alternative valuation method such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recognised in profit or loss for the period in which they arise.

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

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

### 3.6 Impairment of non-financial assets

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

For goodwill, property, plant and equipment that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

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

In assessing value in use, the estimated future cash flows expected to be generated by the assets 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 assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

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

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

### 3.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of raw materials comprises the cost of purchase plus the cost of bringing the inventories to their present location and condition. Costs of inventories are determined on a first-in-first-out basis. Cost of finished goods and work-in-progress includes raw materials, direct labour and appropriate proportion of production overheads. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in management of their short term funding requirements. These also include bank overdrafts that form an integral part of the Group's cash management.

#### 3.9 Financial assets

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

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group's and the Company's business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

For the purpose of subsequent measurement under MFRS 9, financial assets are classified as follows:

##### 3.9.1 Financial assets at amortised cost

Financial assets shall be measured at amortised cost if both of the following conditions are met:

- (a) the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost include trade receivables, other receivables, amount due from subsidiary companies, fixed deposits with a licensed bank, and cash and bank balances.

##### 3.9.2 Financial assets at FVOCI

###### *Debt instruments*

Debt instruments are measured at FVOCI if both of the following conditions are met:

- (a) the financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.9 Financial assets (Cont'd)

#### 3.9.2 Financial assets at FVOCI (Cont'd)

##### *Debt instruments*

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of 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 OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group and the Company did not hold any debt instruments at FVOCI in the current and previous financial year.

##### *Equity instruments*

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

The Group and the Company did not hold any equity instruments at FVOCI in the current and previous financial year.

#### 3.9.3 Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, 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 FVTPL, 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 statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if:

- (a) the economic characteristics and risks are not closely related to the host;
- (b) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and
- (c) hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

The Group's and the Company's financial assets at FVTPL include short-term investments.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.9 Financial assets (Cont'd)

##### Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or the rights to receive cash flows from the asset are transferred or all the risk and rewards are transferred. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

#### 3.10 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECL") for all financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income, contract assets and lease receivables. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balances and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. For trade receivables, contract assets and lease receivables, loss allowances are measured based on lifetime expected credit losses at each reporting date. The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward looking factor specific to the debtors and the economic environment.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while the 12-month expected credit losses are the portion of the expected credit losses that result from default events that are possible within the 12 months after the reporting date.

In 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.

An impairment loss in respect of the financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are recognised in profit or loss. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows of the financial asset.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried at fair value through other comprehensive income are 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.

##### (a) Simplified approach for trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.10 Impairment of financial assets (Cont'd)

#### (a) Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the 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 compares 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. The assessment considers available, reasonable and supportable forward-looking information such as:

- internal credit rating/assessment;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor (where available);
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

The Group considers a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off to profit or loss when there is no reasonable expectation of recovering the contractual cash flows.

#### Grouping of instruments for ECL measured on collective basis

##### **Collective assessment**

To measure ECL, trade receivables are grouped into categories. The categories are differentiated by the different business risks and are subject to different credit assessments. Contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group considers the expected loss rates for trade receivables as a reasonable approximation of the loss rates for contract assets with similar risk characteristics.

##### **Individual assessment**

Trade receivables which are in default or credit-impaired are assessed individually.

Note 11 sets out the measurement details of ECL.

#### (b) General 3-stages approach for other receivables and advances to subsidiaries

At each reporting date, the Group and the Company measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Note 12 and 13 set out the measurement details of ECL.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.11 Financial liabilities

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

The categories of financial liabilities at an initial recognition are as follows:

##### 3.11.1 Financial liabilities at FVTPL

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost at fair value through profit or loss:

- (a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;
- (b) a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's and the Company's key management personnel; or
- (c) if a contract contains one or more embedded derivative and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as FVTPL are subsequently measured at fair value with gains or losses, including any interest expense, being recognised in the profit or loss.

For financial liabilities which are designated as FVTPL upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

The Group and the Company do not have financial liabilities at FVTPL in the current and previous financial year.

##### 3.11.2 Amortised cost

Other financial liabilities not categorised as FVTPL are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

#### **Derecognition**

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. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

#### 3.12 Share capital

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

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.13 Leases

#### 3.13.1 Leases in which the Group is a lessee

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease based on whether the contract conveys to the user the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and servicing elements, the consideration is allocated to each of the lease and non-lease components and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. For a contract that is, or contains, a lease, an entity shall account for each lease component within the contract as a lease separately from non-lease components of the contract.

##### (a) Right-Of-Use Assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less accumulated depreciation and impairment losses, and adjusted for any remeasurement of the lease liability. The cost of the right-of-use asset comprises of the amount of lease liabilities adjusted for the lease payments that are paid at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred for dismantling and removing the underlying asset or restoring the underlying asset or the site on which it is located, less any lease incentives received. If the Group and the Company are reasonably certain that the ownership of the underlying asset will be transferred to them by the end of the lease term, the right-of-use assets are depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of its useful life or the end of the lease term.

Depreciation on the right-of-use assets are calculated using straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	96 years
Building	2 years
Motor vehicles	5 years

##### (b) Lease Liabilities

The Group and the Company recognise lease liability, which is measured at the present value of the lease payments to be made over the lease term, at the commencement date. The lease payments include fixed payments including in-substance fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, less lease incentives receivable. The lease payments also include the exercise price of purchase option if the Group and the Company are reasonably certain to exercise, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

The lease payments are discounted using incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. After the commencement date, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. The carrying amount of lease liabilities is remeasured in order to reflect any reassessment or lease modifications.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.13 Leases (Cont'd)

##### 3.13.1 Leases in which the Group is a lessee (Cont'd)

###### (c) Short-term leases and leases of low-value assets

The Group and the Company elected to apply exemption to those short term leases in which the lease term is 12 months or less from the commencement date and without purchase option. Besides, exemption is also applied for the lease of low value assets. The lease payments incurred on the exempted leases are recognised as expenses on a straight-line basis over the lease term.

###### (d) Lease term

The lease term includes non-cancellable period of a lease together with periods covered by an option to extend or terminate the lease if the Group and the Company are reasonably certain to exercise that option.

Under some of the leases, the Group and the Company are offered with the option to extend the lease term for additional two to five years. The Group and the Company apply judgement in considering all relevant facts and circumstances that create an economic incentive to exercise the extension option or not to exercise the termination option, to evaluate whether it is reasonably certain that the option will be exercised. After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise the option to renew or not to terminate.

##### 3.13.2 Leases in which the Group is a lessor

As a lessor, the Group determines whether a lease is finance lease or operating lease. The assessments are based on if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to them. Examples of indicators for finance lease are:-

- (i) Ownership is transferred at the end of lease term;
- (ii) Purchase option is offered at a price that is expected to be sufficiently lower than the fair value at the date the option becomes exercisable;
- (iii) The lease term is for the major part of the economic life of the underlying asset;
- (iv) The present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset; and
- (v) The underlying asset is of such a specialised nature that only the Group can use it.

###### Operating lease

Lease payments from operating lease are recognised as income by the Group on straight-line basis over the lease term of the lease. Initial direct costs incurred in obtaining the assets that are leased out are included in the carrying amount of the underlying assets, and the subsequent costs incurred is recognised as expense for the period of earning the income. Assets leased out under operating leases are presented on the statement of financial position according to the nature of the assets.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred with any difference between the initial fair value and proceeds (net of transaction costs) being charged to profit or loss at initial recognition. In subsequent periods, borrowings are stated at amortised cost using the effective interest method with the difference between the initial fair value and the redemption value is recognised in the profit or loss over the period of the borrowings.

Profit, interest, dividends, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance cost in the profit or loss.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the financial position date.

Borrowing costs incurred to finance the construction of property, plant and equipment are capitalised as part of the cost of the asset during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

### 3.15 Income tax

#### 3.15.1 Current tax

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

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

#### 3.15.2 Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.15 Income tax (Cont'd)

##### 3.15.2 Deferred tax (Cont'd)

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

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 in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

#### 3.16 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.

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

The Group and the Company typically provide warranties for general repairs of defects that existed at the time of sale. These assurance-type warranties are accounted for under MFRS 137 Provisions, Contingent Liabilities and Contingent Assets when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

#### 3.17 Revenue recognition and other income

The Group recognises revenue from contracts with customers for goods or services based on the five step model as set out in this standard:-

- (i) Identify contracts with a customer;
- (ii) Identify performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligation in the contract; and
- (v) Recognise revenue when the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time if the Group's performances:-

- (i) Do not create an asset with an alternative use to the Group and have an enforceable right to payment for performance completed to date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group performs.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract based on asset for the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.17 Revenue recognition and other income (Cont'd)

Revenue is measured at fair value of consideration received or receivable. The following describes the performance obligation in contracts with customers:-

#### 3.17.1 Sale of goods and services

Revenue from sales of goods is recognised at point in time when the customer obtains control of goods, which is generally at the time of delivery. Revenue is measured at the fair value of the consideration received or receivables, net of discounts and taxes applicable to the revenue. Revenue from services is recognised upon services rendered.

#### 3.17.2 Contract income

Revenue from contract income is recognised at point in time when the control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services. The Group and the Company have generally concluded that they are the principal in its revenue arrangements because they typically control the goods and services before transferring them to the customer.

#### 3.17.3 Dividend income

Dividend income is recognised when the shareholders' rights to receive payment is established.

#### 3.17.4 Interest income

Interest income is recognised as it accrues, taking into account the principal outstanding and the effective rate over period of maturity.

#### 3.17.5 Management fee

Management fee is recognised on an accrual basis when service is rendered.

#### 3.17.6 Rental income

Rental income is recognised on a straight-line basis over the term of the tenancy agreement subject to revision of rental rate.

### 3.18 Employee benefits

#### 3.18.1 Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as expense in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

#### 3.18.2 Defined contribution plans

Defined contribution plans are post-employment benefits plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The contributions are charged as an expense in the financial year in which the employees render their services. As required by law, the Group and the Company make such contributions to the Employees Provident Fund ("EPF").

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### 3.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. Additional disclosures on each of these segments are disclosed in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

#### 3.20 Foreign currencies

##### 3.20.1 Functional and presentation currency

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

##### 3.20.2 Foreign currency transactions

Transactions in currencies other than the Group's and the Company's functional currency ("foreign currencies") are recorded in the functional currency using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

#### 3.21 Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial year.

#### 3.22 Fair value measurement

Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 3.22 Fair value measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

### 3.23 Related parties

A party is related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
  - controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  - has an interest in the entity that gives its significant influence over the entity; or
  - has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venturer;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, joint controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity.

