BRITE-TECH BERHAD

Registration No. 200101014455 (550212-U)

Annual Report 2022

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Second Annual General Meeting of **Brite-Tech Berhad** will be conducted fully virtual via Online Meeting Platform at https://bit.ly/3My21m4 provided by Niche & Milestones International Sdn Bhd on Friday, 2 June 2023 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors thereon. **Please refer to Explanatory Note 1**

2. To declare a final single tier dividend of 0.80 sen per ordinary share in respect of the financial year ended 31 December 2022. **(Resolution 1)**

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 2022. **(Resolution 2)**

4. To approve the payment of Directors' fees and benefits up to RM550,000.00 from 1 January 2023 until the next Annual General Meeting. **(Resolution 3)**

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. Ng Kok Ann **(Resolution 4)**

   b) Mr. Wee Swee Cheng **(Resolution 5)**

6. To re-elect the following Directors who are retiring pursuant to Clause 110 of the Constitution of the Company, and being eligible, offer themselves for re-election:

   a) Madam Lee See Bee **(Resolution 6)**

   b) Madam Tan Ching Shim **(Resolution 7)**

7. 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. **(Resolution 8)**

AS SPECIAL BUSINESS

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

8. ORDINARY RESOLUTION
AUTHORITY PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES ACT, 2016 FOR THE DIRECTORS TO ISSUE SHARES **(Resolution 9)**

"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.

THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clause 4 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act, 2016."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

9. ORDINARY RESOLUTION **(Resolution 10)**
PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY

"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 2022, if approved by the shareholders, will be paid on 7 July 2023 to shareholders whose names appear in the Register of Depositors at the close of business on 20 June 2023. 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 20 June 2023 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

28 April 2023

Notes:

1. The Company's Twenty-Second Annual General Meeting ("**22nd 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 22nd 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 in 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 25 May 2023 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 8 of the Agenda – Ordinary Resolution 9

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

The Ordinary Resolution 9 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.

THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clause 4 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act, 2016.

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 Twenty-First Annual General Meeting held on 8 June 2022 and which will lapse at the conclusion of the Twenty-Second Annual General Meeting.

The General Mandate sought will enable the Directors of the Company to allot and issue shares, including but not limited for 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 9 of the Agenda – Ordinary Resolution 10

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

The proposed Ordinary Resolution 10 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 can be downloaded from our Corporate Website at www.brite.tech.com.

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 22nd 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
Non-Independent Non-Executive Director
(redesignated as Non-Independent Non-Executive Director on 18 April 2023)

Wee Swee Cheng
Independent Non-Executive Director

Lee See Bee
Independent Non-Executive Director
(appointed on 18 April 2023)

Tan Ching Shim
Independent Non-Executive Director
(appointed on 18 April 2023)

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

AUDIT COMMITTEE

Wee Swee Cheng (Chairman)
(redesignated on 18 April 2023)
Ng Kok Ann
(redesignated as Member on 18 April 2023)
Lee See Bee
(appointed on 18 April 2023)
Tan Ching Shim
(appointed on 18 April 2023)
Ir. Koh Thong How
(resigned on 18 April 2023)

NOMINATION COMMITTEE

Wee Swee Cheng (Chairman)
(redesignated on 18 April 2023)
Ng Kok Ann
(redesignated as Member on 18 April 2023)
Lee See Bee
(appointed on 18 April 2023)
Ir. Koh Thong How
(resigned on 18 April 2023)

REMUNERATION COMMITTEE

Wee Swee Cheng (Chairman)
(redesignated on 18 April 2023)
Ng Kok Ann
(redesignated as Member on 18 April 2023)
Tan Ching Shim
(appointed on 18 April 2023)
Kan King Choy
(resigned on 18 April 2023)

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)

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

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
CIMB Bank 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 71, 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 five (5) Board meetings of the Company held during the financial year ended 31 December 2022.

TAN BOON KOK
Executive Director

Tan Boon Kok, a Malaysian, male, aged 65, 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 five (5) Board meetings of the Company held during the financial year ended 31 December 2022.

KAN KING CHOY
Executive Director

Kan King Choy, a Malaysian, male, aged 61, 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 five (5) Board meetings of the Company held during the financial year ended 31 December 2022. He was a member of the Remuneration Committee of the Company during the financial year ended 31 December 2022 and resigned from Remuneration Committee on 18 April 2023.

DIRECTORS' PROFILE (CONT'D)

IR. KOH THONG HOW

Non-Independent Non-Executive Director

Ir. Koh Thong How, a Malaysian, male, aged 68, 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.

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 five (5) Board meetings of the Company held during the financial year ended 31 December 2022. He was a member of the Audit Committee and Nomination Committee of the Company during the financial year ended 31 December 2022 and resigned from the Nomination Committee and Audit Committee on 18 April 2023.

NG KOK ANN

Non-Independent Non-Executive Director (redesignated as Non-Independent Non-Executive Director on 18 April 2023)

Ng Kok Ann, a Malaysian, male, aged 49, 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 five (5) Board meetings of the Company held during the financial year ended 31 December 2022. He was the Chairman of the Audit Committee, Nomination Committee and Remuneration Committee of the Company during the financial year ended 31 December 2022. He was redesignated as a member of the Audit Committee, Nomination Committee and Remuneration Committee on 18 April 2023.

DIRECTORS' PROFILE (CONT'D)

WEE SWEE CHENG
Independent Non-Executive Director

Wee Swee Cheng, a Malaysian, male, aged 67, 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) year. He does not hold directorship of any other public listed company.

He attended all five (5) Board meetings of the Company held during the financial year ended 31 December 2022. He was a member of the Audit Committee, Nomination Committee and Remuneration Committee of the Company during the financial year ended 31 December 2022 and was redesignated as the Chairman of Audit Committee, Nomination Committee and Remuneration Committee on 18 April 2023.

LEE SEE BEE
Independent Non-Executive Director

Madam Lee See Bee, a Malaysian, female, aged 51, was appointed to the Board on 18 April 2023.

Madam Lee graduated from University of Western Australia with a Bachelor of Commerce (Accounting & Finance) in 1994. She proceeded to gain her experience in Deloitte, Touche, Tohmatsu within the Audit as well as Training Department.

Her subsequent years were with Small and Medium Enterprises as well as Public Listed Companies. She served as Accountant and Finance Manager with companies specialising in Logistics, Retail, Manufacturing, Services and many others. Notably were with Malaysian Bulk Carriers Berhad, Global Soft (MSC) Bhd, Kelab Golf Negara Subang and Jardine Shipping Services (M) Sdn Bhd.

Madam Lee is a Certified Public Accountant with the Malaysia Institute of Accountants (MIA) and also a Suruhanjaya Syarikat Malaysia (SSM) Company Secretary.

In 2018, she joined Wesource Corporate Services Sdn Bhd as well as Wesource CFO Services Sdn Bhd as a business partner. The companies provide Company Secretarial & Corporate Advisory as well as Accountant and CFO Services.

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

She was appointed as a member of the Audit Committee and Nomination Committee of the Company on 18 April 2023.

DIRECTORS' PROFILE (CONT'D)

TAN CHING SHIM
Independent Non-Executive Director

Madam Tan Ching Shim, a Malaysian, female, aged 57, was appointed to the Board on 18 April 2023.

Madam Tan received a Bachelor Science (Hons) in Computer Science from University Sains Malaysia in 1991 and subsequently obtained her Master of Business Administration (MBA) from Heriot-Watt University (UK) in 1998.

She started her career with Chong Hwa Picture Tube Sdn Bhd as Software Programmer and System Analyst in 1991 until 1995 and later joined Wing Tiek Steel Pipe Sdn Bhd as IT Department Manager in 1995 until 1997.

She obtained her dealer representative licence under Bursa capital market in 1997 and became a dealer representative/remisier with BBMB Securities Sdn Bhd, and later with Hwang-DBS Securities Sdn Bhd from 1997 to 2004.

Thereafter she obtained her Bursa Derivative Dealing licence and joined Kenanga Investment Bank Bhd as a Local and Futures Dealer representative/remisier on 2005 until today. Her main function with the company is dealing local and foreign shares for clients in capital market, and also dealing index futures contract and commodities futures contract for clients under Malaysia derivative market.

During 2016 to 2018 she has joined as a volunteer worker in iCycle Sdn Bhd to promote green environment in Malaysia. Later she became their system development advisor for software design and system operation.

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

She was appointed as a member of the Audit Committee and Remuneration Committee of the Company on 18 April 2023.

MADAM YEE OII PAH @ YEE OOI WAH
Alternate Director to Pang Wee See

Yee Oii Pah @ Yee Ooi Wah, a Malaysian, female, aged 69, 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 pupilage 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 comprises 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, rental of properties, management and other operations which are not sizeable to be reported separately.

FIVE YEAR FINANCIAL HIGHLIGHTS

Financial year ended ("FYE")	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000 Restated	2022 RM'000
Revenue	26,611	27,855	24,273	25,323	25,663
Profit before tax	5,789	7,154	6,519	10,474	9,714
Profit after tax	4,285	6,041	4,847	8,622	7,409
Profit after tax attributable to owners of the Company	4,313	5,846	4,644	8,571	7,455
Share capital	25,200	25,200	25,200	25,200	25,200
Total Assets	81,215	93,121	114,154	120,160	130,982
Total Liabilities	22,429	30,466	43,448	42,578	47,274
Basic earnings per share attributable to owners of the Company (sen)	1.71	2.32	1.84	3.40	2.96
Gross Dividends per share (sen)	1.60	1.60	1.60	0.80	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 2022 for the approval of shareholders at the forthcoming Annual General Meeting.*

FINANCIAL PERFORMANCE REVIEW

Financial Result

	FYE 31 December 2022 RM'000	FYE 31 December 2021 RM'000 Restated	Variance RM'000	Variance %
Revenue	25,663	25,323	340	1.34
Profit before tax	9,714	10,474	(760)	(7.26)
Profit after tax	7,409	8,622	(1,213)	(14.07)
Profit after tax attributable to owners of the Company	7,455	8,571	(1,116)	(13.02)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The Group's revenue for the financial year ended 31 December 2022 ("FYE 2022") was comparable to the previous financial year ended 31 December 2021 ("FYE 2021") which showed a slight increase of 1.34% to RM25.663 million for the FYE 2022 from RM25.323 million for the FYE 2021.

The Group's profit before tax for the FYE 2022 decreased by 7.26% to RM9.714 million as compared to RM10.474 million for the FYE 2021 while the Group's profit after tax for the FYE 2022 also decreased by 14.07% to RM7.409 million as compared to RM8.622 million for the FYE 2021.

The decrease in the Group's profit before tax and profit after tax for the FYE 2022 was due to higher other operating expenses.

The environmental products and services segment is the main contributor to the Group's revenue, contributing 78.66% or RM20.187 million while the system equipment and ancillary products contributed 12.70% or RM3.259 million and the investment segment contributed 8.64% or RM2.217 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 will periodically review and revise its remuneration scheme 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 the COVID-19 pandemic transition towards the endemic phase, there is no assurance that impact of the COVID-19 will not have an adverse impact on market conditions as well as the environmental products and services sector in which the Group is involved.

The Group will 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

The global economy recorded moderate growth in 2022 and is expected to soften in 2023. This is due to anticipated challenges arising from prolonged supply chain disruptions, monetary policy tightening by major central banks and geopolitical tensions.

