BRITE-TECH BERHAD (550212-U)

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ANNUAL REPORT 2009

BRITE-TECH BERHAD
(550212-U)

ANNUAL REPORT ‘09

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Ninth Annual General Meeting of **Brite-Tech Berhad** will be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan 3/155B, 57000 Kuala Lumpur on Tuesday, 11 May 2010 at 9.30 a.m. to transact the following business :-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2009 together with the Reports of the Directors and Auditors thereon. ***Please refer to Note 1***

2. To declare a final single tier dividend of 0.48 sen per ordinary share in respect of the financial year ended 31 December 2009. ***(Resolution 1)***

3. To approve the payment of Directors' fees for the financial year ended 31 December 2009. ***(Resolution 2)***

4. To re-elect the following Directors who are retiring by rotation, pursuant to Article 96 of the Articles of Association of the Company, and being eligible, offer themselves for re-election :-

   a) Mr. Chan Ah Kien ***(Resolution 3)***
   b) Dr. Seow Pin Kwong ***(Resolution 4)***
   c) Ir. Koh Thong How ***(Resolution 5)***

5. To re-appoint S. F. Yap & Co as auditors of the Company and to authorise the Directors to fix their remuneration ***(Resolution 6)***

SPECIAL BUSINESS

6. To consider and, if thought fit, pass with or without modification, the following ordinary resolution:- ***(Resolution 7)***

   Authority pursuant to Section 132D of the Companies Act, 1965 for the Directors to issue shares

   "THAT pursuant to Section 132D of the Companies Act, 1965, 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."

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

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that the final single tier dividend of 0.48 sen per ordinary share in respect of the financial year ended 31 December 2009, if approved by the shareholders, will be paid on 8 June 2010 to shareholders whose names appear in the Register of Depositors at the close of business on 25 May 2010. A Depositor shall qualify for dividend entitlement only in respect of:-

a) Shares transferred into Depositor's Securities Account before 4.00 p.m. on 25 May 2010 in respect of ordinary transfers;

b) Shares bought on the Bursa Malaysia Securities Bhd. ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

By order of the Board

Yip Siew Yoong (MAICSA 0736484)
Leong Siew Kit (MACS 01215)
Company Secretaries

Kuala Lumpur
16 April 2010

Notes:

1. *The Agenda No. 1 is meant for discussion only as the provision of Section 169(1) of the Companies Act, 1965 does not require a formal approval of shareholders and hence, is not put forward.*

2. *A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

3. *Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.*

4. *The instrument of appointing a proxy shall be in writing under the hand of the appointer or his/her 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.*

5. *The instrument appointing a proxy must be deposited at the Registered Office at 17 & 19, 2nd Floor, Jalan Brunei Barat, 55100 Kuala Lumpur, not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof.*

6. *Explanatory Note on Special Business – Ordinary Resolution 7*

   The Ordinary Resolution 7 under Special Business is proposed to seek for a renewal of general authority pursuant to Section 132D of the Companies Act, 1965, 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 authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

   As at the date of this notice, no new shares in the Company were issued pursuant to the general authority given to the Directors for issuance of shares pursuant to Section 132D of the Companies Act, 1965 at the Eighth Annual General Meeting held on 11 May 2009 and which will lapse at the conclusion of the Ninth 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

a) Directors standing for re-election at the Ninth Annual General Meeting of the Company

The Directors who are retiring by rotation, pursuant to Article 96 of the Company's Article of Association and seeking re-election are as follows:

- Chan Ah Kien (Executive Director)
- Dr. Seow Pin Kwong (Independent Non-Executive Director)
- Ir. Koh Thong How (Non-Executive Director)

Further details of the Directors who are standing for re-election at the Ninth Annual General Meeting are set out in the Directors' Profile on pages 6 to 9 of the Annual Report and information on their shareholdings are listed on page 78 of the Annual Report.