### 3.24 Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

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.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 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:

#### 4.1 Revaluation of properties

The Group carries its properties at fair value, with changes in fair value being recognised in the statement of profit or loss and other comprehensive income. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2021 for all properties. A valuation methodology based on comparison method of valuation (open market value) was used, which entails comparing recorded transaction of similar properties in the vicinity and/or investment method of valuation, which entails the capitalisation of net income of the properties.

#### 4.2 Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the asset's estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment to be within a range of 4 to 100 years. These are common life expectancies applied in this industry.

Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets and therefore future depreciation charges could be revised. The carrying amount of the Group's and of the Company's property, plant and equipment at the reporting date are disclosed in Note 5.

#### 4.3 Classification between investment properties and owner-occupied properties

The Group determines whether a property is qualified as an investment property, and has developed a criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independent of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portion could can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portion could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

### 4.4 Provision for expected credit losses of trade receivables and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, 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. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. 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, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. 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. The information about the ECLs on the Group's trade receivables is disclosed in Note 11.

### 4.5 Impairment of goodwill

The Group performs an annual assessment of the carrying value of its goodwill against the recoverable amount of the cash-generating units ("CGUs") to which the goodwill has been allocated. The measurement of the recoverable amount of CGUs are determined based on the value-in-use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGUs' ongoing operations. Management judgement is used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long-term sustainable cash flows, and reflect management's view of future performance.

### 4.6 Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognised tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings (at valuation) RM	Leasehold buildings (at valuation) RM	Motor vehicles RM	Furniture fittings, laboratory, signboard, research and development demo, store, office, equipment and machinery RM	Electrical fittings RM	Renovation RM	Total RM
<b>2021</b>							
<b>At cost, unless otherwise stated</b>							
Balance as at 1 January 2021	44,285,729	899,999	2,684,128	15,338,986	276,776	883,706	64,369,324
Additions	-	-	-	757,640	3,000	-	760,640
Revaluation surplus (Note 17)	303,346	-	-	-	-	-	303,346
Written off/Disposal	-	-	(62,115)	(30,727)	-	-	(92,842)
Transfer to investment properties (Note 7)	(30,000,000)	-	-	-	-	-	(30,000,000)
Balance as at 31 December 2021	14,589,075	899,999	2,622,013	16,065,899	279,776	883,706	35,340,468
<b>Accumulated depreciation</b>							
Balance as at 1 January 2021	31,491	-	2,376,549	9,412,714	155,467	761,611	12,737,832
Charge for the financial year	84,349	18,000	92,217	1,029,948	9,649	36,570	1,270,733
Elimination of accumulated depreciation (Note 17)	(20,282)	-	-	-	-	-	(20,282)
Written off/Disposal	-	-	(61,790)	(17,060)	-	-	(78,850)
Balance as at 31 December 2021	95,558	18,000	2,406,976	10,425,602	165,116	798,181	13,909,433
<b>Net carrying amounts</b>							
Balance as at 31 December 2021	14,493,517	881,999	215,037	5,640,297	114,660	85,525	21,431,035

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Freehold land and buildings (at valuation) RM	Leasehold buildings (at valuation) RM	Building under construction RM	Motor vehicles RM	Furniture fittings, laboratory, signboard, research and development demo, store, office, equipment and machinery RM	Electrical fittings RM	Renovation RM	Total RM
<b>2020</b>								
<b>At cost, unless otherwise stated</b>								
Balance as at 1 January 2020	24,737,889	899,999	6,469,371	2,395,071	14,729,899	276,776	877,206	50,386,211
Additions	4,255,629	-	-	-	618,909	-	6,500	4,881,038
Revaluation surplus (Note 17)	8,822,840	-	-	-	-	-	-	8,822,840
Written off/Disposal	-	-	-	-	(9,822)	-	-	(9,822)
Transfer	6,469,371	-	(6,469,371)	289,057	-	-	-	289,057
Balance as at 31 December 2020	44,285,729	899,999	-	2,684,128	15,338,986	276,776	883,706	64,369,324
<b>Accumulated depreciation</b>								
Balance as at 1 January 2020	31,491	-	-	2,131,901	8,371,098	145,264	720,279	11,400,033
Charge for the financial year	64,450	-	-	95,114	1,051,113	10,203	41,332	1,262,212
Elimination of accumulated depreciation (Note 17)	(64,450)	-	-	-	-	-	-	(64,450)
Written off/Disposal	-	-	-	-	(9,497)	-	-	(9,497)
Transfer	-	-	-	149,534	-	-	-	149,534
Balance as at 31 December 2020	31,491	-	-	2,376,549	9,412,714	155,467	761,611	12,737,832
<b>Net carrying amounts</b>								
Balance as at 31 December 2020	44,254,238	899,999	-	307,579	5,926,272	121,309	122,095	51,631,492

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### Company

2021	Motor vehicles RM	Furniture and fittings, and office equipments RM	Renovation RM	Total RM
<b>Cost</b>				
Balance as at 1 January 2021	28,300	54,697	64,382	147,379
Additions	-	4,050	-	4,050
Balance as at 31 December 2021	28,300	58,747	64,382	151,429
<b>Accumulated depreciation</b>				
Balance as at 1 January 2021	-	48,661	64,379	113,040
Charge for the financial year	-	1,315	-	1,315
Balance as at 31 December 2021	-	49,976	64,379	114,355
<b>2020</b>				
<b>Cost</b>				
Balance as at 1 January 2020	28,300	51,147	64,382	143,829
Additions	-	3,550	-	3,550
Balance as at 31 December 2020	28,300	54,697	64,382	147,379
<b>Accumulated depreciation</b>				
Balance as at 1 January 2020	-	47,294	64,379	111,673
Charge for the financial year	-	1,367	-	1,367
Balance as at 31 December 2020	-	48,661	64,379	113,040
<b>Net carrying amounts</b>				
Balance as at 31 December 2021	28,300	8,771	3	37,074
Balance as at 31 December 2020	28,300	6,036	3	34,339

The Group has pledged the following property, plant and equipment to licensed banks to secure banking facilities granted to the Group as referred to in Note 20:

	2021 RM	2020 RM
<b>Net carrying value</b>		
Freehold land and buildings	3,022,610	33,052,000



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

### Revaluation of land and buildings

On 31 December 2021, the entire land and buildings of the Group were revalued by an independent qualified valuer, Nasir, Sabaruddin & Associates, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was derived based on the Comparison Method of Valuation. A revaluation surplus of RM268,704 (net of deferred taxation) had been recognised as other comprehensive income.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amount of the properties would have been RM7,348,201 (2020: RM28,593,674).

## 6. LEASES

### The Group as lessee

#### Right-of-use assets

2021	Leasehold Land (at valuation) RM	Building RM	Motor Vehicles RM	Total RM
<b>At cost</b>				
Balance as at 1 January 2021	1,200,000	19,875	1,411,580	2,631,455
Addition	-	17,069	-	17,069
Derecognition	-	(19,874)	-	(19,874)
Balance as at 31 December 2021	1,200,000	17,070	1,411,580	2,628,650
<b>Less: Accumulated depreciation</b>				
Balance as at 1 January 2021	-	14,454	369,687	384,141
Charge for the financial year	12,371	6,844	154,072	173,287
Derecognition	-	(19,874)	-	(19,874)
Balance as at 31 December 2021	12,371	1,424	523,759	537,554
<b>2020</b>				
<b>At cost</b>				
Balance as at 1 January 2020	1,200,000	21,153	1,559,221	2,780,374
Addition	-	-	141,416	141,416
Derecognition	-	(1,278)	-	(1,278)
Transfer to property, plant and equipment	-	-	(289,057)	(289,057)
Balance as at 31 December 2020	1,200,000	19,875	1,411,580	2,631,455
<b>Less: Accumulated depreciation</b>				
Balance as at 1 January 2020	-	7,051	375,081	382,132
Charge for the financial year	12,371	7,403	144,140	163,914
Elimination of accumulated depreciation (Note 17)	(12,371)	-	-	(12,371)
Transfer to property, plant and equipment	-	-	(149,534)	(149,534)
Balance as at 31 December 2020	-	14,454	369,687	384,141
<b>Net carrying amount</b>				
Balance as at 31 December 2021	1,187,629	15,646	887,821	2,091,096
Balance as at 31 December 2020	1,200,000	5,421	1,041,893	2,247,314

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 6. LEASES (CONT'D)

#### The Group as lessee (Cont'd)

The Group has pledged its leasehold land to licensed bank to secure banking facilities granted to the Group as referred to in Note 20.

On 31 December 2021, the leasehold land of the Group were revalued by an independent qualified valuer, Nasir, Sabaruddin & Associates, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was arrived at based on the Comparison Method of Valuation. No revaluation surplus (net of deferred taxation) had been recognised as other comprehensive income during the financial year.