Meanwhile, Malaysia's economy registered a stellar performance in 2022 and is poised to achieve moderate growth in 2023. This projection is supported by stable domestic demand, mainly from household speeding in line with the labour market recovery. Additionally, the contribution of the tourism-related sector is expected to improve following the increase in tourist arrivals. The acceleration of infrastructure projects with higher multiplier effects, robust growth in private investment and continuous external demand particularly among major trading partners will further support the economy.

Looking ahead, efforts will be intensified to position Malaysia as a major investment destination. Various measures will be implemented to uplift and enhance economic potential for Malaysia to become more competitive, sustainable and inclusive. Furthermore, the Government will continue to provide counter-cyclical policy support as well as expedite structural reforms to strengthen the country's growth prospects and resilience.

(Source: Updates on Economic & Fiscal Outlook and Revenue Estimates 2023; 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 as the COVID-19 pandemic transitions towards the endemic phase.

Amidst these challenging times, the Group expects to maintain a reasonably level of business with the resources the Group has and efforts taken by the Group. With the resumption of economic activities, the Group looks forward to increase its business activities which are expected to contribute to better revenue for the Group.

The Group maintains a positive outlook for the business activities that the Group are 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 2022. 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.

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 eight (8) members, comprising an Executive Chairman, two (2) Executive Directors, two (2) Non-Independent Non-Executive Director and three (3) 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 two (2) female representation in the Board. The Board will remain mindful of the need for gender diversity and will consider to appoint more women directors to the Board when suitable candidates are identified.

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.

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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

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

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.

1.9 Fit and Proper Policy

The Board has adopted the Fit and Proper Policy to guide the Nomination Committee and the Board in their review and assessment of potential candidates for appointment as Directors to the Board as well as Directors who are seeking for re-election.

This Policy will enhance the governance of the Company in relation to the Board's quality and integrity, as well as to ensure that each of its Directors has the character, experience, integrity, competence, time and commitment to effective discharge his/her role as a Director of the Company.

The Fit and Proper Policy is available for reference on the Company's website at www.brite-tech.com.

1.10 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 23 of this Annual Report.

2.2 Remuneration Committee

The present members of the Remuneration Committee are as follows:

Chairman:	Wee Swee Cheng (redesignated on 18 April 2023)	(Independent Non-Executive Director)
Members:	Ng Kok Ann (redesignated on 18 April 2023)	(Non-Independent Non-Executive Director)
	Tan Ching Shim (appointed on 18 April 2023)	(Independent Non-Executive Director)
	Kan King Choy (resigned on 18 April 2023)	(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 practises 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

2. Strengthen composition (Cont'd)

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 practises. 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 2022 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

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 review 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:	Wee Swee Cheng (redesignated on 18 April 2023)	(Independent Non-Executive Director)
Members:	Ng Kok Ann (redesignated on 18 April 2023)	(Non-Independent Non-Executive Director)
	Lee See Bee (appointed on 18 April 2023)	(Independent Non-Executive Director)
	Ir. Koh Thong How (resigned on 18 April 2023)	(Non-Independent Non-Executive Director)

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

2. Strengthen composition (Cont'd)

2.4 Nomination Committee (Cont'd)

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.

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 in 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.

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 provide justification and seek shareholders' approval through a two-tier voting process as prescribed under MCCG.

The Board noted that Mr. Ng Kok Ann has served for more than twelve years as Independent Director and pursuant to the ACE Market Listing Requirements, the Board has redesignated Mr. Ng Kok Ann to continue to serve on the Board as Non-Independent Non-Executive Director of the Company effective from 18 April 2023.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

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 five (5) meetings held during the financial year ended 31 December 2022.

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

Name	Designation	Attendance
Pang Wee See	Executive Chairman	5/5
Tan Boon Kok	Executive Director	5/5
Kan King Choy	Executive Director	5/5
Ir. Koh Thong How	Non-Independent Non-Executive Director	5/5
Ng Kok Ann	Non-Independent Non-Executive Director	5/5
Wee Swee Cheng	Independent Non-Executive Director	5/5

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.

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 2022, the seminars and training courses attended by the Directors are as follows:

Directors	Seminar/Training Course Attended
Pang Wee See	Environmental, Social and Governance (ESG) The Ways Forward
Tan Boon Kok	Environmental, Social and Governance (ESG) The Ways Forward
Kan King Choy	Environmental, Social and Governance (ESG) The Ways Forward
Ir. Koh Thong How	Seismic Retrofitting of Existing Buildings; Available Solutions and their Limitations Seminar Pengurusan Cerun dan Saliran Bandar 2022 Environmental, Social and Governance (ESG) The Ways Forward
Ng Kok Ann	E-Commerce and Digital Taxation in Malaysia Using Analytical Procedures In Auditing Transfer Pricing: Documentation and Compliance Workshop on ISQM1 Guide and Illustrative Manual Environmental, Social and Governance (ESG) The Ways Forward
Wee Swee Cheng	Assessing Your Organizational Culture Values as a Source of Competitive Advantage Security Commission Malaysia's Audit Oversight Board Conversation with Audit Committees Environmental, Social and Governance (ESG) The Ways Forward

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

4. Foster Commitment (Cont'd)

4.2 Directors' Training (Cont'd)

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 23 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.

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 detail in the "Statement on Risk Management and Internal Control" in Pages 26 to 28.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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 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.

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 encourage shareholders to attend and participate in the AGM held annually.

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 14 April 2023.

AUDIT COMMITTEE REPORT

1. Introduction

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

Chairman:	Wee Swee Cheng	Independent Non-Executive Director (redesignated on 18 April 2023)
Members:	Ng Kok Ann	Non-Independent Non-Executive Director (redesignated on 18 April 2023)
	Lee See Bee	Independent Non-Executive Director (appointed on 18 April 2023)
	Tan Ching Shim	Independent Non-Executive Director (appointed on 18 April 2023)
	Ir. Koh Thong How	Non-Independent Non-Executive Director (resigned on 18 April 2023)

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 advice 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.

AUDIT COMMITTEE REPORT (CONT'D)

2. Terms of Reference (Cont'd)

d) Duties and Responsibility

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

(i) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;

(ii) To discuss with the external auditor 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 auditor on the evaluation of the system of internal controls and the assistance given by the employees to the external auditors;

(iv) To review and report to the Board if there is reason (supported by grounds) to believe that the external auditor is 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 auditor's 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; and

(xi) To consider other topics as defined by the Board from time to time.

AUDIT COMMITTEE REPORT (CONT'D)

3. Summary of Activities

The Audit Committee held four (5) meetings during the financial year ended 31 December 2022. The details of their meetings are as follows:

Audit Committee Members	Attendance
Ng Kok Ann	5/5
Ir. Koh Thong How	5/5
Wee Swee Cheng	5/5

The activities of the Audit Committee during the financial year ended 31 December 2022 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;

(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.

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 ending 31 December 2022. 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 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. While the Board is responsible for overseeing the adequacy and effectiveness of the risk management of the Group, 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's reviews of the audit findings noted by the Internal and External Auditors in assessing the integrity of financial information and systems of internal control; 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 the Risk Management Policy Statement.

When deliberating the meeting agenda, Board and management apply the risk management thought process for identifying, evaluating and managing the risks faced by the Group and improving the system of internal controls to address changes in the business environment and regulatory requirements.

The key operation challenges faced by the Group are staff turnover, potential equipment breakdowns and increased operational costs due to inflation.

To address these challenges, the Group has reviewed and revised its remuneration scheme to retain and attract quality staff, replaced the old equipment and performed additional maintenance and upkeep of equipment. In addition, management has identified equipment suppliers who can provide a "just-in-time" equipment supply. This allows the investment cost and timeliness of delivery of the equipment to be optimised.

Besides, the Group continues improving operational efficiency and cost management. Management also uses budgetary control to monitor the operating costs periodically. This is achieved by ensuring that the Group's companies manage their operational costs and keep them within the approved budget.

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

INTERNAL CONTROLS

Internal controls are essential to support the function of the risk management system and to protect the Group assets, facilitate decision-making, achieve operation goals, and ensure compliance. Following key elements of the systems of internal control maintained in the Group:

- Annual budgets 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 every month with explanations of any major variances;

- 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. This management system is subject to internal quality audits and surveillance audits carried out by a certified body;

- 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 internal audit function assists the Board and Audit Committee in overseeing the adequacy and integrity of the systems of internal control and reports its findings to the Audit Committee periodically; and

- The Anti-Corruption Policy and Whistleblowing Policy are established, guiding the employees and other stakeholders on the procedures to prevent corruption and bribery and to whistleblow any improper conduct.

INTERNAL AUDIT FUNCTION

The Company has outsourced the Internal Audit function to IA Essential Sdn. Bhd., an independent and specialised internal audit firm. The Internal Auditor report independently and directly to the Audit Committee in respect of its function in accordance with the approved internal audit plan.

The Internal Auditor has conducted their work based on the principles of the International Professional Practice Framework of the Institute of Internal Auditors covering the conduct of the audit planning, execution, documentation, communication of findings and consultation with key stakeholders on the audit concerns.

The fee incurred for the outsourced internal audit function for the financial year ended 31 December 2022 is approximately RM38,100.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Bursa's Guidelines, management is accountable to the Board for identifying and managing risks and reporting to the Board on significant risks, which could significantly affect the Group's achievement of its objective and performance.

The Executive Chairman and the Management 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 risk management and internal control systems 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 internal control and risk management systems are adequate and effective to enable the Group to achieve its business objectives.

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

REVIEW BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the ACE Market Listing Requirements, the external auditors have reviewed this Statement. Their review procedures were performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"): *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the procedures performed and evidence obtained, the external auditors have 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 risk management and internal control systems.

This Statement on Risk Management and Internal Control was made in accordance with the approval of the Board on 14 April 2023.

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 2022.

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 2022.

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 environmentally-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 of responsibly.

The Group has identified opportunities to reduce or reuse the resources we consume as we believe that efficient reuse, recycling and efficient 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 encourage 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

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

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

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiary is as 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

	Group 2022 RM	Company 2022 RM
Profit for the financial year	7,408,621	1,500,572
Attributable to:		
Owners of the Company	7,454,887	1,500,572
Non-controlling interest	(46,266)	-
	7,408,621	1,500,572

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 dividend paid by the Company since 31 December 2021 as follows:

	RM
In respect of the financial year ended 31 December 2021:	
Final dividend of 0.80 sen per ordinary share declared on 8 June 2022 and paid on 8 July 2022	2,016,000

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2022 is 0.80 sen per ordinary share totalling RM2,016,000, is subject to shareholders' approval at the forth coming Annual General Meeting of the Company. 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 2023.

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 name of the Directors of the Company in office during the financial year and the year 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)*
Lee See Bee (f)	*(Appointed on 18 April 2023)*
Tan Ching Shim (f)	*(Appointed on 18 April 2023)*

The names of the directors of the subsidiaries of the Company during the financial year and the year from the end of the financial year to the date of this report, not including those directors listed above are:

Tan Wei Zhi
Sim Siok Peck
Chiu Siew Fun
Lim Sim Sim
Erik Jessen Jurgensen

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:

	Number of ordinary shares			
Shareholdings in the name of directors	**As at 01.01.2022**	**Acquired**	**Sold**	**As at 31.12.2022**
<u>Direct interest</u>				
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) *(Alternate Director to Pang Wee See)*	4,624,320	2,200,000	-	6,824,320
<u>Indirect interest</u>				
Pang Wee See *	4,961,520	2,200,000	-	7,161,520
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) ^ *(Alternate Director to Pang Wee See)*	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

DIRECTORS' REPORT
(CONT'D)

DIRECTORS' INTERESTS (CONT'D)

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 its 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' 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 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.