b) Details of attendance of Directors at Board Meetings

Five (5) Board meetings were held during the financial year from 1 January 2009 to 31 December 2009. Details of 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
Chan Ah Kien	Executive Director	4/5
Kan King Choy	Executive Director	5/5
Ir. Koh Thong How	Non-Executive Director (Engineering)	5/5
Dr. Seow Pin Kwong	Independent Non-Executive Director	5/5
Cheng Sim Meng	Independent Non-Executive Director	4/5
Ng Kok Ann	Independent Non-Executive Director	5/5

c) Date, Time and Place of the Ninth Annual General Meeting

The Ninth Annual General Meeting of Brite-Tech Berhad will be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan 3/155B, 57000 Kuala Lumpur on Tuesday, 11 May 2010 at 9.30 a.m.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	Designation
PANG WEE SEE	Executive Chairman
TAN BOON KOK	Executive Director
CHAN AH KIEN	Executive Director
KAN KING CHOY	Executive Director
IR. KOH THONG HOW	Non-Executive Director (Engineering)
DR. SEOW PIN KWONG	Independent Non-Executive Director
CHENG SIM MENG	Independent Non-Executive Director
NG KOK ANN	Independent Non-Executive Director
YEE OII PAH @ YEE OOI WAH	Alternate Director to Pang Wee See

AUDIT COMMITTEE

Name	Designation	Directorship
DR. SEOW PIN KWONG	Chairman	Independent Non-Executive Director
CHENG SIM MENG	Member	Independent Non-Executive Director
NG KOK ANN	Member	Independent Non-Executive Director

COMPANY SECRETARIES

Yip Siew Yoong (MAICSA 0736484)
Leong Siew Kit (MACS 01215)

REGISTERED OFFICE

17 & 19, 2nd Floor
Jalan Brunei Barat, Pudu
55100 Kuala Lumpur
Tel.: 03-2142 6689
Fax: 03-2142 7301

AUDITORS

S. F. Yap & Co.
17 & 19, Jalan Brunei Barat,
Off Jalan Pudu,
55100 Kuala Lumpur

STOCK EXCHANGE LISTING

ACE Market of
Bursa Malaysia Securities Berhad

SHARE REGISTRAR

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

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad
Malayan Banking Berhad

DIRECTORS' PROFILE

PANG WEE SEE

Pang Wee See, a Malaysian, aged 58, is the Executive Chairman of BTECH. He 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 BCSB in 1980. He left Federal Rubber Products in 1984 to manage BCSB and later expanded to set up HCSB, RCSB, SLSB, SLJSB and SLPSB. As a founder of the Group, with his excellent entrepreneurial skills and more than 25 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 is also a Director of BCSB, HCSB, SLSB, SLJSB, SLPSB, RCSB, BSSB, ROSB, and SUSB and also sits on the Board of other private companies. He also sits on the Board of Yayasan Maha Karuna, a charity organization.

Mr. Pang 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 2009.

TAN BOON KOK

Tan Boon Kok, a Malaysian, aged 52, was appointed to the Board on 25 May 2002 as an Executive Director. 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 BCSB in 1983 as Sales Executive and later was promoted to Sales Manager in 1986. He has been with the Group for more than 20 years. He is also a Director of BCSB, HCSB, SLSB, SLJSB, SLPSB, RCSB, BSSB, ROSB and SUSB.

He does not have any family relationship with other Directors and/or major shareholder of the Company and has no conflict of interest with the Company. 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 2009.

CHAN AH KIEN

Chan Ah Kien, a Malaysian, aged 47, was appointed to the Board on 25 May 2002 as an Executive Director. He co-founded HCSB in 1987 and has been with the Group for more than 20 years. He had his education in Temerloh, Pahang and completed his Sijil Pelajaran Malaysia (SPM) in 1981. He built his experience since 1981 and rose through the ranks from technician, operations, marketing and to management level, involving in industrial wastewater treatment and scheduled waste disposal. He has accumulated more than 20 years experience in industrial wastewater treatment and over the years with HCSB, he is also exposed to new advance treatment technology through close working relationship with leading overseas wastewater treatment companies in USA and Europe. He is also a Director of BCSB, HCSB, SLSB, SLJSB, SLPSB, RCSB, BSSB, ROSB and SUSB.

He does not have any family relationship with other Directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted for any offences in the past ten (10) years. He attended four (4) out of five (5) Board meetings of the Company held during the financial year ended 31 December 2009.