#### Lease liabilities

2021	Building RM	Motor Vehicles RM	Total RM
<b>Carrying amount</b>			
Balance as at 1 January 2021	4,999	687,718	692,717
Addition	17,069	-	17,069
Lease payment	(6,000)	(283,273)	(289,273)
Interest expense	237	27,758	27,995
Balance as at 31 December 2021	16,305	432,203	448,508
<b>2020</b>			
<b>Carrying amount</b>			
Balance as at 1 January 2020	11,393	781,543	792,936
Addition	-	99,000	99,000
Lease payment	(6,689)	(226,279)	(232,968)
Interest expense	295	33,454	33,749
Balance as at 31 December 2020	4,999	687,718	692,717
Represented by:		<b>2021 RM</b>	<b>2020 RM</b>
<b>Current liabilities</b>			
<u>Secured</u>			
- Lease liability		210,713	238,568
<u>Unsecured</u>			
- Lease liability		5,538	28,500
		216,251	267,068
<b>Non-current liabilities</b>			
<u>Secured</u>			
- Lease liability		222,080	419,297
<u>Unsecured</u>			
- Lease liability		10,177	6,352
		232,257	425,649

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 6. LEASES (CONT'D)

### LEASES (Cont'd)

#### The Group as lessee (Cont'd)

#### Lease liabilities (Cont'd)

Represented by:	2021 RM	2020 RM
<b>Total lease liabilities</b>		
Secured		
- Lease liability	432,793	657,865
Unsecured		
- Lease liability	15,715	34,852
	448,508	692,717

Rates of interest charged per annum:

	2021 %	2020 %
Lease liabilities owing to financial institutions	2.24 - 3.43	2.24 - 3.43
Lease liabilities owing to non-financial institutions	3.21 - 8.32	8.32

	2021 RM	2020 RM
Minimum lease payment		
- Not later than one year	231,741	289,139
- Later than one year and not later than five years	240,902	451,176
- Later than five years	-	1,823
	472,643	742,138
Future finance charges on lease liabilities	(24,135)	(49,421)
Present value of finance lease liabilities	448,508	692,717

Present value of lease is analysed as follows:

	2021 RM	2020 RM
Current liabilities		
- Not later than one year	216,251	267,068
Non-current liabilities		
- Later than one year and not later than five years	232,257	423,832
- Later than five years	-	1,817
	448,508	692,717

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 6. LEASES (CONT'D)

### LEASES (Cont'd)

#### The Group as lessee (Cont'd)

#### Lease liabilities (Cont'd)

(a) The Group has certain leases of equipments with lease term of 12 months or less, and low value leases of office equipment of RM20,000 and below. The Group applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

(b) The following are the amounts recognised in profit or loss:

	<b>2021</b>	<b>2020</b>
	<b>RM</b>	<b>RM</b>
Depreciation of right-of-use assets (included in other operating expenses)	173,287	163,914
Interest on lease liabilities (included in finance cost)	27,995	33,749
Expense relating to lease of low-value assets (included in administrative expenses)	7,193	8,594
	<hr/> 208,475	<hr/> 206,257

(c) At the end of the financial year, the Group had total cash outflow for leases of RM289,273 (2020: RM232,968).

(d) In cases in which the Group is not reasonably certain to exercise extension and termination options, payments associated with the optional period are not included within lease liabilities.

The followings are the undiscounted potential future rental payments that are not included in recognised lease liabilities:

	<b>Within five</b>	<b>More than</b>	<b>Total</b>
	<b>years</b>	<b>five years</b>	<b>RM</b>
<b>2021</b>	<b>RM</b>	<b>RM</b>	
Extension options expected not to be exercised	6,000	-	6,000
	<hr/> 6,000	<hr/> -	<hr/> 6,000
<b>2020</b>			
Extension options expected not to be exercised	6,000	-	6,000
	<hr/> 6,000	<hr/> -	<hr/> 6,000

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 6. LEASES (CONT'D)

### LEASES (Cont'd)

#### The Group as lessor

The Group has entered into non-cancellable lease agreements on certain properties for terms between two to three years and renewable at the end of the lease period subject to an increase clause. The monthly rental consists of a fixed base rent.

As at the end of the reporting period, the future minimum lease receivables are as follows:

	2021 RM	2020 RM
Less than one year	2,269,844	866,890
One to two years	1,189,828	464,490
Two to three years	299,968	9,600
	<hr/> 3,759,640	<hr/> 1,340,980

## 7. INVESTMENT PROPERTIES

At valuation	2021 RM	Group 2020 RM
At beginning of the financial year	33,729,145	23,469,145
Addition	105,527	10,800,189
Gain/(Loss) on fair value adjustment of investment properties	4,017,830	(540,189)
Transfer from property, plant and equipment (Note 5)	30,000,000	-
	<hr/> 67,852,502	<hr/> 33,729,145

#### Revaluation of investment properties

On 31 December 2021, the investment properties of the Group were revalued again by an independent qualified valuer, Nasir, Sabaruddin & Associates, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was arrived at based on the Comparison Method of Valuation.

	2021 RM	Group 2020 RM
Rental income derived from investment properties	1,930,160	933,270
Direct operating expenses generating rental income	(127,042)	(27,041)
	<hr/> 1,803,118	<hr/> 906,229

The Group has pledged investment properties with carrying amount of RM60,837,500 (2020: RM26,837,500) to licensed banks to secure banking facilities granted to the Group as referred to Note 20.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 7. INVESTMENT PROPERTIES (CONT'D)

#### Fair value information

The Group's investment properties and fair value hierarchy as at 31 December 2021 and 31 December 2020 are as follows:

#### Group

	2021			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
Land	-	40,172,500	-	40,172,500
Building	-	27,680,002	-	27,680,002
	-	67,852,502	-	67,852,502

	2020			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
Land	-	23,085,000	-	23,085,000
Building	-	10,644,145	-	10,644,145
	-	33,729,145	-	33,729,145

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can assess at the measurement date.

#### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment properties, either directly or indirectly.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for the differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 8. INVESTMENT IN SUBSIDIARY COMPANIES

	2021 RM	Group 2020 RM
<b>Unquoted shares, at cost</b>		
Balance as at beginning of the financial year	25,036,086	25,036,086
Additions	5,000,372	-
Written off	(2,100)	-
<hr/>		
Balance as at end of the financial year	30,034,358	25,036,086
<hr/>		
<b>Less: Accumulated impairment losses</b>		
At beginning of the financial year	7,664,396	7,664,396
Impairment losses recognised during the financial year	332,774	-
Written off	(2,100)	-
<hr/>		
At end of the financial year	7,995,070	7,664,396
<hr/>		
<b>Carrying amount</b>	<b>22,039,288</b>	<b>17,371,690</b>

The subsidiary companies, which are incorporated in Malaysia, are as follows:-

Name of subsidiaries	Effective equity interest		Country of incorporation and principal place of business	Principal activities
	2021	2020		
Brite-Tech Corporation Sdn. Berhad	100%	100%	Malaysia	To provide a complete range of services and products in the field of water treatment, pollution control and fuel treatment as well as engineered and formulated chemical products for water clarification, wastewater treatment, minimizing wastewater sludge generation, steam generation system and cooling water system.
Hooker Chemical Sdn. Berhad	100%	100%	Malaysia	To provide consultation, environmental impact studies, engineering design, construction, installation and commissioning of water purification, recycling and wastewater treatment systems.
Rank Chemical Sdn. Berhad	100%	100%	Malaysia	To provide rental of portable ion-exchange resin columns and supply of institutional housekeeping chemicals, industrial maintenance chemicals and hotel amenities.
Spectrum Laboratories Sdn. Berhad	100%	100%	Malaysia	To provide analytical laboratory services such as effluent analysis, air and water quality analysis, soil analysis, food analysis and organics analysis; and to provide environmental monitoring services such as air and water quality monitoring, noise level monitoring, air emission monitoring and wastewater characteristic studies.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies, which are incorporated in Malaysia, are as follows:- (Cont'd)

Name of subsidiaries	Effective equity interest		Country of incorporation and principal place of business	Principal activities
	2021	2020		
Spectrum Laboratories (Johore) Sdn. Berhad	100%	100%	Malaysia	To provide analytical laboratory services such as effluent analysis, air and water quality analysis, soil analysis, food analysis and organics analysis; and to provide environmental monitoring services such as air and water quality monitoring, noise level monitoring, air emission monitoring and wastewater characteristic studies.
Spectrum Laboratories (Penang) Sdn. Berhad	100%	100%	Malaysia	To provide analytical laboratory services such as effluent analysis, air and water quality analysis, soil analysis, food analysis and organics analysis; and to provide environmental monitoring services such as air and water quality monitoring, noise level monitoring, air emission monitoring and wastewater characteristic studies.
Renown Orient Sdn. Bhd. <sup>(2)</sup>	-	100%	Malaysia	Struck off.
Sincere United Sdn. Bhd.	70%	70%	Malaysia	To import and export chemical and other raw materials.
Tan Tech-Polymer Sdn. Bhd. <sup>(1)</sup>	60%	60%	Malaysia	To provide consultancy services and manufacturing of polymers and its related products.
<u>Subsidiary company of Brite-Tech Corporation Sdn. Berhad</u>				
Cybond Chemical Sdn. Bhd. <sup>(2)</sup>	-	100%	Malaysia	Struck off.
<u>Subsidiary company of Hooker Chemical Sdn. Berhad</u>				
Akva-Tek Sdn. Bhd.	51%	51%	Malaysia	Ceased operation.

<sup>(1)</sup> Not audited by CAS Malaysia PLT.

<sup>(2)</sup> The Company has been successfully struck off from the Registrar.

#### (a) Additional investments in Brite-Tech Corporation Sdn. Berhad

On 30 December 2021, the Company acquired additional 5,000,372 new ordinary shares in Brite-Tech Corporation Sdn. Berhad at an issue price of RM1 per share. The Company's effective ownership in Brite-Tech Corporation Sdn. Berhad remained at 100% after the acquisition.

#### (b) Written off of Renown Orient Sdn. Bhd.

On 12 August 2021, the Company has written off the cost and accumulated impairment losses on investment in Renown Orient Sdn. Bhd., as a result of the successful struck off of the subsidiary from the Registrar.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

### (c) Non-controlling interest

Proportion of equity interest held by non-controlling interests:

	2021 %	2020 %
Sincere United Sdn. Bhd.	30	30
Tan Tech-Polymer Sdn. Bhd.	40	40
Akva-Tek Sdn. Bhd.	49	49

The non-controlling interests at the end of the reporting year comprise of the following:

	2021 RM	2020 RM
Sincere United Sdn. Bhd.	133,725	146,928
Tan Tech-Polymer Sdn. Bhd.	642,140	575,340
Akva-Tek Sdn. Bhd.	8,318	10,507
	784,183	732,775

## 9. GOODWILL

	2021 RM	Group 2020 RM
<b>Cost</b>		
Balance at beginning and end of the financial year	5,678,772	5,678,772
<b>Less: Accumulated impairment losses</b>		
Balance at beginning and end of the financial year	(5,038,058)	(5,038,058)
<b>Carrying amount</b>	640,714	640,714

The carrying amounts of the goodwill allocated to the cash-generating units (CGU) are as follows:

	2021 RM	Group 2020 RM
Manufacturing - CGU 1	640,714	640,714

The recoverable amounts of the cash-generating units are determined based on the computation of value in use.

The key assumptions used in the computation of value in use are growth rates used to extrapolate the cash flows and the discount rates assigned to the CGU.

Discount rate is determined based on the pre-tax rate that reflect current market assessment of the time value of money and risks specific to the assets.