During the financial year, the fees and other benefits received and receivables by the directors of the Group and of the Company are as follows:

	Group 2022 RM	**Company 2022 RM**
Directors of the Company		
Executive Directors:		
Remuneration	670,800	670,800
Defined contribution plans and social security costs	95,891	95,891
Bonus	111,800	111,800
Fees	261,000	261,000
Non-executive Directors:		
Fees	36,000	36,000
	1,175,491	1,175,491

DIRECTORS' REPORT
(CONT'D)

DIRECTORS' BENEFITS (CONT'D)

	Group 2022 RM	Company 2022 RM
Directors of the subsidiary companies		
Non-Executive Directors:		
Remuneration	138,794	-
Defined contribution plans and social security costs	16,808	-
Fees	20,000	-
	175,602	-

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 no 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 it necessary to write off for any 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.

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.

DIRECTORS' REPORT
(CONT'D)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 38 to the financial statements.

AUDITORS

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

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2022 were as follows:

	Group RM	**Company RM**
Statutory audit:		
- CAS Malaysia PLT	89,000	30,000
- other auditors	6,900	-
Non-statutory audit	11,000	11,000
	106,900	41,000

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 27 April 2023.

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 43 to 109 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 2022 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 2023.

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 43 to 109 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 2023	)	**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 2022 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 43 to 109.

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 2022, 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
1. Valuation of properties *Refer to Note 3.2 and 3.3 - 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.* The Group holds properties which are significant to the Group as these represent approximately RM100.6 million represented 77% (2021: 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. Valuations 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. The Group had engaged an independent valuer in December 2022 to carry out 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. 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.	Our audit procedures include: (i) obtained and reviewed the approved board resolution in respect of the management's plan on properties classified as investment properties; (ii) evaluated the independent external valuers' competency, capabilities and objectivity which included consideration of their qualifications and experiences; (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; (iv) obtained understanding on the scope and purpose of the valuation and assessed their independence; and (v) assessed the appropriateness of the disclosures on the fair values of land and buildings and investment properties in the financial statements.

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
[201606003206 (LLP0009918-LCA) & (AF1476)]

Chartered Accountants

KONG JUNE HON
[No. 03258/05/2024(J)]
Chartered Accountant

Date: 27 April 2023

Puchong

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	21,534,781	21,431,035	41,101	37,074
Right-of-use assets	6	2,481,952	2,091,096	-	-
Investment properties	7	83,317,565	67,852,502	-	-
Investment in subsidiary companies	8	-	-	21,515,561	22,039,288
Goodwill	9	-	640,714	-	-
		107,334,298	92,015,347	21,556,662	22,076,362
CURRENT ASSETS					
Inventories	10	774,166	1,204,006	-	-
Trade receivables	11	5,836,745	5,870,978	716,501	470,400
Other receivables	12	368,959	640,101	2,043,623	2,246,000
Amount due from subsidiary companies	13	-	-	1,444,540	-
Tax recoverable		238,051	328,886	121,681	97,470
Short-term investments	14	14,018,605	16,966,171	89,264	1,278,296
Fixed deposits with a licensed bank	15	234,839	307,273	-	-
Cash and bank balances		2,176,553	2,826,907	10,130	136,574
		23,647,918	28,144,322	4,425,739	4,228,740
TOTAL ASSETS		130,982,216	120,159,669	25,982,401	26,305,102

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 (CONT'D)

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	25,200,000	25,200,000	25,200,000	25,200,000
Revaluation reserve	17	25,520,751	24,859,680	-	-
Retained earnings	18	32,176,435	26,737,548	437,066	952,494
Total equity attributable to owners of the Company		82,897,186	76,797,228	25,637,066	26,152,494
Non-controlling interest	8	811,216	784,183	-	-
TOTAL EQUITY		83,708,402	77,581,411	25,637,066	26,152,494
NON-CURRENT LIABILITIES					
Deferred taxation	19	5,323,221	4,724,430	1,221	1,221
Lease liabilities	6	366,864	232,257	-	-
Loan and borrowings	20	35,457,255	31,537,075	-	-
		41,147,340	36,493,762	1,221	1,221
CURRENT LIABILITIES					
Trade payables	21	816,932	1,553,656	-	-
Other payables	21	2,661,497	2,321,883	151,342	145,388
Amount due to directors	22	-	5,999	-	5,999
Amount due to subsidiary companies	13	-	-	192,772	-
Lease liabilities	6	244,523	216,251	-	-
Loan and borrowings	20	1,932,102	1,607,880	-	-
Provision for taxation		471,420	378,827	-	-
		6,126,474	6,084,496	344,114	151,387
TOTAL LIABILITIES		47,273,814	42,578,258	345,335	152,608
TOTAL EQUITY AND LIABILITIES		130,982,216	120,159,669	25,982,401	26,305,102

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 2022

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM**	**RM**	**RM**	**RM**
			Restated		
Revenue	23	25,663,244	25,323,441	3,647,130	3,721,655
Cost of sales		(11,489,084)	(12,251,231)	-	-
GROSS PROFIT		14,174,160	13,072,210	3,647,130	3,721,655
Other operating income		3,911,726	4,979,293	-	9,950
Administrative expenses		(6,044,148)	(5,774,307)	(1,614,762)	(1,567,586)
Other operating expenses		(1,443,465)	(884,773)	(525,272)	(334,089)
OPERATING PROFIT		10,598,273	11,392,423	1,507,096	1,829,930
Finance income	24	391,553	292,155	21,015	48,984
Finance costs	25	(1,276,057)	(1,210,776)	-	-
PROFIT BEFORE TAXATION	26	9,713,769	10,473,802	1,528,111	1,878,914
Taxation	27	(2,305,148)	(1,851,448)	(27,539)	(22,745)
PROFIT AFTER TAXATION		7,408,621	8,622,354	1,500,572	1,856,169
Other comprehensive income for the financial year, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Gain on revaluation of properties	17	734,370	268,704	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		8,142,991	8,891,058	1,500,572	1,856,169

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 2022 (CONT'D)

		Group		Company	
	Note	2022 RM	2021 RM Restated	2022 RM	2021 RM
PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the Company		7,454,887	8,570,946	1,500,572	1,856,169
Non-controlling interest		(46,266)	51,408	-	-
		7,408,621	8,622,354	1,500,572	1,856,169
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the Company		8,115,958	8,839,650	1,500,572	1,856,169
Non-controlling interest		27,033	51,408	-	-
		8,142,991	8,891,058	1,500,572	1,856,169
Basic earnings per share attributable to owners of the Company (sen)	30	2.96	3.40		

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 2022

		Attributable to owners of the Company					
		Non-distributable		Distributable			
Group 2022	**Note**	**Share capital RM**	**Revaluation reserve RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interest RM**	**Total equity RM**
As at 1 January 2022		25,200,000	24,859,680	26,737,548	76,797,228	784,183	77,581,411
Profit for the financial year		-	-	7,454,887	7,454,887	(46,266)	7,408,621
Other comprehensive income, net of tax	17	-	661,071	-	661,071	73,299	734,370
Total comprehensive income for the financial year		-	661,071	7,454,887	8,115,958	27,033	8,142,991
Dividends	31	-	-	(2,016,000)	(2,016,000)	-	(2,016,000)
As at 31 December 2022		25,200,000	25,520,751	32,176,435	82,897,186	811,216	83,708,402
2021							
As at 1 January 2021		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	17	-	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
Dividends	31	-	-	(2,016,000)	(2,016,000)	-	(2,016,000)
As at 31 December 2021		25,200,000	24,859,680	26,737,548	76,797,228	784,183	77,581,411

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 2022

Company	**Note**	**Share capital RM**	**Retained earnings RM**	**Total RM**
As at 1 January 2021		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)
As at 31 December 2021		25,200,000	952,494	26,152,494
Total comprehensive income for the financial year		-	1,500,572	1,500,572
Dividend paid	31	-	(2,016,000)	(2,016,000)
As at 31 December 2022		25,200,000	437,066	25,637,066

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 2022

		Group		Company	
	Note	**2022 RM**	**2021 RM**	**2022 RM**	**2021 RM**
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		9,713,769	10,473,802	1,528,111	1,878,914
Adjustments for:					
Bad debts written off on:					
- other receivables	26	-	47,999	-	-
Depreciation of property, plant and equipment	5	1,288,048	1,270,733	1,545	1,315
Depreciation of right-of-use assets	6	177,284	173,287	-	-
Dividend income	23	-	-	(2,022,000)	(2,222,000)
Fair value gain on investment properties	7	(3,042,500)	(4,017,830)	-	-
Finance income	24	(391,553)	(292,155)	(21,015)	(48,984)
Finance costs	25	1,276,057	1,210,776	-	-
Gain on disposal of property, plant and equipment	26	(11,496)	(12,180)	-	-
Impairment losses on:					
- investment in subsidiary companies	8	-	-	523,727	332,774
- goodwill	9	640,714	-	-	-
- trade receivables	11	302,301	283,715	-	-
- other receivables	12	17,000	20,600	-	-
Inventories written down	10	-	64,055	-	-
Property, plant and equipment written off	26	11,787	13,668	-	-
Reversal for impairment losses on:					
- trade receivables	11	(393,093)	(310,684)	-	-
- other receivables	12	(20,600)	-	-	-
Unrealised gain on foreign exchange	26	-	(336)	-	-
Operating profit/(loss) before working capital changes		9,567,718	8,925,450	10,368	(57,981)
Decrease/(Increase) in inventories		429,840	(154,328)	-	-
Decrease/(Increase) in receivables		399,767	222,386	(43,724)	(366,660)
(Decrease)/Increase in payables		(397,110)	(8,163,187)	5,954	(55,260)
Cash generated from/(used in) operations		10,000,215	830,321	(27,402)	(479,901)
Interest received		391,553	292,155	21,015	48,984
Tax refund		5,040	-	-	-
Interest paid		(1,276,057)	(1,210,776)	-	-
Income tax paid		(1,665,005)	(1,641,238)	(51,750)	(59,999)
Net cash generated from/(used in) operating activities		7,455,746	(1,729,538)	(58,137)	(490,916)

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 2022 (CONT'D)