DIRECTORS' PROFILE (Cont'd)

KAN KING CHOY

Kan King Choy, a Malaysian, aged 48, was appointed to the Board as an Executive Director on 25 May 2002. He joined SLSB as a Manager of the laboratory in 1990 and has been with the Group for more than 15 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 and is a member of the Association of Official Analytical Chemists (AOAC). He is also a Director of BCSB, HCSB, SLSB, SLJSB, SLPSB, RCSB, BSSB, ROSB and SUSB.

He does not have any family relationship with other Directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted for any offences in the past ten (10) year. He attended all five (5) Board meetings of the Company held during the financial year ended 31 December 2009.

IR. KOH THONG HOW

Ir. Koh Thong How, a Malaysian, aged 55, was appointed to the Board as Non-Executive Director (Engineering) on 25 May 2002. He received a Technician Diploma from Singapore Polytechnic in 1977 and subsequently pursued his studies in United Kingdom to obtain a Bachelor of Science degree in Civil Engineering (Honours) from University of Dundee in 1980. He then furthered his studies in Asian Institute of Technology, Thailand to obtain his Master of Engineering degree in Structural Engineering and Construction in 1982. He started his career with Jurutera Konsultant (SEA) Sdn Bhd as Design Engineer in 1982 and later moved to S Chan Project Consultancy Services Sdn Bhd as Senior Engineer and was there until 1995. Thereafter he became the Technical Director (Civil and Structural) of Murray North (M) Sdn Bhd. In 1998, he left the company to venture into his own business, KP Perunding (Civil and Structural Consulting Engineers). He was admitted as a Corporate Member of the Institution of Engineers Malaysia ("IEM") in 1986 and was the Honorary Treasurer of IEM (Southern Branch) for 1988-89, 89-90 and 90-91 sessions and the Honorary Secretary of IEM (Southern Branch) for 1991-92, 92-93 and 93-94 sessions. He was registered as a Professional Engineer (Malaysia) in 1988. Since 1995, Ir. Koh Thong How has been providing advice as the engineering advisor for HCSB.

Ir. Koh 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 attended all five (5) Board meetings of the Company held during the financial year ended 31 December 2009.

DR. SEOW PIN KWONG

Dr. Seow Pin Kwong, a Malaysian, aged 69, was appointed to the Board on 25 May 2002 as an Independent Non-Executive Director. He graduated from University of Malaya with a Bachelor of Science degree in Chemistry in 1967. He began his career as a teacher and subsequently pursued his studies in France to obtain a doctorate degree in Macromolecular Sciences. Upon completion of his studies, he served as a lecturer with Mara Institute of Technology in 1974 and then joined the Rubber Research Institute of Malaya ("RRIM") as Research Officer in 1975. He was seconded to Malaysian Rubber Producers' Research Association ("MRPRA") from 1979 to 1981 as Research Scientist and returned to RRIM in 1981. He was promoted to Senior Research Officer in 1984 and retired from RRIM in 1995 to join Thong Fook Plastics Industries as General Manager/Technical Adviser of Research and Development until 1997. He also served as the Senior Technical Manager of MI Pipes (M) Sdn Bhd.

He does not have any family relationship with other Directors and/or major shareholder of the Company and has no conflict of interest with the Company. 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 2009. He is currently the Chairman of the Audit Committee of the Company.

DIRECTORS' PROFILE (Cont'd)

CHENG SIM MENG

Cheng Sim Meng, a Malaysian, aged 57, was appointed to the Board on 25 May 2002 as an Independent Non-Executive Director. He is a Chartered Insurer and is a Fellow of the Chartered Insurance Institute (UK), Fellow of the Malaysian Insurance Institute, Associate of the India Insurance Institute, Associate of the Chartered Institute of Arbitrators (UK), Associate of the Malaysian Institute of Management, Fellow of the Singapore Insurance Institute and armed with a Masters degree in Business Administration from Universiti Putra Malaysia and holds various certificates in accounting. He was Associate of the Insurance Brokers Association of Malaysia and Member of the Malaysian Institute of Directors.

He has been in the insurance industry for more than thirty years handling all aspects of general and life insurance in the areas of management, marketing, underwriting, claims, finance, investment, accounts and statistics, credit control, reinsurance, broking, net-working and distribution, training and leadership roles. He started his career as a clerk with a life insurance company (1972-1974) and thereafter a credit controller in an general insurance company (1974-1975). He joined a local insurance company in 1975 as an accounts assistant. He assumed the position of Manager of an insurance broking company in 1978. Subsequently, he ventured into business of an insurance agency from 1982 and has remained so until 2001. Subsequently, he was an Assistant General Manager (Commercial Lines Management) with a local insurance company.