The projected cash flows from used are derived from the most recent financial budgets approved by management for the next five years and extrapolated cash flows for the following years based on estimated growth rates. The projected growth rates do not exceed the industrial average growth rates.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 9. GOODWILL (CONT'D)

The estimate of net cash flows for the disposal of the asset at the end of its useful life is the present value of the amount that the Group expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

The key assumptions used for determining value in use, which are determined based on management's past experience and expectation of the future development, are as follows:

	Manufacturing segment	
	2021 %	2020 %
Gross profit margin	26.0	26.0
Growth rate	0 - 3.0	0 - 3.0
Discount rate	8.3	8.8

#### Sensitivity to changes in assumptions

With regards to the assessment of value-in-use, management believes that reasonably possible changes in any of the above key assumptions would not cause the carrying values to materially exceed their recoverable amounts.

### 10. INVENTORIES

	2021 RM	Group 2020 RM
<b>At cost</b>		
Laboratory supplies	118,549	108,544
Raw materials	756,337	557,106
Work-in-progress	17,795	14,563
Finished goods	311,325	433,520
	1,204,006	1,113,733
<u>Recognised in profit or loss</u>		
Inventories recognised as cost of sales	5,623,164	6,046,230
Inventories written down as other operating expenses	64,055	-
	5,687,219	6,046,230

### 11. TRADE RECEIVABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade receivables - gross	6,587,770	7,203,953	470,400	275,840
Less: Allowance for impairment losses	(716,792)	(763,571)	-	-
Trade receivables - net	5,870,978	6,440,382	470,400	275,840

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 11. TRADE RECEIVABLES (CONT'D)

### Movement in the allowance for impairment losses

The allowance account in respect of the trade receivables are used to record impairment losses. The creation and release of allowance for impaired receivables have been included in 'other operating expenses' in the profit or loss. Unless the Group is satisfied that recovery of the amount is possible, then the amount considered irrecoverable is written off against the receivable directly.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The movement in the allowance for impairment losses of trade receivables during the financial year are as follows:

#### Group

2021	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	243,805	519,766	763,571
Allowance for impairment losses	159,339	124,376	283,715
Write off	-	(19,810)	(19,810)
Reversal of allowance for impairment losses	(150,657)	(160,027)	(310,684)
Balance as at end of the financial year	252,487	464,305	716,792
<b>2020</b>			
Balance as at beginning of the financial year	220,049	572,861	792,910
Allowance for impairment losses	258,098	52,915	311,013
Write off	-	(47,631)	(47,631)
Reversal of allowance for impairment losses	(234,342)	(58,379)	(292,721)
Balance as at end of the financial year	243,805	519,766	763,571

The allowance for impairment losses of trade receivables are those trade receivables that are individually impaired. These trade receivables are in significant difficulties and have defaulted on payments. They are not secured by any collateral or credit enhancement.

Based on the Group's and the Company's historical collection experience, the amounts of trade receivables presented on the statements of financial position represent the amount exposed to credit risk. The management believes that no additional credit risk beyond the amounts provided for collection losses is inherent in the net trade receivables.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 11. TRADE RECEIVABLES (CONT'D)

The ageing of the receivables and allowance for impairment losses provided for above are as follows:

### Group

#### 2021

	Gross carrying amount RM	Allowance for impairment losses ECL		Net balance RM
		(Collectively assessed) RM	(Individually assessed) RM	
Neither past due nor impaired	2,070,437	-	-	2,070,437
Past due 1 - 30 days	1,574,759	-	-	1,574,759
Past due 31 - 60 days	859,609	-	-	859,609
	4,504,805	-	-	4,504,805
<b>Credit Impaired</b>				
Past due more than 60 days	2,082,965	(252,487)	(464,305)	1,366,173
	6,587,770	(252,487)	(464,305)	5,870,978

#### 2020

Neither past due nor impaired	2,366,848	-	-	2,366,848
Past due 1 - 30 days	1,606,130	-	-	1,606,130
Past due 31 - 60 days	1,048,149	-	-	1,048,149
	5,021,127	-	-	5,021,127
<b>Credit Impaired</b>				
Past due more than 60 days	2,182,826	(243,805)	(519,766)	1,419,255
	7,203,953	(243,805)	(519,766)	6,440,382

### Company

#### 2021

Neither past due nor impaired	125,000	-	-	125,000
Past due 1 - 30 days	89,830	-	-	89,830
Past due 31 - 60 days	39,730	-	-	39,730
Past due more than 60 days	215,840	-	-	215,840
	470,400	-	-	470,400
<b>Credit Impaired</b>				
Past due more than 60 days	-	-	-	-
	470,400	-	-	470,400

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 11. TRADE RECEIVABLES (CONT'D)

### Company

2020

	Gross carrying amount RM	Allowance for impairment losses		Net balance RM
		ECL (Collectively assessed) RM	ECL (Individually assessed) RM	
Neither past due nor impaired	64,800	-	-	64,800
Past due 1 - 30 days	-	-	-	-
Past due 31 - 60 days	-	-	-	-
Past due more than 60 days	211,040	-	-	211,040
	275,840	-	-	275,840
<b>Credit Impaired</b>				
Past due more than 60 days	-	-	-	-
	275,840	-	-	275,840

The maximum exposure of credit risk at the reporting date is the carrying value of receivables mentioned above. The Group and the Company do not hold any collateral as security.

The Group's and the Company's normal trade credit term range from 30 to 120 days (2020: 30 to 120 days). Other credit terms are assessed and approved on a case by case basis.

## 12. OTHER RECEIVABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables	50,484	80,443	2,800	2,100
Less: Allowance for impairment losses	(20,600)	-	-	-
Other receivables - net	29,884	80,443	2,800	2,100
Deposits	568,969	213,937	21,200	19,400
Prepayments	41,248	40,079	-	400
Dividend receivable from subsidiary companies	-	-	2,222,000	2,052,000
	640,101	334,459	2,246,000	2,073,900

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 12. OTHER RECEIVABLES (CONT'D)

The movement in the allowance for impairment losses of other receivables during the financial year are as follows:

	2021 RM	Group	2020 RM
Balance as at beginning of the financial year	-		-
Allowance for impairment losses	20,600		-
<b>Balance as at end of the financial year</b>	<b>20,600</b>		<b>-</b>

### 13. AMOUNT DUE FROM SUBSIDIARY COMPANIES

The amount due from subsidiary companies represented non-trade transactions which are unsecured, interest free and repayable on demand.

### 14. SHORT-TERM INVESTMENTS

Short-term investments represent deposits placement with investment fund management companies. The average effective interest rates of the short-term investments range from 1.60% to 2.36% (2020: 1.31% to 3.53%) on daily basis and are readily convertible to cash with insignificant risk of changes in value.

### 15. FIXED DEPOSITS WITH A LICENSED BANK

The effective interest rates of the fixed deposits with a licensed bank at the reporting date are 1.50% (2020: 1.70%) per annum and with maturity period of 1 month (2020: 1 month).

### 16. SHARE CAPITAL

	2021 Number of shares (units)	Group and Company		2020 RM
		2020 RM	2021 RM	
<b>Issued and fully paid:</b>				
Balance at the beginning and end of				
the financial year	252,000,000	252,000,000	25,200,000	25,200,000

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 17. REVALUATION RESERVE

Revaluation reserve are not available for distribution as dividends to the Company's shareholders.

The following are the movements of revaluation reserve:

	2021 RM	Group 2020 RM
At beginning of the financial year	24,590,976	16,966,354
<u>Recognised in other comprehensive income:</u>		
Revaluation surplus (Note 5 and Note 6)	323,628	8,899,661
Less: Other comprehensive income attributable to non-controlling interest	-	(12,148)
Less: Deferred tax liability on revaluation surplus (Note 19)	(54,924)	(1,262,891)
Revaluation surplus, net of tax	268,704	7,624,622
At end of the financial year	24,859,680	24,590,976

## 18. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 December 2021 and 31 December 2020 may be distributed as dividends under the single tier system.

## 19. DEFERRED TAXATION

	2021 RM	Group 2020 RM	2021 RM	Company 2020 RM
Deferred tax liabilities, net	4,724,430	4,455,412	1,221	45,699

The following are the movements of deferred tax liabilities:

	2021 RM	Group 2020 RM	2021 RM	Company 2020 RM
At beginning of the financial year	4,455,412	3,148,845	45,699	45,854
Recognised in profit or loss (Note 27)	214,094	43,676	(44,478)	(155)
Recognised in other comprehensive income (Note 17)	54,924	1,262,891	-	-
At end of the financial year	4,724,430	4,455,412	1,221	45,699

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 19. DEFERRED TAXATION (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deferred tax liabilities				
Revaluation surplus				
arise from properties	1,349,695	2,729,657	-	-
Fair value adjustment of investment				
properties	2,417,426	832,803	-	-
Excess of capital allowances				
over corresponding depreciation	957,309	892,952	1,221	45,699
<b>Deferred tax liabilities</b>	<b>4,724,430</b>	<b>4,455,412</b>	<b>1,221</b>	<b>45,699</b>

#### Unrecognised deferred tax assets

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Temporary difference	(1,362)	(1,777)	-	-
Unabsorbed capital allowances	5,550	5,750	-	-
Unutilised tax losses	1,616,030	1,615,705	-	-
	1,620,218	1,619,678	-	-
<b>Unrecognised deferred tax assets</b>				
at 24% (2020: 24%)	388,852	388,723	-	-

The unabsorbed capital allowances can be carried forward indefinitely, and unutilised tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment ("YA") effective from year 2019 and it can only be utilised against income from the same business source. Following the Budget 2022 announced by the Ministry of Finance on 29 October 2021, the unutilised tax losses is allowed to be carried forward for a period of maximum of ten (10) consecutive years of assessment. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The unabsorbed capital allowances and unutilised tax losses are subject to the agreement of the tax authorities.