		Group		Company	
	Note	**2021 RM**	**2020 RM**	**2021 RM**	**2020 RM**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment, right-of-use assets and investment properties	32	(4,726,266)	(866,167)	(5,572)	(4,050)
Withdrawal/(Placement) of short-term investments		2,947,566	(2,531,177)	1,189,032	2,555,010
Acquisition of additional shares in a subsidiary company	8	-	-	-	(5,000,372)
Proceeds from disposal of plant and equipment		11,500	12,504	-	-
Dividends received		-	-	2,022,000	2,222,000
Net cash (used in)/generated from investing activities		(1,767,200)	(3,384,840)	3,205,460	(227,412)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment to directors		(5,999)	(6,084)	(5,999)	(3,085)
(Advance to)/Repayment from subsidiary companies		-	-	(1,251,768)	2,685,357
Net (repayment)/drawdown of loan and borrowings		(4,418,908)	7,607,328	-	-
Repayment of bankers' acceptance		-	(322,000)	-	-
Repayment of lease liabilities	6	(236,821)	(261,278)	-	-
Dividend paid to the owners of the Company	31	(2,016,000)	(2,016,000)	(2,016,000)	(2,016,000)
Net cash (used in)/generated from financing activities		(6,677,728)	5,001,966	(3,273,767)	666,272
Net decrease in cash and cash equivalents		989,182	(112,412)	(126,444)	(52,056)
Cash and cash equivalents as at beginning of the financial year		3,034,649	3,147,061	136,574	188,630
Cash and cash equivalents as at end of the financial year		2,045,467	3,034,649	10,130	136,574
Cash and cash equivalents comprise of:					
Fixed deposits with a licensed bank		234,839	307,273	-	-
Cash and bank balances		2,176,553	2,826,907	10,130	136,574
Bank overdrafts	20	(365,925)	(99,531)	-	-
		2,045,467	3,034,649	10,130	136,574

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 2022 (CONT'D)

Reconciliation of movement of liabilities to cash flow arising from financing activities

GROUP

2022

	At 1 January 2022 RM	Net changes from financing cash flow RM	Drawdown of loan and borrowings and lease liabilities RM	At 31 December 2022 RM
Term loans	33,045,424	(4,418,908)	8,396,916	37,023,432
Lease liabilities	448,508	(236,821)	399,700	611,387
	33,493,932	(4,655,729)	8,796,616	37,634,819

2021

	At 1 January 2021 RM	Net changes from financing cash flow RM	Drawdown of loan and borrowings and lease liabilities RM	At 31 December 2021 RM
Term loans	25,438,096	7,607,328	-	33,045,424
Bankers' acceptance	322,000	(322,000)	-	-
Lease liabilities	692,717	(261,278)	17,069	448,508
	26,452,813	7,024,050	17,069	33,493,932

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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, 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 2022 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 2022 do not include other entities.

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

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiaries are as 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.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 April 2023.

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 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

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 2022 (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 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 112	Income Taxes

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 16	Leases
Amendments to MFRS 101	Presentation of Financial Statements

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 upon adoption 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 2022 (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 2022.

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.

3.1.1 Subsidiaries and business combination

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. 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 3.4 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

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 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 at the acquisition date. 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

3.1.1 Subsidiaries and business combination (Cont'd)

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 3.4.

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.

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

3.1.2 Non-controlling interests

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.

3.1.3 Transactions eliminated on consolidation

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 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, 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 and costs of dismantling and removing the items and restoring the site on which they are located. Cost also includes borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset.

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 is revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. 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, 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)
Motor vehicles	4 - 10 years
Furniture and fittings, laboratory, signboard, demo, store, office, equipment and machinery	4 - 20 years
Electrical fittings	10 - 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.

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 3.4 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment properties carried at fair value

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.

Investment properties are initially measured at cost, including transaction costs 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 properties of the Group are measured at fair value except for investment properties under construction which are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier.

The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

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.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings, the transfer is not made through profit or loss.

3.4 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 impairment test, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Impairment of non-financial assets (Cont'd)

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.

3.5 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.

3.6 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.

3.7 Financial assets

3.7.1 Classification

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 instruments.

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

3.7.2 Initial recognition and measurement

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial assets (Cont'd)

3.7.3 Subsequent measurement

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

(i) 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.

(ii) 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.

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 when the right of payment has been established 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial assets (Cont'd)

3.7.3 Subsequent measurement (Cont'd)

(iii) 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 categorised as fair value through profit or loss are measured 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.

3.7.4 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (such as removed from the statements of financial position) when:.

(a) the rights to receive cash flows from the asset have expired; or

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Financial assets (Cont'd)

3.7.4 Derecognition (Cont'd)

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

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

3.8 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 ECL, 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 ECL. For trade receivables, contract assets and lease receivables, loss allowances are measured based on lifetime ECL at each reporting date. The Group and the Company estimate the ECL 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 ECL are the ECL that result from all possible default events over the expected life of the asset, while the 12-month ECL are the portion of the ECL 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 ECL, 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.

3.8.1 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 2022 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Impairment of financial assets (Cont'd)

3.8.1 Simplified approach for trade receivables (Cont'd)

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.

3.8.2 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 set out the measurement details of ECL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 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:

3.9.1 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 are recognised in the profit or loss.

For financial liabilities where it is 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.

3.9.2 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.

3.9.3 Financial guarantee contracts

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

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at higher of:

(a) the amount of the loss allowance; and

(b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Financial liabilities (Cont'd)

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.

3.10 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.

3.11 Leases

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.

3.11.1 Group as a lessee

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 liabilities except for leasehold land. Leasehold land are stated at their revalued amount, being the fair value at the date of revaluation, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in Note 3.2. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	96 years
Building	2 years
Motor vehicles	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Leases (Cont'd)

3.11.1 Group as a lessee (Cont'd)

Lease Liabilities (Cont'd)

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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.

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.

3.11.2 Group as 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:-

(a) Ownership is transferred at the end of lease term;

(b) 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;

(c) The lease term is for the major part of the economic life of the underlying asset;

(d) The present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset; and

(e) 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 2022 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 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.

3.13 Income tax

3.13.1 Current tax

Current income 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 at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

3.13.2 Deferred tax

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

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

(a) When the deferred tax liability arises from the initial recognition of goodwill or 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;

(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Income tax (Cont'd)

3.13.2 Deferred tax (Cont'd)

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

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

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 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:-

(a) Identify contracts with a customer;
(b) Identify performance obligations in the contract;
(c) Determine the transaction price;
(d) Allocate the transaction price to the performance obligation in the contract; and
(e) 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:-

(a) 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

(b) Create or enhance an asset that the customer controls as the asset is created or enhanced; or

(c) 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.

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

3.15.1 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.

3.15.2 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 its typically control the goods and services before transferring them to the customer.

3.15.3 Dividend income

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

3.15.4 Interest income

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

3.15.5 Management fee

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.15 Revenue recognition and other income (Cont'd)

3.15.6 Rental income

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

3.16 Employee benefits

3.16.1 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.

3.16.2 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").

3.17 Segment reporting

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

3.18 Foreign currencies

3.18.1 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.

3.18.2 Translation of 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.19 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 end.

3.20 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.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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.

3.21 Related parties

A party is related to an entity if:-

(a) 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;

(b) the party is an associate of the entity;
(c) the party is a joint venture in which the entity is a venturer;
(d) the party is a member of the key management personnel of the entity or its parent;
(e) the party is a close member of the family of any individual referred to in (a) or (d);
(f) 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 (d) or (e);
(g) 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; or
(h) the party which it is apart, provides key management personnel services to the reporting entity or to the parent of the reporting 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.22 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.

Diluted earnings per share is calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares from convertible securities.

During the financial year, the Group and the Company do not have any convertible securities, therefore, no diluted earning per share is calculated.

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 2022 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.

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

4.4 Provision for expected credit losses of trade 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 tax

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 2022 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group

2022	Freehold land and buildings (at valuation) RM	Leasehold buildings (at valuation) RM	Motor vehicles RM	Furniture fittings, laboratory, signboard, demo, store, office, equipment and machinery RM	Electrical fittings RM	Renovation RM	Total RM
At cost, unless otherwise stated							
Balance as at 1 January 2022	14,589,075	899,999	2,622,013	16,065,899	279,776	883,706	35,340,468
Additions	-	-	-	594,592	135	12,000	606,727
Revaluation surplus (Note 17)	550,143	-	-	-	-	-	550,143
Written off/Disposal	-	-	(601,196)	(51,665)	(230)	-	(653,091)
Reclassification from right-of-use assets (Note 6)	-	-	278,299	-	-	-	278,299
Balance as at 31 December 2022	15,139,218	899,999	2,299,116	16,608,826	279,681	895,706	36,122,546
Accumulated depreciation							
Balance as at 1 January 2022	95,558	18,000	2,406,976	10,425,602	165,116	798,181	13,909,433
Charge for the financial year	85,304	36,000	87,009	1,011,955	31,359	36,421	1,288,048
Elimination of accumulated depreciation (Note 17)	(80,150)	(54,000)	-	-	-	-	(134,150)
Written off/Disposal	-	-	(593,524)	(47,546)	(230)	-	(641,300)
Reclassification from right-of-use assets (Note 6)	-	-	165,734	-	-	-	165,734
Balance as at 31 December 2022	100,712	-	2,066,195	11,390,011	196,245	834,602	14,587,765
Net carrying amounts							
Balance as at 31 December 2022	15,038,506	899,999	232,921	5,218,815	83,436	61,104	21,534,781

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

Group

2021	**Freehold land and buildings (at valuation) RM**	**Leasehold buildings (at valuation) RM**	**Motor vehicles RM**	**Furniture fittings, laboratory, signboard, demo, store, office, equipment and machinery RM**	**Electrical fittings RM**	**Renovation RM**	**Total RM**
At cost, unless otherwise stated							
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
Accumulated depreciation							
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
Net carrying amounts							
Balance as at 31 December 2021	14,493,517	881,999	215,037	5,640,297	114,660	85,525	21,431,035

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

Company

2022	**Motor vehicles RM**	**Furniture and fittings, and office equipments RM**	**Renovation RM**	**Total RM**
Cost				
Balance as at 1 January 2022	28,300	58,747	64,382	151,429
Additions	-	5,572	-	5,572
Balance as at 31 December 2022	28,300	64,319	64,382	157,001
Accumulated depreciation				
Balance as at 1 January 2022	-	49,976	64,379	114,355
Charge for the financial year	-	1,545	-	1,545
Balance as at 31 December 2022	-	51,521	64,379	115,900
2021				
Cost				
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
Accumulated depreciation				
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
Net carrying amounts				
Balance as at 31 December 2022	28,300	12,798	3	41,101
Balance as at 31 December 2021	28,300	8,771	3	37,074

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:

	2022 RM	**2021 RM**
Net carrying value		
Freehold land and buildings	3,144,000	3,022,610

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

Revaluation of land and buildings

On 31 December 2022, 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 arrived at based on the Comparison Method of Valuation. A revaluation surplus of RM605,124 (2021: RM268,704) (net of deferred taxation) had been recognised as other comprehensive income.

Had the revalued properties been carried at cost less accumulated depreciation, the carrying amount of the properties would have been RM7,279,888 (2021: RM7,348,201).

6. LEASES

The Group as lessee

Right-of-use assets

2022	Leasehold Land (at valuation) RM	Building RM	Motor Vehicles RM	Total RM
At cost				
Balance as at 1 January 2022	1,200,000	17,070	1,411,580	2,628,650
Additions	-	-	493,592	493,592
Revaluation surplus (Note 17)	150,000	-	-	150,000
Reclassification to property, plant and equipment (Note 5)	-	-	(278,299)	(278,299)
Balance as at 31 December 2022	1,350,000	17,070	1,626,873	2,993,943
Less: Accumulated depreciation				
Balance as at 1 January 2022	12,371	1,424	523,759	537,554
Charge for the financial year	24,742	5,689	146,853	177,284
Elimination of accumulated depreciation (Note 17)	(37,113)	-	-	(37,113)
Reclassification to property, plant and equipment (Note 5)	-	-	(165,734)	(165,734)
Balance as at 31 December 2022	-	7,113	504,878	511,991
2021				
At cost				
Balance as at 1 January 2021	1,200,000	19,875	1,411,580	2,631,455
Additions	-	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
Less: Accumulated depreciation				
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
Net carrying amount				
Balance as at 31 December 2022	1,350,000	9,957	1,121,995	2,481,952
Balance as at 31 December 2021	1,187,629	15,646	887,821	2,091,096

6. *LEASES (CONT'D)*

Group as lessee (Cont'd)

The Group leases office building that run for period of three (3) years.