Since 1982, Mr. Cheng is involved on a part-time basis in education. He lectures and acts as course leader with the Malaysian Insurance Institute on various courses and training aspects, public seminars and conferences as well as lectures in TAR college, private institutes and colleges and financial institutions.

He does not have any family relationship with other Directors and/or major shareholder of the Company and has no conflict of interest with the Company. He has not been convicted for any offences in the past ten (10) years. He attended four (4) out of five (5) Board meetings of the Company held during the financial year ended 31 December 2009. He is also a member of the Audit Committee of the Company.

NG KOK ANN

Ng Kok Ann, a Malaysian, aged 36, was appointed to the Board on 21 January 2009 as an Independent Non-Executive Director. 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. 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 and has no conflict of interest with the Company. 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 2009. He is also a member of the Audit Committee of the Company.

DIRECTORS' PROFILE (Cont'd)

MADAM YEE OII PAH @ YEE OOI WAH

Yee Oii Pah @ Yee Ooi Wah, a Malaysian, aged 56, 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.

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.

Note:

BTECH	-	Brite-Tech Berhad or the Company or the Group
BCSB	-	Brite-Tech Corporation Sdn. Bhd.
HCSB	-	Hooker Chemical Sdn. Bhd.
RCSB	-	Rank Chemical Sdn. Bhd.
SLSB	-	Spectrum Laboratories Sdn. Bhd.
SLJSB	-	Spectrum Laboratories (Johore) Sdn. Bhd.
SLPSB	-	Spectrum Laboratories (Penang) Sdn. Bhd.
BSSB	-	Brite-Tech (Sabah) Sdn. Bhd.
ROSB	-	Renown Orient Sdn. Bhd.
SUSB	-	Sincere United Sdn. Bhd.

EXECUTIVE CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Brite-Tech Berhad, I am pleased to present the Annual Report and Financial Statements of the Group for the financial year ended 31 December 2009.

FINANCIAL REVIEW

For the financial year ended 31 December 2009, the Group recorded a decrease in revenue to RM17.486 million as compared to RM18.928 million in the previous financial year while the Group's profit before tax decreased to RM1.908 million from RM2.077 million in the previous financial year. The decrease in the Group's revenue and profit before tax was attributed to the competitive market conditions and impairment losses.

ECONOMIC AND INDUSTRY OUTLOOK

The Malaysian economy is expected to benefit from stabilising global economic conditions, augmented by fiscal measures and accommodative monetary policy. Gross domestic product ("GDP") growth is forecast to turn around to 2.0% - 3.0% (2009: -3.0%) driven by domestic demand, particularly the private expenditure and supported by expected recovery in external demand. The broad-based recovery with positive contribution from all sectors in the economy is expected to raise nominal per capita Gross National Product by 2.5% to RM24,661 (2009: -6.7%; RM24,055).

Growth in the services sector is anticipated to expand 3.6% in 2010 with a higher share of 58.5% to GDP (2009: 2.1%; 57.9%), emanating from favourable performance in the communication, finance and insurance, wholesale and retail trade as well as real estate and business services sub-sectors. Recovery in trade-related activity is expected to further enhance growth in the transport and storage as well as utilities sub-sectors. Prospects for the services sector are expected to remain favourable, as the Government continues to intensify its effort in developing the sector as the key driver of growth.

Value-added of the manufacturing sector is expected to rebound 1.7% (2009: -12.1%). Export-oriented industries are expected to benefit from the recovery of global trade, while domestic-oriented industries expand in line with better consumer sentiment and business confidence. The electrical and electronics industry is expected to turn around driven by higher demand for electronic equipment and parts as well as semiconductors. The resource-based industry is envisaged to grow steadily attributed to improved demand of petroleum, chemical, rubber and plastic products.

(Source: Economic Report 2009/2010; Ministry of Finance)

PRODUCT DEVELOPMENT AND RESEARCH & DEVELOPMENT

The Group's research and development (R&D) activities form an integral part of the Group's engineering studies and are continually on-going processes. The R&D expenditure on new product development for the financial year ended 31 December 2009 has been minimal while the financial impact on the future R&D allocation for new product development is also expected to be immaterial.