The unutilised tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group	
	2021 RM	2020 RM
<b>Utilisation period</b>		
Indefinite	4,188	3,973
Expired by YA 2028 (Previously Expired by YA 2025)	1,464,941	1,464,941
Expired by YA 2029 (Previously Expired by YA 2026)	150,764	150,764
Expired by YA 2030 (Previously Expired by YA 2027)	325	-
	1,620,218	1,619,678



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 20. LOAN AND BORROWINGS

	2021 RM	Group 2020 RM
<b>Current liabilities</b>		
Islamic term financing		
- Term loans (secured)	1,382,030	779,298
Conventional financing		
- Bankers' acceptance (secured)	-	322,000
- Bank overdraft (secured)	99,531	99,277
- Term loans (secured)	126,319	118,915
	1,607,880	1,319,490
<b>Non-current liabilities</b>		
Islamic term financing		
- Term loans (secured)	28,635,116	21,468,345
Conventional financing		
- Term loans (secured)	2,901,959	3,071,538
	31,537,075	24,539,883
<b>Total borrowings</b>		
Islamic term financing		
- Term loans (secured)	30,017,146	22,247,643
Conventional financing		
- Bankers' acceptance (secured)	-	322,000
- Bank overdraft (secured)	99,531	99,277
- Term loans (secured)	3,028,278	3,190,453
	33,144,955	25,859,373

Rates of interest charged per annum:

	2021 %	Group 2020 %
Bankers' acceptance	3.60%	3.60%
Bank overdraft	BLR + 1.50%	BLR + 1.50%
Term loan	BLR - 2.00% p.a to 2.30% p.a	BLR - 2.00% p.a to 2.30% p.a
Islamic term financing	IFR - 1.25% p.a to 2.20% p.a	IFR - 1.25% p.a to 2.20% p.a

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 20. LOAN AND BORROWINGS (CONT'D)

### (a) Bank overdraft

These facilities are secured by the following:

- (i) corporate guarantee by the Company; and
- (ii) joint and several guarantees by certain directors of a subsidiary company.

### (b) Term loans

	2021 RM	Group 2020 RM
Repayable:		
- Not later than one year	1,508,349	898,213
- Later than one year and not later than five years	6,618,791	4,319,288
- More than five year	24,918,284	20,220,595
	33,045,424	25,438,096

These facilities are secured by the following:

- (i) legal charge over assets of the Group as disclosed in Note 5, Note 6 and Note 7;
- (ii) corporate guarantee by the Company; and
- (iii) joint and several guarantees by certain directors of a subsidiary company.

## 21. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade payables	1,553,656	1,423,745	-	-
Add:				
Other payables	665,569	9,531,553	19,353	90,497
Accruals	1,021,919	822,837	126,035	110,151
Deposits received	634,395	260,927	-	-
	2,321,883	10,615,317	145,388	200,648
Total trade and other payables	3,875,539	12,039,062	145,388	200,648
Total financial liabilities carrying at amortised costs	2,853,620	11,216,225	19,353	90,497

The trade payables are non-interest bearing and the normal trade credit terms received by the Group range from 60 to 90 days (2020: 60 to 90 days).

## 22. AMOUNT DUE TO DIRECTORS

The amount due to Directors represented advance from Directors which are unsecured, interest free and repayable on demand.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 23. REVENUE

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trading sales and services	23,690,301	24,273,219	-	-
Dividend income from subsidiaries	-	-	2,222,000	3,644,000
Management fee income	-	-	1,499,655	1,548,240
	23,690,301	24,273,219	3,721,655	5,192,240

The following is a description of the principal activities - separated by reportable segments - from which the Group generates its revenue. For more detailed information about reportable segments, refer Note 35, as disclosed in the financial statements.

*i. Environmental products and services*

Revenue for environmental products are recognised at point in time when the products are delivered and accepted by the customers at their premise. For environmental services, revenue is recognised upon services performed. Credit period of 60 to 90 days from invoice date is given for both environmental products and services.

*ii. System equipment and ancillary products*

Revenue is recognised at point in time when the products are delivered and accepted by the customer at its premise. The term of payment is generally within 60 to 90 days from invoice date.

*iii. Investments*

This includes management fee income charged on the subsidiaries. The Company recognises revenue on an accrual basis when service is rendered. Management fees are billed and paid on a monthly basis. Credit period in range of 60 to 90 days from invoice date is given to the subsidiaries.

## 24. FINANCE INCOME

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Interest income on:				
Bank interest	3,597	10,849	88	91
Short-term investments	288,558	372,773	48,896	111,097
	292,155	383,622	48,984	111,188

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 25. FINANCE COSTS

	Group	
	2021 RM	2020 RM
Profit on Islamic term financing:		
- Term loans	1,044,972	661,289
Interest expenses on conventional financing:		
- Lease liabilities	27,995	33,749
- Overdraft	7,033	7,358
- Term loans	124,517	90,296
- Bankers' acceptance	6,259	10,900
	1,210,776	803,592

### 26. PROFIT BEFORE TAXATION

		Group		Company	
Note	2021 RM	2020 RM	2021 RM	2020 RM	
Profit before taxation is arrived at after charging/(crediting):					
Allowance for impairment losses on:					
- trade receivables	11	283,715	311,013	-	-
- other receivables	12	20,600	-	-	-
Auditors' remuneration:					
- statutory audit		85,000	77,000	25,000	20,000
- other auditors		6,300	6,300	-	-
Auditors' remuneration:					
- non-audit services		6,000	5,000	6,000	5,000
- underprovision in previous year		1,500	-	-	-
Bad debts written off on other receivables	12	47,999	-	-	-
Depreciation on:					
- property, plant and equipment	5	1,270,733	1,262,212	1,315	1,367
- right-of-use assets	6	173,287	163,914	-	-
Directors' fee	29	321,000	309,000	297,000	297,000
Directors' non-fee emoluments	29	782,600	978,900	782,600	782,600
Fair value (gain)/loss on investment properties	7	(4,017,830)	540,189	-	-
Impairment losses on investment in subsidiary companies	8	-	-	332,774	-
Inventories written down	10	64,055	-	-	-
Property, plant and equipment written off	5	13,668	325	-	-
Rental of equipment		7,193	8,594	-	-
Reversal of allowance for impairment losses on trade receivables	11	(310,684)	(292,721)	-	-
Dividend income from subsidiary companies	23	-	-	(2,222,000)	(3,644,000)
Unrealised gain on foreign exchange		(336)	-	-	-
Gain on disposal of property, plant and equipment	5	(12,180)	-	-	-
Management fee income	23	-	-	(1,499,655)	(1,548,240)
Rental income		(1,930,160)	(933,270)	-	-
		(1,930,160)	(933,270)	(2,222,000)	(3,644,000)

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 27. TAXATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Income taxation</b>				
Provision for current financial year	1,613,629	1,594,103	3,339	10,306
Underprovision in the previous financial year	23,725	34,239	63,884	82
	1,637,354	1,628,342	67,223	10,388
<b>Deferred taxation (Note 19)</b>				
Recognised in the income statement	114,573	17,986	389	-
Under/(Over) provision in the previous financial year	99,521	25,690	(44,867)	(155)
	214,094	43,676	(44,478)	(155)
Tax expenses for the current financial year	1,851,448	1,672,018	22,745	10,233

Domestic current income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit before taxation	10,473,802	6,518,872	1,878,914	3,611,942
Tax at the statutory tax rate of 24% (2020: 24%)	2,513,712	1,564,529	450,939	866,866
Non-deductible expenses	365,358	444,422	97,804	45,959
Non-taxable income	(1,177,613)	(234,598)	(545,015)	(902,519)
Deferred tax assets not recognised during the financial year	177	-	-	-
Reinvestment allowance claimed	-	(86,748)	-	-
Derecognition of deferred tax due to transfer of properties to investment properties	(369,460)	-	-	-
Utilisation of previously unrecognised deferred tax assets	(48)	(15,942)	-	-
Deferred tax arising from gain/(loss) on fair value adjustment of investment properties	401,783	(54,019)	-	-
Crystallisation of deferred tax liabilities arose from revaluation surplus	(5,707)	(5,555)	-	-
Taxation underprovided in the previous financial year	23,725	34,239	63,884	82
Deferred taxation under/(over) provided in the previous financial year	99,521	25,690	(44,867)	(155)
Tax expenses for the current financial year	1,851,448	1,672,018	22,745	10,233

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

#### 28. EMPLOYEES BENEFIT EXPENSES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Staff costs:				
Salaries, bonuses, incentives, overtime, commissions and allowances	5,596,565	5,666,092	1,207,571	1,210,320
Pension costs: defined contribution plans	655,688	632,805	109,523	109,873
Social security costs	73,649	73,413	2,871	2,923
	6,325,902	6,372,310	1,319,965	1,323,116

Employees benefit expenses including the aggregate amount of emoluments received and receivable by the Directors of the Group and of the Company during the financial year.

#### 29. DIRECTORS' REMUNERATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Executive Directors:				
Remuneration	670,800	867,100	670,800	670,800
Bonus	111,800	111,800	111,800	111,800
Fees	285,000	273,000	261,000	261,000
Non-Executive Directors:				
Fees	36,000	36,000	36,000	36,000
	1,103,600	1,287,900	1,079,600	1,079,600

The estimated monetary value of benefits-in-kind received by the directors of the Group amounted to RM39,600 (2020: RM39,600).

#### 30. EARNINGS PER SHARE

##### (a) Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2021 is based on the profit attributable to owners and divided by weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2021 RM	2020 RM
Profit attributable to ordinary shareholders (RM)	8,570,946	4,643,597
Weighted average number of ordinary shares	252,000,000	252,000,000
Basic earnings per ordinary share (sen)	3.40	1.84

##### (b) Diluted earnings per ordinary share

The Group does not have any potential dilutive ordinary shares, thus, diluted earnings per ordinary share is not presented.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 31. DIVIDENDS

	Group and Company	
	2021	2020
	RM	RM
Paid:		
In respect of the financial year ended 31 December 2020: a final single tier dividend of 0.80 sen per ordinary share	2,016,000	-
In respect of the financial year ended 31 December 2020: an interim single tier dividend of 0.80 sen per ordinary share	-	2,016,000
In respect of the financial year ended 31 December 2019: a final single tier dividend of 0.80 sen per ordinary share	-	2,016,000
	<u>2,016,000</u>	<u>4,032,000</u>

At the forthcoming Annual General Meeting, a final dividend (single-tier) in respect of the financial year ended 31 December 2021, of 0.80 sen on 252,000,000 ordinary shares, amounting to a dividend payable of RM2,016,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

## 32. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT, RIGHT-OF-USE ASSETS AND INVESTMENT PROPERTIES

	Group		Company	
	2021	2020	2021	2020
	RM	RM	RM	RM
Cost of property, plant and equipment purchased	760,640	4,881,038	4,050	3,550
Cost of right-of-use asset purchased	17,069	141,416	-	-
Cost of investment properties purchased	105,527	10,800,189	-	-
Amount financed through loan and borrowings/lease liabilities	(17,069)	(15,197,234)	-	-
Cash disbursed for purchase of property, plant and equipment	<u>866,167</u>	<u>625,409</u>	<u>4,050</u>	<u>3,550</u>

## 33. RELATED PARTY DISCLOSURES

- (a) In addition to the information detailed elsewhere in the financial statements, the Company carried out the following transactions with its related parties during the financial year:

	Company	
	2021	2020
	RM	RM
<b>Subsidiaries</b>		
Dividend income received/receivable	2,222,000	3,644,000
Management fees	1,499,655	1,548,240

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 33. RELATED PARTY DISCLOSURES (CONT'D)

- (b) The key management personnel comprised mainly Executive Directors of the Company whose remuneration are disclosed in Note 29.