The motor vehicles are acquired under finance lease arrangement.

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 2022, the leasehold land of the Group was 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. A revaluation surplus of RM129,246 (net of deferred taxation) had been recognised as other comprehensive income.

<u>Lease liabilities</u>

2022	**Building RM**	**Motor Vehicles RM**	**Total RM**
Carrying amount			
Balance as at 1 January 2022	16,305	432,203	448,508
New lease entered during the financial year	-	399,700	399,700
Lease payment	(6,000)	(249,663)	(255,663)
Interest expense (Note 25)	462	18,380	18,842
Balance as at 31 December 2022	10,767	600,620	611,387

2021	**Building RM**	**Motor Vehicles RM**	**Total RM**
Carrying amount			
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 (Note 25)	237	27,758	27,995
Balance as at 31 December 2021	16,305	432,203	448,508

Represented by:	**2022 RM**	**2021 RM**
Current liabilities		
- Secured	238,783	210,713
- Unsecured	5,740	5,538
	244,523	216,251
Non-current liabilities		
- Secured	362,427	222,080
- Unsecured	4,437	10,177
	366,864	232,257
Total lease liabilities		
- Secured	601,210	432,793
- Unsecured	10,177	15,715
	611,387	448,508

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

6. LEASES (CONT'D)

Group as lessee (Cont'd)

Lease liabilities (Cont'd)

Rates of interest charged per annum:

	2022 **%**	**2021** **%**
Lease liabilities owing to financial institutions	2.12 - 3.43	2.24 - 3.43
Lease liabilities owing to non-financial institutions	5.56	3.21 - 8.32

	2022 **RM**	**2021** **RM**
Minimum lease payment		
- Not later than one year	268,642	231,741
- Later than one year and not later than five years	398,584	240,902
	667,226	472,643
Future finance charges on lease liabilities	(55,839)	(24,135)
Present value of finance lease liabilities	611,387	448,508

Present value of lease is analysed as follows:

	2022 **RM**	**2021** **RM**
Current liabilities		
- Not later than one year	244,523	216,251
Non-current liabilities		
- Later than one year and not later than five years	366,864	232,257
	611,387	448,508

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

6. LEASES (CONT'D)

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:

	2022 RM	2021 RM
Depreciation of right-of-use assets (included in other operating expenses)	177,284	173,287
Interest on lease liabilities (included in finance costs)	18,842	27,995
Expense relating to lease of low-value assets (included in administrative expenses)	28,003	7,193
	224,129	208,475

(c) At the end of the financial year, the Group had total cash outflow for leases of RM255,663 (2021: RM289,273).

(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:

2022	Within five years RM	More than five years RM	Total RM
Extension options expected not to be exercised	6,000	-	6,000
	6,000	-	6,000
2021			
Extension options expected not to be exercised	6,000	-	6,000
	6,000	-	6,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

6. *LEASES (CONT'D)*

LEASES (Cont'd)

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.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2022 RM	2021 RM
Within one year	1,918,628	2,269,844
One to two years	410,568	1,189,828
Two to three years	-	299,968
	2,329,196	3,759,640

7. *INVESTMENT PROPERTIES*

Group

	Freehold land and buildings (at valuation) RM	Leasehold land and buildings (at valuation) RM	Under construction Building (at cost) RM	Under construction Land (at cost) RM	Total RM
2022					
As at 1 December 2022	59,390,002	8,462,500	-	-	67,852,502
Additions	-	-	4,025,647	8,396,916	12,422,563
Fair value measurement	2,995,000	47,500	-	-	3,042,500
As at 31 December 2022	62,385,002	8,510,000	4,025,647	8,396,916	83,317,565
2021					
As at 1 December 2021	25,266,645	8,462,500	-	-	33,729,145
Additions	105,527	-	-	-	105,527
Fair value measurement	4,017,830	-	-	-	4,017,830
Transfer from property, plant and equipment (Note 5)	30,000,000	-	-	-	30,000,000
As at 31 December 2021	59,390,002	8,462,500	-	-	67,852,502

During the financial year, the following income/(expenses) were recognised in profit or loss for investment properties:

	Group 2022 RM	Group 2021 RM
Rental income	2,592,800	1,930,160
Direct operating expenses that generated rental income	(144,097)	(127,042)
	2,448,703	1,803,118

7. *INVESTMENT PROPERTIES (CONT'D)*

The Group has pledged investment properties with carrying amount of RM72,046,916 (2021: RM60,837,500) to licensed banks to secure banking facilities granted to the Group as referred to Note 20.

Investment properties of the Group are measured at fair value except for investment properties under construction which are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier.

Revaluation of investment properties

On 31 December 2022, 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.

<u>Fair value hierarchy information</u>

Group

		Group		
2022	**Level 1 RM**	**Level 2 RM**	**Level 3 RM**	**Total RM**
Land	-	42,215,000	-	42,215,000
Building	-	28,680,002	-	28,680,002
	-	70,895,002	-	70,895,002

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

<u>Policy on transfer between levels</u>

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.

<u>Level 1 fair value</u>

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.

<u>Level 2 fair value</u>

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.

<u>Level 3 fair value</u>

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 2022 (CONT'D)

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Note	Company 2022 RM	Company 2021 RM
Unquoted shares, at cost			
Balance as at beginning of the financial year		30,034,358	25,036,086
Additions	(b)	-	5,000,372
Written off	(c)	-	(2,100)
Balance as at end of the financial year		30,034,358	30,034,358
Less: Accumulated impairment losses			
Balance as at beginning of the financial year		7,995,070	7,664,396
Impairment losses recognised during the financial year	(d)	523,727	332,774
Written off	(c)	-	(2,100)
Balance as at end of the financial year		8,518,797	7,995,070
Net carrying amount			
Balance as at end of the financial year		21,515,561	22,039,288

Details of subsidiary companies are as follows:-

Name of subsidiaries	Effective equity interest 2022	Effective equity interest 2021	Country of incorporation and principal place of business	Principal activities
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, and involved in property investment and rental of properties.
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 2022 (CONT'D)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Details of subsidiary companies are as follows:- (Cont'd)

Name of subsidiaries	Effective equity interest 2022	Effective equity interest 2021	Country of incorporation and principal place of business	Principal activities
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.
Sincere United Sdn. Bhd.	70%	70%	Malaysia	To import and export chemical and other raw materials.
Tan Tech-Polymer Sdn. Bhd. (1)	60%	60%	Malaysia	To provide consultancy services and manufacturing of polymers and its related products.
Subsidiary company of Hooker Chemical Sdn. Berhad				
Akva-Tek Sdn. Bhd.	51%	51%	Malaysia	Ceased operation.

(1) Not audited by CAS Malaysia PLT.

(a) Non-controlling interest

Proportion of equity interest held by non-controlling interests:

	2022 %	2021 %
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:

	2022 RM	2021 RM
Sincere United Sdn. Bhd.	136,880	133,725
Tan Tech-Polymer Sdn. Bhd.	668,797	642,140
Akva-Tek Sdn. Bhd.	5,539	8,318
	811,216	784,183

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

(b) 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.

(c) 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.

(d) Impairment on investment in subsidiary companies

During the financial year, the management performed an impairment test on the investment in the subsidiaries as the subsidiaries have been making losses. Additional impairment losses has been recognised during the financial year as their recoverable amount is lower than the carrying amount of the investment.

9. GOODWILL

	Group	
	2022 RM	**2021 RM**
At cost		
Balance as at beginning of the financial year	5,678,772	5,678,772
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	(5,038,058)	(5,038,058)
Impairment losses recognised during the financial year	(640,714)	-
At end of the financial year	(5,678,772)	(5,038,058)
Carrying amount	-	640,714

During the financial year, the Group had recognised an additional impairment losses on goodwill of RM640,714 as the subsidiary incurred business losses during the financial year.

10. INVENTORIES

	Group	
	2022 RM	**2021 RM**
At cost		
Laboratory supplies	113,034	118,549
Raw materials	453,253	756,337
Work-in-progress	7,975	17,795
Finished goods	199,904	311,325
	774,166	1,204,006
Recognised in profit or loss		
Inventories recognised as cost of sales	4,448,777	5,623,164
Inventories written down as other operating expenses	-	64,055
	4,448,777	5,687,219

11. TRADE RECEIVABLES

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade receivables - gross	6,164,220	6,587,770	716,501	470,400
Less: Allowance for impairment losses	(327,475)	(716,792)	-	-
Trade receivables - net	5,836,745	5,870,978	716,501	470,400

The Group's and the Company's normal trade credit term range from 30 to 120 days (2021: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

Movement in the allowance for impairment losses

The allowance account is 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 and the Company are 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.

During the financial year, the Group managed to collect some of the trade receivables which have been impaired in previous financial years. As a result, the allowance for impairment losses on trade receivables had been reversed during the financial year.

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

Group

2022	Lifetime ECL RM	Credit impaired RM	Total RM
Balance as at beginning of the financial year	252,487	464,305	716,792
Provision for impairment losses	176,496	125,805	302,301
Write off	(10,512)	(288,013)	(298,525)
Reversal of allowance for impairment losses	(245,580)	(147,513)	(393,093)
Balance as at end of the financial year	172,891	154,584	327,475

2021			
Balance as at beginning of the financial year	243,805	519,766	763,571
Provision 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

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 2022 (CONT'D)

11. TRADE RECEIVABLES (CONT'D)

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

Group

2022	**Gross carrying amount RM**	**Provision for impairment losses ECL (Collectively assessed) RM**	**Provision for impairment losses ECL (Individually assessed) RM**	**Net balance RM**
Neither past due nor impaired	1,194,331	-	-	1,194,331
Past due 1 - 30 days	1,630,108	-	-	1,630,108
Past due 31 - 60 days	1,084,711	-	-	1,084,711
	3,909,150	-	-	3,909,150
Credit Impaired				
More than 60 days past due	2,255,070	(172,891)	(154,584)	1,927,595
	6,164,220	(172,891)	(154,584)	5,836,745
2021				
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
Credit Impaired				
More than 60 days past due	2,082,965	(252,487)	(464,305)	1,366,173
	6,587,770	(252,487)	(464,305)	5,870,978

Company

2022				
Neither past due nor impaired	96,020	-	-	96,020
Past due 1 - 30 days	96,020	-	-	96,020
Past due 31 - 60 days	84,934	-	-	84,934
More than 60 days past due	439,527	-	-	439,527
	716,501	-	-	716,501
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
More than 60 days past due	215,840	-	-	215,840
	470,400	-	-	470,400