The Directors of the Company are of the opinion that the related party transactions have been entered into the normal course of business on an arm's length basis and have established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

### 34. FINANCIAL GUARANTEE

	Company	
	2021 RM	2020 RM
Unsecured:-		
Corporate guarantee given to financial institutions for loan and borrowings facilities granted to subsidiary companies	33,144,955	25,859,373

The Company has assessed the financial guarantee contracts and concluded that the financial impact of the guarantees is not material as the repayment is on schedule. Therefore, no financial liabilities have been accounted for in the financial statements.

### 35. SEGMENT INFORMATION

The Board of Directors is the Group's chief operating decision maker. For management purposes, the segment information is presented in respect of the Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure. No geographical segmental information is presented as the business segments are principally operated in Malaysia only.

Segment revenues, expenses and result included transfers between segments. The prices charged on intersegment transactions are at an arm's length transactions and not materially different for similar goods to parties outside of the economic entity. These transfers are eliminated on consolidation.

Segment assets principally comprise all assets. The Group's segments' assets exclude income tax assets, assets from defined pension benefit plans and other post-employment benefit plans and certain financial assets (including liquidity).

Segment liabilities principally comprise all liabilities. The Group's segments' liabilities exclude income tax liabilities, liabilities from defined pension benefit plans and other post-employment benefit plans and certain financial liabilities (including financing liabilities).

The Group comprises the following main business segments:

Environmental products and services	To provide a complete and integrated range of services and products in the field of water treatment as well as engineered and formulated chemical products for water and wastewater treatment; and to provide analytical laboratory and environmental monitoring services.
System equipment and ancillary products	To provide consultation, engineering design, construction, installation and commissioning of water purification, water recycling and wastewater treatment systems; and to provide rental of portable ion-exchange resin columns as well as supply of chemicals and consumer products.
Investments	Investments, management and other operations which are not sizeable to be reported separately.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 35. SEGMENT INFORMATION (CONT'D)

Segment turnover, profit before taxation and the assets employed are as follows:

Group 2021	Environmental Products and Services RM	System Equipment and Ancillary Products RM	Investments RM	Eliminations RM	Total RM
<b>Revenue</b>					
External revenue	20,899,406	2,790,895	-	-	23,690,301
Inter-segment revenue	227,643	5,130	3,721,655	(3,954,428)	-
<b>Total revenue</b>	<b>21,127,049</b>	<b>2,796,025</b>	<b>3,721,655</b>	<b>(3,954,428)</b>	<b>23,690,301</b>
<b>Results</b>					
Segment results (external)	10,844,009	705,447	1,829,929	(1,986,962)	11,392,423
Finance income					292,155
Finance costs					(1,210,776)
Profit before taxation					10,473,802
Income tax expenses					(1,851,448)
Profit after taxation					8,622,354
Non-controlling interests					(51,408)
Net profit attributable to owners of the Company					<b>8,570,946</b>
<b>Other information</b>					
Segment assets	110,116,692	7,955,916	2,684,528	(597,467)	120,159,669
Segment liabilities	40,626,411	1,839,233	152,608	(39,994)	42,578,258
Capital expenditure	798,672	63,445	4,050	-	866,167
Depreciation	1,338,811	69,819	1,315	34,075	1,444,020
Non-cash expenses other than depreciation	3,640,218	21,402	-	(59,979)	3,601,641

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 35. SEGMENT INFORMATION (CONT'D)

Segment turnover, profit before taxation and the assets employed are as follows: (Cont'd)

Group 2020	Environmental Products and Services RM	System Equipment and Ancillary Products RM	Investments RM	Eliminations RM	Total RM
<b>Revenue</b>					
External revenue	21,352,674	2,920,545	-	-	24,273,219
Inter-segment revenue	208,264	5,140	1,548,240	(1,761,644)	-
<b>Total revenue</b>	<b>21,560,938</b>	<b>2,925,685</b>	<b>1,548,240</b>	<b>(1,761,644)</b>	<b>24,273,219</b>
<b>Results</b>					
Segment results (external)	7,486,623	1,061,668	(1,612,372)	2,923	6,938,842
Finance income					383,622
Finance costs					(803,592)
Profit before taxation					6,518,872
Income tax expenses					(1,672,018)
Profit after taxation					4,846,854
Non-controlling interests					(203,257)
Net profit attributable to owners of the Company					<b>4,643,597</b>
<b>Other information</b>					
Segment assets	101,898,950	7,694,526	5,099,422	(538,951)	114,153,947
Segment liabilities	41,311,910	1,958,732	255,427	(78,475)	43,447,594
Capital expenditure	15,806,715	12,378	3,550	-	15,822,643
Depreciation	1,412,553	87,292	1,368	(75,087)	1,426,126
Non-cash expenses other than depreciation	(410,544)	31,978	-	-	(378,566)

#### Major customer

During current and prior financial years, there was no customer with revenue equal to or more than 10% of Group revenue.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its risks.

The main areas of the financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:

### 36.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities.

The excess funds of the Group and of the Company are invested in bank deposits and other short term instruments. The Group and the Company manage their liquidity risks by placing such excess funds on short term maturities to match its cash flow needs. If interest deposit rates increased/decreased by 50 basis points, interest income of the Group and of the Company for the financial year would increase/decrease by RM86,367 (2020: RM72,875) and RM6,391 (2020: RM19,167), respectively.

The Group adopts a strategy of mixing fixed and floating rate borrowing to minimise exposure to interest rate risk. The Company also reviews its debt portfolio to ensure favourable rates are obtained.

#### **Sensitivity analysis for interest rate risk**

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's profit before taxation would increase/decrease by approximately RM331,450 (2020: RM255,374) as a result of exposure to floating rate borrowings.

### 36.2 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk mainly arises from its receivables. Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. For bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institution.

#### **(a) Financial guarantees contracts**

The Company provides unsecured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiaries and the default is remote. The maximum exposure to credit risk is disclosed in Note 34 and Note 36.4 to the financial statements, representing the outstanding banking facilities of the subsidiaries as at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### 36.3 Foreign currency risk

The Group and the Company are not significantly exposed to foreign currency risk as the majority of the Group's transactions, assets and liabilities are denominated in Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Euro Dollar ("EURO").

Foreign currency exposures in transactional currencies other than functional currencies are kept to an acceptable level. The Group and the Company have not entered into any derivative financial instruments such as forward foreign exchange contracts.

The net unhedged financial assets/(liabilities) of the Group at year end that are not denominated in Ringgit Malaysia are as follows:

Group 2021	USD RM	EURO RM	Others RM	Total RM
Cash and bank balances	1,282	10,282	10,074	21,638
Trade payables	(39,989)	-	-	(39,989)
	(38,707)	10,282	10,074	(18,351)
<b>2020</b>				
Cash and bank balances	989	9,925	12,356	23,270
	989	9,925	12,356	23,270

#### Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity analysis of the Group's pre-tax profit to a reasonably possible change in the USD, EURO and others exchange rates against the respective functional currencies of the Group, with all other variables held constant.

Group	2021 RM	2020 RM
USD/RM	(3,871) 3,871	99 (99)
EURO/RM	1,028 (1,028)	993 (993)
Others/RM	1,007 (1,007)	1,236 (1,236)

#### 36.4 Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company manage liquidity risk by maintaining sufficient cash. In addition, the Group and the Company maintains bank facilities such as working capital lines deemed adequate by the management to ensure it will have sufficient liquidity to meet its liabilities when they fall due.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on undiscounted contractual cash flows.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 36.4 Liquidity and cash flow risk (cont'd)

Group	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
<b>2021</b>						
Trade and other payables	3,875,539	-	3,875,539	3,875,539	-	-
Amount due to directors	5,999	-	5,999	5,999	-	-
Bank overdraft	99,531	7.07	99,531	99,531	-	-
Term loans	3,028,278	3.12 - 3.64	3,028,278	126,319	561,102	2,340,857
Islamic term financing	30,017,146	3.17 - 3.54	40,526,022	2,471,988	9,887,952	28,166,082
Lease liabilities	448,508	2.24 - 8.32	472,643	231,741	240,902	-
	37,475,001		48,008,012	6,811,117	10,689,956	50,506,939
<b>2020</b>						
Trade and other payables	12,039,062	-	12,039,062	12,039,062	-	-
Amount due to directors	12,083	-	12,083	12,083	-	-
Bank overdraft	99,277	6.65	99,277	99,277	-	-
Bankers' acceptances	322,000	3.89 - 5.87	322,000	322,000	-	-
Term loans	3,190,453	3.64 - 4.62	3,190,453	118,915	574,670	2,496,868
Islamic term financing	22,247,643	3.39 - 5.10	32,172,189	1,862,796	6,461,904	23,847,489
Lease liabilities	692,717	2.24 - 8.32	742,138	289,139	451,176	1,823
	38,603,235		48,577,202	14,743,272	7,487,750	26,346,180

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

#### 36.4 Liquidity and cash flow risk (Cont'd)

Group	Carrying amount RM	Contractual interest rate	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
<b>2021</b>						
Other payables	145,388	-	145,388	145,388	-	-
Amount due to directors	5,999	-	5,999	5,999	-	-
Financial guarantee contracts	33,144,955	-	33,144,955	33,144,955	-	-
	33,296,342		33,296,342	33,296,342	-	-
<b>2020</b>						
Other payables	200,648	-	200,648	200,648	-	-
Amount due to directors	9,084	-	9,084	9,084	-	-
Financial guarantee contracts	25,859,373	-	25,859,373	25,859,373	-	-
	26,069,105		26,069,105	26,069,105	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 36.5 Classification of financial instruments

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<b>Financial assets</b>				
<b><u>Fair value through profit or loss</u></b>				
Short-term investments	16,966,171	14,434,994	1,278,296	3,833,306
<b><u>At amortised costs</u></b>				
Trade receivables	5,870,978	6,440,382	470,400	275,840
Other receivables	598,853	294,380	2,246,000	2,073,500
Amount due from subsidiary companies	-	-	-	2,685,357
Fixed deposits with licensed banks	307,273	140,000	-	-
Cash and bank balances	2,826,907	3,106,338	136,574	188,630
	9,604,011	9,981,100	2,852,974	5,223,327
<b>Financial liabilities</b>				
<b><u>At amortised costs</u></b>				
Trade payables	1,553,656	1,423,745	-	-
Other payables	1,299,964	9,792,480	19,353	90,497
Amount due to directors	5,999	12,083	5,999	9,084
Bank overdraft	99,531	99,277	-	-
Bankers' acceptance	-	322,000	-	-
Term loans	3,028,278	3,190,453	-	-
Islamic term financing	30,017,146	22,247,643	-	-
Lease liabilities	448,508	692,717	-	-
	36,453,082	37,780,398	25,352	99,581

### 36.6 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 36.6 Fair value of financial instruments (Cont'd)

Group 2021	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			Total RM
	Level 1 RM	Level 2 RM	Level 3 RM	
<b>Financial liabilities</b>				
Loan and borrowings	-	-	33,144,955	33,144,955
Lease liabilities	-	-	448,508	448,508
Amount due to directors	-	-	5,999	5,999
	-	-	33,599,462	33,599,462
<b>2020</b>				
<b>Financial liabilities</b>				
Loan and borrowings	-	-	25,859,373	25,859,373
Lease liabilities	-	-	692,717	692,717
Amount due to directors	-	-	12,083	12,083
	-	-	26,564,173	26,564,173
<b>Company 2021</b>				
<b>Financial liability</b>				
Amount due to directors	-	-	5,999	5,999
	-	-	5,999	5,999
<b>2020</b>				
<b>Financial asset</b>				
Amount due from subsidiary companies	-	-	2,685,357	2,685,357
	-	-	2,685,357	2,685,357
<b>Financial liability</b>				
Amount due to directors	-	-	9,084	9,084
	-	-	9,084	9,084



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

## 36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

### 36.6 Fair value of financial instruments (Cont'd)

#### Policy on transfer between levels

The fair value of an asset or liability to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

#### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

#### Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2020: no transfer in either directions).

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or liabilities.

#### Amount due from subsidiary companies, loan and borrowings, amount due to directors and lease liabilities

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is vested in the directors.

## 37. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

### (a) Outbreak of Covid-19 Pandemic

On 11 March 2020, the World Health Organisation declared the outbreak of a novel coronavirus ("COVID-19") as a global pandemic, which continues to spread throughout Malaysia and around the world. The Malaysia Government has imposed the Movement Control Order ("MCO") which includes closure of all government and private premises except those involved in essential services effective from 18 March 2020 followed by Conditional Movement Control Order ("CMCO") and Recovery Movement Control Order ("RMCO") in the year 2020. The Malaysia Government has then reinforced the movement control in the first half of 2021. National Recovery Plan ("NRP") has been implemented by the Government thereafter by phases in different states.

Arising from the COVID-19 pandemic, the Group and the Company have implemented several measures to weather through this current challenging time. The following measures had been taken, with further additional efforts to be taken:

#### (i) Impact from Covid-19 Pandemic

The Group's business operations have been continuously slowed down due to the MCO and COVID-19 pandemic since previous financial year. Due to the implemented NRP, the Group's has managed to minimise the adverse impact on the financial performance as compared to the financial year.

Despite headwinds from uncertain economic environment, the management and the Board will be prudent and cautious in drawing up the Group's business plans for the financial year ending 31 December 2022. Nevertheless, the Board shall closely monitor the Group's operations and take the necessary steps to navigate its post-pandemic recovery to improve the performance of its operations.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 37. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE FINANCIAL YEAR (CONT'D)

#### (a) Outbreak of Covid-19 Pandemic (Cont'd)

##### (ii) Funding

During the financial year, the Group was granted and funded by financial institutions with a total of RM8,800,000 in relation to the 2 pieces of land acquired in previous financial year for investment purpose.

##### (iii) Working capital management

The Group has taken the following steps to improve its working capital management:

- undertaken more effective cost management measures to control the Group's operational expenses, such as minimising administrative expenses consisting of rental, utilities and transportation cost through regular review of the Group operational costs structure;
- made further placement to the short-term investment accounts amounting to a total of RM2,531,177. This measure was taken to invest the excess cash in hand.
- obtained a total wage subsidiary of RM97,800 under Prihatin Wage Subsidy Programme to reduce the staff cost incurred. The Group continuously relook at the efficiency of the organisation structure and the right size to achieve further savings in human resource cost.

As at the date of this report, the Group and Company have not been adversely affected by the outbreak of Covid-19. The Group and Company shall continue to monitor the developments of the COVID-19 situation closely, assess and react actively to its impacts on the financial position and operating results of the Group and Company for the financial year ending 31 December 2022. This includes continuous special attention to be given towards ensuring all standard operating procedures set by the government are complied with to minimise the risk of COVID-19 occurrences and addressing the acute labour shortages, which may impact the operations of the Group and the Company negatively.

- (b) On 31 March 2022, the Group has entered into a Sales and Purchase Agreement in relation to the acquisition of a piece of land in Mukim Jeram, Daerah Kuala Selangor for total consideration of RM8,483,625. The acquisition of land will be financed through a mixture of cash and loans.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

### 38. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2021.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's debts include trade payables, other payables, deposits and accruals, amount due to director, lease liabilities, bank overdraft and loan and borrowings less cash and cash equivalents.

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade payables	1,553,656	1,423,745	-	-
Other payables	2,321,883	10,615,317	145,388	200,648
Amount due to directors	5,999	12,083	5,999	9,084
Lease liabilities	448,508	692,717	-	-
Loan and borrowings	33,144,955	25,859,373	-	-
Less: Cash and bank balances	(2,826,907)	(3,106,338)	(136,574)	(188,630)
Fixed deposits with a licensed bank	(307,273)	(140,000)	-	-
	34,340,821	35,356,897	14,813	21,102
Equity attributable to owners of the Company	76,797,228	69,973,578	26,152,494	26,312,325
Capital and net debt	111,138,049	105,330,475	26,167,307	26,333,427
Gearing ratio	31%	34%	*	*

\* The Company is in a cash positive position. Therefore, gearing ratio does not apply.

# STATISTIC OF SHAREHOLDINGS

AS AT 04 APRIL 2022

Authorised Share Capital	-	RM50,000,000
Issued and Fully Paid-Up Share Capital	-	RM25,200,000
Class of Shares	-	Ordinary Share
Voting Rights	-	One vote per ordinary share
No. of Shareholders	-	1,492

## DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of Issued share capital
Less than 100	95	6.37	3,855	0.00
100 - 1,000	217	14.54	104,699	0.04
1,001 - 10,000	573	38.41	3,238,096	1.29
10,001 - 100,000	468	31.37	17,049,916	6.77
100,001 to less than 5% of issued shares	137	9.18	93,628,610	37.15
5% and above of issued shares	2	0.13	137,974,824	54.75
	1,492	100.00	252,000,000	100.00

## SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of shares	% of shareholdings
1 Pang Wee See	113,152,861	44.90
2 Tan Boon Kok	24,821,963	9.85
	137,974,824	54.75

## DIRECTORS' SHAREHOLDINGS

Name	Direct	No. of ordinary shares held		%
		%	Indirect	
1 Pang Wee See	113,152,861	44.90	5,961,520*	2.37
2 Tan Boon Kok	24,821,963	9.85	2,825,800**	1.12
3 Kan King Choy	10,215,841	4.05	90,552#	0.04
4 Ir. Koh Thong How	337,200	0.13	113,152,861 <sup>+</sup>	44.90
5 Ng Kok Ann	-	-	-	-
6 Yee Oii Pah @ Yee Ooi Wah	5,624,320	2.23	113,152,861 <sup>^</sup>	44.90

\* Deemed interested by virtue of the shareholdings of 5,624,320 shares, of his spouse, Yee Oii Pah @ Yee Ooi Wah and 337,200 shares, of brother-in-law, Ir. Koh Thong How

+ Deemed interested by virtue of the shareholdings of his brother-in-law, Pang Wee See

<sup>^</sup> Deemed interested by virtue of the shareholdings of her spouse, Pang Wee See

\*\* Deemed interested by virtue of the shareholdings of his spouse, Liong Mee Mee and his son, Tan Shern Tzer

# Deemed interested by virtue of the shareholdings of his spouse, Lee Kim Peng

# LIST OF 30 LARGEST SHAREHOLDERS

AS AT 04 APRIL 2022

Name of Shareholders	No. of Shares	%
1 PANG WEE SEE	113,152,861	44.90
2 TAN BOON KOK	24,821,963	9.85
3 KAN KING CHOY	10,215,841	4.05
4 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PEARLY SAW CHEW HONG (E-SPG)	7,536,100	2.99
5 LEE WAI SUM	5,706,700	2.26
6 YEE OII PAH @ YEE OOI WAH	5,137,120	2.04
7 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHENG LING (7002620)	4,637,900	1.84
8 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE WAI SUM	4,080,000	1.62
9 NG CHIN HENG	3,000,000	1.19
10 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING (MY4178)	2,971,100	1.18
11 TAN SHERN TZER	2,809,000	1.11
12 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHEE SENG	2,025,428	0.80
13 LEE CHONG LENG	1,800,100	0.71
14 LIM HONG SAN @ LIM HUN SOO	1,642,000	0.65
15 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUT FOR RAMESH KUMAR A/L NADASON (7005613)	1,281,200	0.51
16 LOW KHAR MING	1,280,000	0.51
17 OON LAY KIM	1,230,000	0.49
18 WEE KA SIONG	1,210,800	0.48
19 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHENG LING (6000009)	1,100,000	0.44
20 HING FOH PAWNSHOP SDN. BHD.	1,000,000	0.40
21 LEE YEW FAI	1,000,000	0.40
22 YAP CHEE TEONG	900,000	0.36
23 MAH LAI SEIN	877,400	0.35
24 TEO HWEE MIEN	814,800	0.32
25 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OON KIM SUAN (6000078)	794,600	0.32
26 YEOH KEAN BENG	724,200	0.29
27 CHEAH YOKE THAI	698,904	0.28
28 LOO KUAT KENG	675,400	0.27
29 YEE DE-SHENG	638,752	0.25
30 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG KOK WENG (MY2166)	630,000	0.25
	204,392,169	81.11