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

12. OTHER RECEIVABLES

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Other receivables	40,772	50,484	423	2,800
Less: Allowance for impairment losses	(17,000)	(20,600)	-	-
Other receivables - net	23,772	29,884	423	2,800
Deposits	296,229	568,969	21,200	21,200
Prepayments	48,958	41,248	-	-
Dividend receivable from subsidiary companies	-	-	2,022,000	2,222,000
	368,959	640,101	2,043,623	2,246,000

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

	Group	
	2022 RM	**2021 RM**
Balance as at beginning of the financial year	20,600	-
Provision for impairment losses	17,000	20,600
Reversal of impairment losses	(20,600)	-
Balance as at end of the financial year	17,000	20,600

13. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

The amount due from/(to) 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 0.85% to 3.41% (2021: 1.60% to 2.36%) 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 range from 1.50% to 1.75% (2021: 1.50%) per annum and with maturity period of 1 month (2021: 1 month).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

16. SHARE CAPITAL

	Group and Company			
	2022	2021	2022	2021
	Number of shares (units)		RM	RM
Issued and paid up:				
Ordinary shares with no par value:				
Balance at the beginning and end of the financial year	252,000,000	252,000,000	25,200,000	25,200,000

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:

	Group	
	2022 RM	2021 RM
At beginning of the financial year	24,859,680	24,590,976
Recognised in other comprehensive income:		
Revaluation surplus (Note 5 and Note 6)	871,406	323,628
Less: Other comprehensive income attributable to non-controlling interest	(73,299)	-
Less: Deferred tax liability on revaluation surplus (Note 19)	(137,036)	(54,924)
Revaluation surplus, net of tax	661,071	268,704
At end of the financial year	25,520,751	24,859,680

Revaluation surplus recognised in other comprehensive income attributable to:		
- Owners of the Company	661,071	268,704
- Non controlling interest	73,299	-
	734,370	268,704

18. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 December 2022 and 31 December 2021 may be distributed as dividends under the single tier system.

19. DEFERRED TAXATION

Deferred tax liabilities, net

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
As at beginning of the financial year	4,724,430	4,455,412	1,221	45,699
Recognised in profit or loss (Note 27)	461,755	214,094	-	(44,478)
Recognised in other comprehensive income (Note 17)	137,036	54,924	-	-
As at end of the financial year	5,323,221	4,724,430	1,221	1,221

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

19. DEFERRED TAXATION (CONT'D)

Deferred tax liabilities, net (Cont'd)

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Deferred tax liabilities comprise of:				
Revaluation surplus arise from properties	1,417,694	1,349,695	-	-
Fair value adjustment of investment properties	2,721,676	2,417,426	-	-
Excess of capital allowances over corresponding depreciation	1,183,851	957,309	1,221	1,221
	5,323,221	4,724,430	1,221	1,221

Unrecognised deferred tax assets

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

	Group	
	2022 RM	**2021 RM**
Temporary difference	(947)	(1,362)
Unabsorbed capital allowances	5,550	5,550
Unutilised tax losses	1,685,621	1,674,856
	1,690,224	1,679,044
Unrecognised deferred tax assets at 24% (2021: 24%)	405,654	402,971

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. Pursuant to Section 8 of the Finance Act 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 availability of unabsorbed capital allowances and unutilised tax losses for offsetting against future taxable profits of the respective companies within the Group and the Company are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group	
	2022 RM	**2021 RM**
Utilisation period		
Indefinite	4,603	4,188
Expired by YA 2028 (Previously Expired by YA 2025)	1,449,962	1,464,941
Expired by YA 2029 (Previously Expired by YA 2026)	150,764	150,764
Expired by YA 2031 (Previously Expired by YA 2028)	59,151	59,151
Expired by YA 2032 (Previously Expired by YA 2029)	25,744	-
	1,690,224	1,679,044

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

20. LOAN AND BORROWINGS

		Group	
		2022	**2021**
		RM	**RM**
Current			
Islamic term financing			
- Term loans (secured)		1,432,447	1,382,030
Conventional financing			
- Bank overdrafts (secured)		365,925	99,531
- Term loans (secured)		133,730	126,319
		1,932,102	1,607,880
Non-current			
Islamic term financing			
- Term loans (secured)		27,235,192	28,635,116
Conventional financing			
- Term loans (secured)		8,222,063	2,901,959
		35,457,255	31,537,075
Total			
Islamic term financing			
- Term loans (secured)	(b)	28,667,639	30,017,146
Conventional financing			
- Bank overdrafts (secured)	(a)	365,925	99,531
- Term loans (secured)	(b)	8,355,793	3,028,278
		37,389,357	33,144,955

Rates of interest charged per annum:

	Group	
	2022	**2021**
	%	**%**
Conventional financing		
- Bankers' acceptance	3.60%	3.60%
- Bank overdrafts	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		
- Term loans	IFR - 2.10% 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 2022 (CONT'D)

20. LOAN AND BORROWINGS (CONT'D)

(a) Bank overdrafts

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

Term loans are repayable as follows:

	Group	
	2022 RM	**2021 RM**
- Less than one year	1,566,177	1,508,349
- Later than one year and not later than five years	7,973,349	6,618,791
- More than five years	27,483,906	24,918,284
	37,023,432	33,045,424

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	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Trade payables	816,932	1,553,656	-	-
Add:				
Other payables	791,637	665,569	20,085	19,353
Accruals	995,525	1,021,919	131,257	126,035
Deposits received	874,335	634,395	-	-
	2,661,497	2,321,883	151,342	145,388
Total trade and other payables	3,478,429	3,875,539	151,342	145,388
Total financial liabilities carrying at amortised costs	3,478,429	3,875,539	151,342	145,388

The trade payables are non-interest bearing and the normal trade credit term granted to the Group ranges from 60 to 90 days (2021: 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 2022 (CONT'D)

23. REVENUE

	Group		Company	
	2022 RM	2021 RM Restated	2022 RM	2021 RM
Trading sales and services	23,446,184	23,690,301	-	-
Dividend income from subsidiaries	-	-	2,022,000	2,222,000
Management fee income	-	-	1,625,130	1,499,655
Rental of properties	2,217,060	1,633,140	-	-
	25,663,244	25,323,441	3,647,130	3,721,655

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 36, 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 30 to 120 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 30 to 120 days from invoice date.

iii. *Investments*

This includes management fee income charged on the subsidiaries and rental of properties. The Company recognises management fee income on an accrual basis when service is rendered while the Group recognises rental income on a straight-line basis over the term of the tenancy agreement subject to revision of rental rate. Both is billed and paid on a monthly basis. Credit period in range of 30 to 120 days from invoice date is given to the subsidiaries and customers.

The Group and the Company do not have performance obligations that are unsatisfied for contract as at reporting date.

24. FINANCE INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest income on:				
Bank interest	415	3,597	47	88
Short-term investments	385,968	288,558	20,968	48,896
Fixed deposit interest	5,170	-	-	-
	391,553	292,155	21,015	48,984

25. FINANCE COSTS

	Group	
	2022 RM	2021 RM
Profit on Islamic term financing:		
- Term loans	1,145,822	1,044,972
Interest expenses on conventional financing:		
- Lease liabilities (Note 6)	18,842	27,995
- Overdrafts	7,428	7,033
- Term loans	96,681	124,517
- Bankers' acceptance	7,284	6,259
	1,276,057	1,210,776

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

26. PROFIT BEFORE TAXATION

		Group		Company	
	Note	2022 RM	2021 RM Restated	2022 RM	2021 RM
Profit before taxation is arrived at after charging/(crediting):					
Auditors' remuneration:					
- statutory audit		89,000	85,000	30,000	25,000
- other auditors		6,900	6,300	-	-
- non-audit services		11,000	6,000	11,000	6,000
- underprovision in previous year		-	1,500	-	-
Bad debts written off on other receivables		-	47,999	-	-
Depreciation on:					
- property, plant and equipment	5	1,288,048	1,270,733	1,545	1,315
- right-of-use assets	6	177,284	173,287	-	-
Directors' fee	29	317,000	345,000	297,000	297,000
Directors' non-fee emoluments	29	1,034,093	1,195,100	878,491	878,526
Impairment losses on:					
- investment in subsidiary companies	8	-	-	523,727	332,774
- goodwill	9	640,714	-	-	-
- trade receivables	11	302,301	283,715	-	-
- other receivables	12	17,000	20,600	-	-
Inventories written down	10	-	64,055	-	-
Property, plant and equipment written off		11,787	13,668	-	-
Rental of equipment	6	28,003	7,193	-	-
Bad debts recovered		(23,631)	-	-	-
Fair value gain on investment properties	7	(3,042,500)	(4,017,830)	-	-
Reversal of allowance for impairment losses on:					
- trade receivables	11	(393,093)	(310,684)	-	-
- other receivables	12	(20,600)	-	-	-
Dividend income from subsidiary companies	23	-	-	(2,022,000)	(2,222,000)
Loss/(Gain) on foreign exchange:					
- realised		32,502	-	-	-
- unrealised		-	(336)	-	-
Gain on disposal of property, plant and equipment		(11,496)	(12,180)	-	-
Management fee income	23	-	-	(1,625,130)	(1,499,655)
Rental income		(375,740)	(297,020)	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

27. TAXATION

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current income tax:				
Provision for current financial year	1,835,126	1,613,629	20,838	3,339
Underprovision	8,267	23,725	6,701	63,884
	1,843,393	1,637,354	27,539	67,223
Deferred taxation (Note 19):				
Recognised in profit or loss	334,860	114,573	-	389
Under/(Over)provision	126,895	99,521	-	(44,867)
	461,755	214,094	-	(44,478)
Tax expenses for the current financial year	2,305,148	1,851,448	27,539	22,745

Domestic current income tax is calculated at the statutory tax rate of 24% (2021: 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 are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	9,713,769	10,473,802	1,528,111	1,878,914
At statutory income tax rate of 24% (2021: 24%)	2,331,305	2,513,712	366,747	450,939
Non-deductible expenses for tax purposes	349,687	365,358	144,404	97,804
Non-taxable income	(811,823)	(1,177,613)	(490,313)	(545,015)
Deferred tax assets not recognised	6,178	177	-	-
Derecognition of deferred tax due to transfer of properties to investment properties	-	(369,460)	-	-
Utilisation of deferred tax assets not recognised previously	(3,495)	(48)	-	-
Deferred tax arising from gain on fair value adjustment of investment properties	304,250	401,783	-	-
Crystallisation of deferred tax liabilities arose from revaluation surplus	(6,116)	(5,707)	-	-
Under/(Over)provision:				
- Current tax	8,267	23,725	6,701	63,884
- Deferred tax	126,895	99,521	-	(44,867)
Tax expenses for the current financial year	2,305,148	1,851,448	27,539	22,745

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

28. EMPLOYEES BENEFIT EXPENSES

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Salaries, bonuses, incentives, overtime, commissions and allowances	6,221,461	5,596,565	1,212,282	1,207,571
Pension costs: defined contribution plans	682,163	655,688	110,214	109,523
Social security costs	75,661	73,649	3,077	2,871
	6,979,285	6,325,902	1,325,573	1,319,965

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	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Directors of the Company				
Executive Directors:				
Remuneration	670,800	670,800	670,800	670,800
Pension costs: defined contribution plans	93,912	93,912	93,912	93,912
Social security costs	1,979	2,014	1,979	2,014
Bonus	111,800	111,800	111,800	111,800
Fees	261,000	285,000	261,000	261,000
Non-executive Directors:				
Fees	36,000	36,000	36,000	36,000
	1,175,491	1,199,526	1,175,491	1,175,526
Directors of the subsidiary companies				
Non-Executive Directors:				
Remuneration	138,794	281,050	-	-
Pension costs: defined contribution plans	15,401	32,754	-	-
Social security costs	1,407	2,770	-	-
Fees	20,000	24,000	-	-
	175,602	340,574	-	-

The estimated money value of benefits-in-kind received by the directors of the Group amounted to RM39,600 (2021: RM39,600).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

30. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share for the financial year has been calculated based on the Group's net profit attributable to owners of the Company for the financial year and the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2022 RM	**2021 RM**
Profit attributable to the owners of the Company (RM)	7,454,887	8,570,946
Weighted average number of shares in issue	252,000,000	252,000,000
Basic earnings per share (sen)	2.96	3.40

(b) Diluted earnings per share

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

31. DIVIDENDS

Dividends declared and paid in respect of the current financial year are as follows:

	Group and Company	
	2022 RM	**2021 RM**
Paid		
In respect of the financial year ended 31 December 2021:		
Final single tier dividend of 0.80 sen per ordinary share	2,016,000	-
In respect of the financial year ended 31 December 2020:		
Final single tier dividend of 0.80 sen per ordinary share	-	2,016,000
	2,016,000	2,016,000

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2022 is 0.80 sen per ordinary share totalling RM2,016,000, is subject to shareholders' approval at the forth coming Annual General Meeting of the Company. 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 2023.