# LIST OF PROPERTIES

31 DECEMBER 2021

The following are the properties held by the Group as at 31 December 2021:

A summary of the land and building owned by Brite-Tech Corporation Sdn. Bhd. is set out below: -

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2021 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S.(D) 29637, P.T. No. 5015, Mukim Damansara, Daerah Petaling, Selangor	Freehold Land & Building (Rented to related company)	42,880	16,000	Single storey detached factory with an annexed three storey office building	25	30,484
H.S.(M) 2273, P.T. No. 12144, Mukim Kapar, Daerah Klang, Selangor	Freehold Land & Building (Operational assets held for owner occupation)	4,220	843	Double storey semidetached factory	41	5,395
PM 60, Lot 20002, Pekan Nilai, Daerah Seremban Negeri Sembilan	Leasehold Land (99 years, expiring in 2/10/2085) (Assets held for investments)	49,869	7,718	Single storey detached factory with an integral three storey office building	3	42,996
H.S.(D) 153813, PT 74007, Mukim Kapar, Daerah Klang, Selangor	Freehold Land & Building (Assets held for investments)	65,326	17,000	Single storey semi-detached warehouse with an annexed three and a half storey office building	2	46,482
H.S.(D) 153814, PT 74008, Mukim Kapar, Daerah Klang, Selangor	Freehold Land & Building (Assets held for investments)	65,326	17,000	Single storey semi-detached warehouse with an annexed three and a half storey office building	2	46,482
H.S.(D) 153071, PT 74817, Mukim Kapar, Daerah Klang, Selangor	Freehold land (Assets held for investments)	47,512	5,130	Vacant land	-	-
H.S.(D) 153072, PT 74818, Mukim Kapar, Daerah Klang, Selangor	Freehold land (Assets held for investments)	47,512	5,130	Vacant land	-	-

A summary of the land and building owned by Spectrum Laboratories Sdn. Bhd. is set out below: -

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2021 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
GRN 284628, Lot 37098, Pekan Subang Jaya, Daerah Petaling, Selangor	Freehold Building (Assets held for investments)	1,765	3,885	Triple storey shophouse	28	5,161

## LIST OF PROPERTIES

31 DECEMBER 2021 (CONT'D)

A summary of the land and building owned by Rank Chemical Sdn. Bhd. is set out below: -

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2021 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S.(D) 31573, PTD 42295, Mukim and District of Kluang, Johor.	Freehold Building (Operational assets held for owner occupation)	9,375	583	1½ storey detached factory	21	7,040
H.S.(D) 23144, PTD 38519, Mukim and District of Kluang, Johor.	Freehold Building (Assets held for investments)	1,540	240	1½ storey Shophouse	23	2,156
H.S.(D) 14153, PTD 32881, Mukim and District of Kluang, Johor.	Freehold Building (Assets held for investments)	1,540	430	Double storey shophouse	26	3,080
PTD 42334, Mukim and District of Kluang, Johor.*	Freehold Building (Operational assets held for owner occupation)	7,700	328	Double storey semidetached factory	19	4,675
PTD 42336, Mukim and District of Kluang, Johor.*	Freehold Building (Operational assets held for owner occupation)	7,700	328	Double storey semidetached factory	19	4,675
H.S.(D) 299221, PTD 78237, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	525	Double storey shop office	17	3,080
H.S.(D) 299222, PTD 78238, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	525	Double storey shop office	17	3,080
H.S.(D) 299223, PTD 78239, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	525	Double storey shop office	17	3,080
H.S.(D) 299224, PTD 78240, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	525	Double storey shop office	17	3,080

## LIST OF PROPERTIES

AS AT 07 APRIL 2021 (CONT'D)

A summary of the land and building owned by Sincere United Sdn. Bhd. is set out below: -

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2021 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S. (D) 97263 P.T. No. 27732 Mukim and District of Petaling, State of Selangor	Leasehold Land & Building (87 years, expiring in 14/11/2090) (Asset held for investments)	1,604	745	Single storey terrace factory	32	1,600

A summary of the land and building owned by Spectrum Laboratories (Penang) Sdn. Bhd. is set out below: -

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2021 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
GM 8217, Lot No. 4567, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	Freehold Building (Operational assets held for owner occupation)	1,540	532	Double storey shophouse	28	2,640
GM 8218, Lot No. 4568, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang.	Freehold Building (Operational assets held for owner occupation)	1,540	532	Double storey shophouse	28	2,640

A summary of the land and building owned by Spectrum Laboratories (Johore) Sdn. Bhd. is set out below: -

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2021 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
GRN 370208, Lot 122667, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	575	Double storey shop office	9	3,740
GRN 370209, Lot 122668, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	575	Double storey shop office	9	3,740



## LIST OF PROPERTIES

31 DECEMBER 2021 (CONT'D)

A summary of the land and building owned by Spectrum Laboratories (Johore) Sdn. Bhd. is set out below: -

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2021 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
GRN 370210, Lot 122669, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	575	Double storey shop office	9	3,740
GRN 370211, Lot 122670, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	575	Double storey shop office	9	3,740
GRN 370212, Lot 122671, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	575	Double storey shop office	9	3,740
GRN 178731, Lot 57697, Mukim Pelentong, Daerah Johor Bahru, Johor.	Freehold Building (Operational assets held for owner occupation)	2,400	1,095	Double storey shophouse	29	4,800

A summary of the land and building owned by Tan Tech-Polymer Sdn. Bhd. is set

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2021 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
PN 57351, Lot 63492, Mukim Durian Tunggal, Daerah Alor Gajah, Melaka.	Leasehold Land & Building (99 years, expiring in 25/03/2113) (Operational assets held for owner occupation)	5,005	873	One and a half storey semidetached factory	5	3,400
PN 57352, Lot 63493, Mukim Durian Tunggal, Daerah Alor Gajah, Melaka.	Leasehold Land & Building (99 years, expiring in 25/03/2113) (Operational assets held for owner occupation)	9,386	1,167	One and a half storey semidetached factory	5	3,400

Note:-

The properties were revalued on 31 December 2021. The valuations were carried out by Messrs. Nasir, Sabarudin & Associates, an independent qualified valuer registered with the Board of Valuers, Appraisers and Estate Agents Malaysia based on the Comparison Method of Valuation

**BRITE-TECH BERHAD**Registration No. 200101014455 (550212-U)  
(Incorporated in Malaysia)**PROXY FORM**

No. of shares held	CDS Account No.
Shareholder's Mobile No.	Email Address

I/We .....

of .....

being a member/members of BRITE-TECH BERHAD hereby appoint:

1) Name of proxy: ..... NRIC No: .....

*(Full Name in Block Capitals)*

Address: .....

No. of shares Represented: .....

Proxy's Mobile No.	Email Address

2) Name of proxy: ..... NRIC No: .....

Address: .....

No. of shares Represented: .....

Proxy's Mobile No.	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 Twenty-First Annual General Meeting of the Company, to be conducted fully virtual via Online Meeting Platform at <https://bit.ly/3KXp5q3> provided by Niche & Milestones International Sdn Bhd on Wednesday, 8 June 2022 at 2.30 p.m. and any adjournment thereof.

My/Our Proxy(ies) is/are to vote as indicated below:

No.	Resolution	For	Against
1.	To declare a final single tier dividend of 0.80 sen per ordinary share in respect of the financial year ended 31 December 2021		
2.	To approve the payment of Directors' fees of RM297,000.00 and benefits of RM39,600.00 for the financial year ended 31 December 2021		
3.	To approve the payment of Directors' fees and benefits up to RM550,000.00 from 1 January 2022 until the next Annual General Meeting.		
	To re-elect the following Directors who are retiring by rotation, pursuant to Clause 104 of the Constitution of the Company, and being eligible, offer themselves for re-election :-		
4.	Mr. Kan King Choy		
5.	Mr. Tan Boon Kok		
6.	To re-appoint Messrs CAS Malaysia PLT as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
	<b>Special Business</b>		
7.	<b>Ordinary Resolution</b> - To authorise the Directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act 2016.		
8.	<b>Ordinary Resolution</b> - To retain Mr. Ng Kok Ann as Independent Non-Executive Director.		
9.	<b>Special Resolution</b> - To approve the Proposed Renewal of Authority for Purchase of Own Shares by the Company		

Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain at his/their discretion)

Signed this..... day of ..... 2022

.....  
Signature/Common Seal of Shareholder(s)

## Notes :

- As a precautionary measure amid the COVID-19 outbreak, the Company's Twenty-First Annual General Meeting ("21<sup>st</sup> AGM") will be conducted fully virtual via Online Meeting Platform provided by Niche & Milestones International Sdn Bhd, as the safety of the members, Directors, staff and other stakeholders of the Company who will attend the 21<sup>st</sup> AGM is of paramount importance to the Company.  
As guided by the Securities Commission Malaysia's Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act, 2016 provided that the online platform is located in Malaysia.
- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least 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.
- The instrument of appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing in that behalf.
- The instrument appointing a proxy must be deposited at the Registered Office at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote.
- Only a depositor whose name appears on the Record of Depositors as at 31 May 2022 shall be entitled to attend the said meeting and to appoint a proxy or proxies to attend, speak and/or vote on his/her behalf.
- According to Clause 64 of the Constitution of the Company and pursuant to Paragraph 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

**PERSONAL DATA PRIVACY :**

By submitting an instrument appointing a proxy(ies) and / or representative(s) to attend, speak and vote at the Company's AGM and/or any adjournment thereof, a member of the Company:-

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**").
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

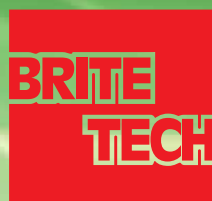
-----  
*1st Fold Here*

AFFIX  
STAMP

**The Company Secretary**  
**BRITE-TECH BERHAD**  
Registration No. 200101014455 (550212-U)  
B-25-2, Block B, Jaya One  
No. 72A, Jalan Prof Diraja Ungku Aziz  
46200 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

-----  
*2nd Fold Here*

-----  
*Fold This Flap For Sealing*



**BRITE-TECH BERHAD**  
Registration No. 200101014455 (550212-U)