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

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Cost of property, plant and equipment purchased	606,727	760,640	5,572	4,050
Cost of right-of-use asset purchased	493,592	17,069	-	-
Cost of investment properties purchased	12,422,563	105,527	-	-
Amount financed through loan and borrowings/lease liabilities	(8,796,616)	(17,069)	-	-
Cash disbursed for purchase of property, plant and equipment	4,726,266	866,167	5,572	4,050

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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	
	2022 **RM**	**2021** **RM**
Subsidiaries		
Dividend income received/receivable (Note 23)	2,022,000	2,222,000
Management fees (Note 23)	1,625,130	1,499,655

(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. *CAPITAL COMMITMENT*

As at the financial year end, the Group has the following capital commitment:

	Group	
	2022 **RM**	**2021** **RM**
Approved and contracted for:		
Investment properties	24,604,000	-
Approved but not contracted for:		
Investment properties	33,170,000	-

35. *FINANCIAL GUARANTEE CONTRACTS*

	Company	
	2022 **RM**	**2021** **RM**
Unsecured:-		
Corporate guarantee given to financial institutions for loan and borrowings facilities granted to subsidiary companies	37,389,357	33,144,955

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

36. 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 and segment liabilities principally comprise all 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, rental of properties, management and other operations which are not sizeable to be reported separately.

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

Group	**Environmental Products and Services RM**	**System Equipment and Ancillary Products RM**	**Investments RM**	**Eliminations RM**	**Total RM**
2022					
Revenue					
External customers	20,186,688	3,259,496	2,217,060	-	25,663,244
Inter-segment	374,991	4,710	1,778,730	(2,158,431)	-
Total revenue	20,561,679	3,264,206	3,995,790	(2,158,431)	25,663,244
Results					
Segment results (external)	5,309,388	713,742	6,877,885	(1,662,028)	11,238,987
Impairment of goodwill (Note 9)					(640,714)
Finance income (Note 24)					391,553
Finance costs (Note 25)					(1,276,057)
Profit before taxation					9,713,769
Tax expense					(2,305,148)
Profit after taxation					7,408,621
Non-controlling interests					46,266
Net profit attributable to owners of the Company					7,454,887
Other information					
Segment assets	42,912,632	8,008,456	80,211,988	(150,860)	130,982,216
Segment liabilities	12,100,128	1,803,025	33,402,695	(32,034)	47,273,814
Capital expenditure	1,021,057	73,690	12,428,135	-	13,522,882
Depreciation	1,328,595	69,678	1,545	65,514	1,465,332
Non-cash expenses other than depreciation	141,161	51,041	3,152,500	(845,714)	2,498,988

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

36. SEGMENT INFORMATION (CONT'D)

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

Group	Environmental Products and Services RM Restated	System Equipment and Ancillary Products RM Restated	Investments RM Restated	Eliminations RM Restated	Total RM Restated
2021					
Revenue					
External customers	20,899,406	2,790,895	1,633,140	-	25,323,441
Inter-segment	227,643	5,130	3,875,255	(4,108,028)	-
Total revenue	21,127,049	2,796,025	5,508,395	(4,108,028)	25,323,441
Results					
Segment results (external)	5,327,596	705,447	7,450,210	(2,090,830)	11,392,423
Finance income (Note 24)					292,155
Finance costs (Note 25)					(1,210,776)
Profit before taxation					10,473,802
Tax expense					(1,851,448)
Profit after taxation					8,622,354
Non-controlling interests					(51,408)
Net profit attributable to owners of the Company					8,570,946
Other information					
Segment assets	45,501,516	7,955,438	66,823,205	(120,490)	120,159,669
Segment liabilities	12,224,401	1,839,233	28,454,426	60,198	42,578,258
Capital expenditure	815,741	63,445	4,050	-	883,236
Depreciation	1,338,811	69,819	1,315	34,075	1,444,020
Non-cash expenses other than depreciation	(128,237)	21,402	4,084,473	(66,643)	3,910,995

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 2022 (CONT'D)

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

The 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:

37.1 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 below. For bank balances, the Group and the Company minimise credit risk by dealing exclusively with reputable financial institution.

The Group assessed ECL for trade receivables based on two different approaches, namely collective assessment and individual debtor assessment.

37.1.1 Collective approach

To measure the expected credit losses under the collective approach, trade and other receivables and contract assets have been grouped based on shared credit risk characteristics and number of days past due. The expected loss rates are developed based on the historical credit loss rates. The historical loss rates are further adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The Group has identified (i) internal credit rating and (ii) 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 obligation to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

37.1.2 Individual debtor assessment

The Group applies individual debtor assessment for debtors with different risk characteristics, where the credit risk information of these debtors is obtained and monitored individually. The Group assesses the lifetime ECL when takes into consideration as follows:

- PD - Probability of default
  The likelihood that the borrower cannot pay during the contractual period
- LGD - Loss given default
  Percentage of contractual cash flows that will not be collected if default happens
- EAD - Exposure at default
  Outstanding amount that is exposed to default risk

The Group has taken into account the probability-weighted recoverable amount determined via the evaluation of a range of possible outcomes. In deriving the PD and LGD, the Group considers historical data of each debtor by category and adjusts for forward-looking macroeconomic data. The Group has identified the industry and geographical area which the debtor operates in, to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

(a) Trade receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis through the review of receivables ageing.

The maximum exposure to credit risk is disclosed in Note 11, representing the carrying amount of the trade receivables recognised on the statement of financial position.

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

37.1 Credit risk (Cont'd)

(b) Other receivables

Credit risk is minimised by monitoring the financial standing of the debtors on an ongoing concern basis. The maximum exposure to credit risk is disclosed in Note 12, representing the carrying amount of the other receivables recognised on the statement of financial position.

(c) Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

(d) Advances to subsidiary companies

The Company provides unsecured advances to its subsidiary companies and monitors the results of the related companies regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. As at 31 December 2022, the Company had not provided allowance for impairment loss in the view that the subsidiary companies will be able to pay back the advances in the future.

(e) 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 35 and liquidity and cash flow risk is disclosed in Note 37.3 representing the outstanding banking facilities of the subsidiaries as at the reporting date.

37.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include loans and borrowings, deposits, debt and equity investments and derivative financial instruments.

37.2.1 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. Interest-bearing financial assets includes fixed deposits with a licensed bank and short-term investments. Interest-bearing liabilities includes term loans, lease liabilities, bankers' acceptance and bank overdrafts.

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 RM71,267 (2021: RM86,367) and RM446 (2021: RM6,391), respectively.

The term loans and bank overdrafts are at floating rates expose the Group to cash flow interest rate risk whilst finance lease liabilities and bankers' acceptance at fixed rates expose the Group to fair value interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

37.2 Market risk (Cont'd)

37.2.1 Interest rate risk (Cont'd)

The interest rates per annum on the lease liabilities, term loans, bankers' acceptance and bank overdrafts are disclosed in Note 6 and Note 20 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 decrease/increase by approximately RM373,894 (2021: RM331,450) as a result of exposure to floating rate borrowings.

37.2.2 Foreign currency risk

The Group is 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 has 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 2022	USD RM	EURO RM	Others RM	Total RM
Cash and bank balances	1,282	10,182	10,058	21,522
	1,282	10,182	10,058	21,522
2021				
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)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

37.2 Market risk (Cont'd)

37.2.2 Foreign currency risk (Cont'd)

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		Impact to profit or loss	2022 RM	2021 RM
USD/RM	- strengthen 1%	Increase	128	(3,871)
	- weakened 1%	Decrease	(128)	3,871
EURO/RM	- strengthen 1%	Increase	1,018	1,028
	- weakened 1%	Decrease	(1,018)	(1,028)
Others/RM	- strengthen 1%	Increase	1,006	1,007
	- weakened 1%	Decrease	(1,006)	(1,007)

37.3 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 2022 (CONT'D)

37. *FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)*

37.3 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
2022						
Trade and other payables	3,478,429	-	3,478,429	3,478,429	-	-
Bank overdrafts	365,925	7.43	365,925	365,925	-	-
Term loans	8,355,793	3.27 - 4.64	9,596,451	258,408	2,133,087	7,204,956
Islamic term financing	28,667,639	4.17 - 4.54	38,082,904	2,471,988	9,887,952	25,722,964
Lease liabilities	611,387	2.12 - 5.56	667,226	268,642	398,584	-
	41,479,173		52,190,935	6,843,392	12,419,623	32,927,920
2021						
Trade and other payables	3,875,539	-	3,875,539	3,875,539	-	-
Amount due to directors	5,999	-	5,999	5,999	-	-
Bank overdrafts	99,531	7.07	99,531	99,531	-	-
Term loans	3,028,278	3.12 - 3.64	4,489,022	258,996	1,035,984	3,194,042
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		49,468,756	6,943,794	11,164,838	31,360,124

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

37.3 Liquidity and cash flow risk (Cont'd)

Company

	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
2022						
Other payables	151,342	-	151,342	151,342	-	-
Amount due to subsidiary companies	192,772	-	192,772	192,772	-	-
Financial guarantee contracts	37,389,357	-	37,389,357	37,389,357	-	-
	37,733,471		37,733,471	37,733,471	-	-
2021						
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	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

37.4 Classification of financial instruments

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Financial assets				
Fair value through profit or loss				
Short-term investments	14,018,605	16,966,171	89,264	1,278,296
At amortised costs				
Trade receivables	5,836,745	5,870,978	716,501	470,400
Other receivables#	320,001	598,853	2,043,623	2,246,000
Amount due from subsidiary companies	-	-	1,444,540	-
Fixed deposits with licensed banks	234,839	307,273	-	-
Cash and bank balances	2,176,553	2,826,907	10,130	136,574
	8,568,138	9,604,011	4,214,794	2,852,974
Financial liabilities				
At amortised costs				
Trade payables	816,932	1,553,656	-	-
Other payables	2,661,497	2,321,883	151,342	145,388
Amount due to subsidiary companies	-	-	192,772	-
Amount due to directors	-	5,999	-	5,999
Bank overdrafts	365,925	99,531	-	-
Term loans	8,355,793	3,028,278	-	-
Islamic term financing	28,667,639	30,017,146	-	-
Lease liabilities	611,387	448,508	-	-
	41,479,173	37,475,001	344,114	151,387

excluding prepayments

37.5 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 2022 (CONT'D)

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

37.5 Fair value of financial instruments (Cont'd)

	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
Group	**Level 1**	**Level 2**	**Level 3**	**Total**
2022	**RM**	**RM**	**RM**	**RM**
Financial liabilities				
Loan and borrowings	-	-	37,389,357	37,389,357
Lease liabilities	-	-	611,387	611,387
	-	-	38,000,744	38,000,744
2021				
Financial liabilities				
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
Company				
2022				
Financial asset				
Amount due from subsidiary companies	-	-	1,444,540	1,444,540
	-	-	1,444,540	1,444,540
2022				
Financial liability				
Amount due to subsidiary companies	-	-	192,772	192,772
	-	-	192,772	192,772
2021				
Financial liability				
Amount due to directors	-	-	5,999	5,999
	-	-	5,999	5,999

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

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

37.5 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 prices (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 (2021: 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/(to) 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.

38. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) 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 is financed through a mixture of cash and loans.

(b) On 17 August 2022, the Group has entered into a Sales and Purchase Agreement in relation to the acquisition of a piece of land in Mukim Kapar, Daerah Klang for total consideration of RM16,536,888. The acquisition of land is financed through a mixture of cash and loans.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)

39. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company'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 and the Company manage the 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 2022.

The Group and the Company monitor capital using a gearing ratio, which is net debts divided by total capital and net debts. The Group's and the Company's debts include trade payables, other payables, amount due to directors, amount due to subsidiary companies, lease liabilities, loan and borrowings less cash and cash equivalents.

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade payables	816,932	1,553,656	-	-
Other payables	2,661,497	2,321,883	151,342	145,388
Amount due to directors	-	5,999	-	5,999
Amount due to subsidiary companies	-	-	192,772	-
Lease liabilities	611,387	448,508	-	-
Loan and borrowings	37,389,357	33,144,955	-	-
Less: Cash and bank balances	(2,176,553)	(2,826,907)	(10,130)	(136,574)
Fixed deposits with a licensed bank	(234,839)	(307,273)	-	-
Net debt	39,067,781	34,340,821	333,984	14,813
Equity attributable to owners of the Company	82,897,186	76,797,228	25,637,066	26,152,494
Capital and net debt	121,964,967	111,138,049	25,971,050	26,167,307
Gearing ratio	32%	31%	1%	0%

40. COMPARATIVE FIGURES

The presentation and classification of items in current year's financial statements are consistent with the previous financial year and the following comparative figures which have been reclassified to conform with current year's presentation and to reflect appropriately the nature of the transaction:

Group

	As previously classified RM	Reclassi-fication RM	As reclassified RM
Consolidated Statement of Profit or Loss For financial year ended 31 December 2021			
Revenue	23,690,301	1,633,140	25,323,441
Other operating income	6,612,433	(1,633,140)	4,979,293
Cost of sales	(12,000,298)	(250,933)	(12,251,231)
Administrative expenses	(5,035,956)	(738,351)	(5,774,307)
Other operating expenses	(1,874,057)	989,284	(884,773)

STATISTIC OF SHAREHOLDINGS
AS AT 04 APRIL 2023

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	-	1,460

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of Issued share capital
Less than 100	93	6.37	3,799	0.00
100 - 1,000	215	14.73	98,979	0.04
1,001 - 10,000	546	37.40	3,114,944	1.24
10,001 - 100,000	469	32.12	17,556,644	6.97
100,001 to less than 5% of issued shares	135	9.25	93,250,810	37.00
5% and above of issued shares	2	0.14	137,974,824	54.75
	1,460	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

		No. of ordinary shares held			
	Name	Direct	%	Indirect	%
1	Pang Wee See	113,152,861	44.90	7,161,520*	2.84
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+	44.90
5	Ng Kok Ann	-	-	-	-
6	Wee Swee Cheng	-	-	-	-
7	Yee Oii Pah @ Yee Ooi Wah	6,824,320	2.71	113,152,861^	44.90

* Deemed interested by virtue of the shareholdings of 6,824,320 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

^ 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 2023

	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)	7,708,500	3.06
5	YEE OII PAH @ YEE OOI WAH	6,337,120	2.51
6	LEE WAI SUM	4,877,100	1.94
7	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHENG LING (7002620)	4,657,600	1.85
8	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE WAI SUM	4,078,500	1.62
9	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING (MY4178)	2,971,100	1.18
10	TAN SHERN TZER	2,809,000	1.11
11	NG CHIN HENG	2,100,000	0.83
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	MAH LAI SEIN	1,491,600	0.59
16	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAMESH KUMAR A/L NADASON (7005613)	1,447,200	0.57
17	LOW KHAR MING	1,280,000	0.51
18	OON LAY KIM	1,230,000	0.49
19	WEE KA SIONG	1,210,800	0.48
20	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHENG LING (6000009)	1,100,000	0.44
21	HING FOH PAWNSHOP SDN. BHD.	1,000,000	0.40
22	LEE YEW FAI	1,000,000	0.40
23	YAP KOK LIM	900,000	0.36
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	NG WEI HANN	650,000	0.26
30	YEE DE-SHENG	638,752	0.25
		204,853,369	81.29

LIST OF PROPERTIES
AS AT 31 DECEMBER 2022

The following are the properties held by the Group as at 31 December 2022:

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 31.12.2022 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	16,500	Single storey detached factory with an annexed three storey office building	26	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	900	Double storey semidetached factory	42	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	7,750	Single storey detached factory with an integral three storey office building	4	42,996
H.S.(D) 153813, PT 74007, Mukim Kapar, Daerah Klang, Selangor	Freehold Land & Building (Assets held for investments)	65,326	17,500	Single storey semi-detached warehouse with an annexed three and a half storey office building	3	46,482
H.S.(D) 153814, PT 74008, Mukim Kapar, Daerah Klang, Selangor	Freehold Land & Building (Assets held for investments)	65,326	17,500	Single storey semi-detached warehouse with an annexed three and a half storey office building	3	46,482
H.S.(D) 153071, PT 74817, Mukim Kapar, Daerah Klang, Selangor	Freehold land (Assets held for investments)	47,512	6,000	Single storey semi-detached warehouse with an annexed three and a half storey office building (under construction)	-	39,471
H.S.(D) 153072, PT 74818, Mukim Kapar, Daerah Klang, Selangor	Freehold land (Assets held for investments)	47,512	6,000	Single storey semi-detached warehouse with an annexed three and a half storey office building (under construction)	-	39,471
Lot No. B12-A @ KIIP Kapar 2, Mukim Jeram, Daerah Kuala Langat, Selangor (Date of acquisition: 31 March 2022)	Freehold land (Assets held for investments)	141,393	6,633	Vacant land (under construction)	-	-
Lot No. BBR3-i10/06, Mukim Kapar, Daerah Klang, Selangor (Date of acquisition: 17 August 2022)	Freehold land (Assets held for investments)	125,292	1,764	Vacant land (under construction)	-	-

LIST OF PROPERTIES
AS AT 31 DECEMBER 2022 (CONT'D)

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 31.12.2022 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	3,900	Triple storey shophouse	29	5,161

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 31.12.2022 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	600	1½ storey Shophouse	22	7,040
H.S.(D) 23144, PTD 38519, Mukim and District of Kluang, Johor.	Freehold Building (Assets held for investments)	1,540	250	1½ storey Shophouse	24	2,156
H.S.(D) 14153, PTD 32881, Mukim and District of Kluang, Johor.	Freehold Building (Assets held for investments)	1,540	440	Double storey shophouse	27	3,080
PTD 42334, Mukim and District of Kluang, Johor.*	Freehold Building (Operational assets held for owner occupation)	7,700	340	Double storey semidetached factory	20	4,675
PTD 42336, Mukim and District of Kluang, Johor.*	Freehold Building (Operational assets held for owner occupation)	7,700	340	Double storey semidetached factory	20	4,675
H.S.(D) 299221, PTD 78237, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	530	Double storey shop office	18	3,080
H.S.(D) 299222, PTD 78238, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	530	Double storey shop office	18	3,080
H.S.(D) 299223, PTD 78239, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	530	Double storey shop office	18	3,080
H.S.(D) 299224, PTD 78240, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	530	Double storey shop office	18	3,080

LIST OF PROPERTIES
AS AT 31 DECEMBER 2022 (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 31.12.2022 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	760	Single storey terrace factory	33	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 31.12.2022 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	540	Double storey shophouse	29	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	540	Double storey shophouse	29	2,640

LIST OF PROPERTIES
AS AT 31 DECEMBER 2022 (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 31.12.2022 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	580	Double storey shop office	10	3,740
GRN 370209, Lot 122668, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	580	Double storey shop office	10	3,740
GRN 370210, Lot 122669, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	580	Double storey shop office	10	3,740
GRN 370211, Lot 122670, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	580	Double storey shop office	10	3,740
GRN 370212, Lot 122671, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	580	Double storey shop office	10	3,740
GRN 178731, Lot 57697, Mukim Pelentong, Daerah Johor Bahru, Johor.	Freehold Building (Operational assets held for owner occupation)	2,400	1,200	Double storey shop office	30	4,800

A summary of the land and building owned by Tan Tech-Polymer Sdn. Bhd. is set out below: -

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2022 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	1,000	One and a half storey semidetached factory	6	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	1,250	One and a half storey semidetached factory	6	3,400

Note:-
The properties were revalued on 31 December 2022. 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

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PROXY FORM

BRITE-TECH BERHAD
Registration No. 200101014455 (550212-U)
(Incorporated in Malaysia)

No. of shares held	CDS Account No.

Shareholder's Mobile No.	Email Address

I/We ....

of ....
being 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-Second Annual General Meeting of the Company, to be conducted fully virtual via Online Meeting Platform at https://bit.ly/3My21m4 provided by Niche & Milestones International Sdn Bhd on Friday, 2 June 2023 at 10.00 a.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 2022		
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 2022		
3.	To approve the payment of Directors' fees and benefits up to RM550,000.00 from 1 January 2023 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. Ng Kok Ann		
5.	Mr. Wee Swee Cheng		
	To re-elect the following Directors who are retiring pursuant to Clause 110 of the Constitution of the Company, and being eligible, offer themselves for re-election :-		
6.	Madam Lee See Bee		
7.	Madam Tan Ching Shim		
8.	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.		
	Special Business		
9.	**Ordinary Resolution** - To authorise the Directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act, 2016.		
10.	**Special Resolution** - 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 ………………. 2023

……………………………………………….
Signature/Common Seal of Shareholder(s)

Notes :
1. The Company's Twenty-Second Annual General Meeting ("**22nd 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 22nd 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 in 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.
7. Only a depositor whose name appears on the Record of Depositors as at 25 May 2023 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.

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.

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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

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Fold This Flap For Sealing

BRITE-TECH BERHAD

Registration No. 200101014455 (550212-U)