EXECUTIVE CHAIRMAN'S STATEMENT (Cont'd)

CORPORATE DEVELOPMENTS

The Company had on 11 May 2009 announced that the shareholders of the Company had approved the resolution on the proposed restricted issue of up to 36,880,000 new BTECH Shares representing up to 12.77% of the enlarged issued and paid-up share capital in the Company to Bumiputera investors ("Proposed Restricted Bumiputra Issue") at the Extraordinary General Meeting convened on 11 May 2009.

MIMB Investment Bank Berhad ("MIMB"), on behalf of the Company, had on 28 May 2009 requested for the Ministry of International Trade and Industry ("MITI") to recommend a list of Bumiputra investors to subscribe for the Proposed Restricted Bumiputra Issue to comply with the 30% Bumiputera equity participation requirement.

MIMB, on behalf of the Company, had on 22 July 2009 applied to the Securities Commission ("SC") to extend the deadline up to 5 August 2010 to comply with the Bumiputera equity condition and to reduce the Bumiputera equity condition from 30% to 12.5% of its enlarged issued and paid-up capital, in line with the liberalization of the Foreign Investment Committee's Guidelines announced on 30 June 2009.

Subsequently, the SC had vide its letter dated 10 August 2009 extended the timeframe up to 28 May 2010 for the Company to allocate 12.5% of its enlarged issued and paid-up capital to Bumiputra investors recognized by MITI. In addition, the Company/MIMB is required to provide the SC with quarterly reports on the progress of the allocation process by MITI. In the event that the BTECH shares are not fully taken up by Bumiputera investors or where MITI is unable to allocate the said shares within a period of one (1) year from the date of application to the MITI, the Company shall be deemed to have complied with the Bumiputera equity condition.

PROSPECTS

The Group expects the year ahead to remain challenging in light of the current global economic conditions. 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 financial year ending 31 December 2010.

DIVIDENDS

As recognition of your continuous support, the Board of Directors is pleased to recommend a final single tier dividend of 0.48 sen per share for the approval of shareholders at the forthcoming Annual General Meeting.

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
16 April 2010

CORPORATE GOVERNANCE STATEMENT

The Board of Directors ("Board") of the Company 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 of Corporate Governance and the relevant provisions of the Bursa Securities Listing Requirements. 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.

1. THE BOARD

a) Composition of the Board

The Board currently consists of eight (8) members, comprising an Executive Chairman, three (3) Executive Directors, one (1) Non-Executive Director (Engineering) and three (3) Independent Non-Executive Directors.

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.

b) Board Meetings

The Board meets every quarter and additional meetings are held as and when necessary. The Board met five (5) times during the year ended 31 December 2009. Details of each Director's attendance at Board meetings are set out in the Statement Accompanying Notice of Annual General Meeting.

c) Supply of Information

The Board assumes the following responsibilities:-

- 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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

1. THE BOARD (CONT'D)

c) Supply of Information (Cont'd)

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, Listing Rules of the Bursa Securities or other regulatory requirements. The removal of the Company Secretary shall be a matter for the Board as a whole.

d) Retirement and Re-election of Directors

In accordance with the Company's Articles of Association, at least one third of the Directors shall retire by rotation from office at least once in every three (3) years and offer themselves 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.

e) Directors' Training

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

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. During the financial year ended 31 December 2009, the seminars and training courses attended by the Directors are as follows:

Directors	Seminar/Training Course Attended
Pang Wee See	Corporate Governance Guide – Towards Boardroom Excellence Bursa Malaysia Technical Briefing: New Regulatory Framework and the ACE Market Listing Requirements.
Tan Boon Kok	Corporate Governance Guide – Towards Boardroom Excellence
Chan Ah Kien	Corporate Governance Guide – Towards Boardroom Excellence Bursa Malaysia Evening Talk on "A Turning Point For Corporate Governance"
Kan King Choy	Corporate Governance Guide – Towards Boardroom Excellence Bursa Malaysia Technical Briefing: New Regulatory Framework and the ACE Market Listing Requirements.
Ir. Koh Thong How	Corporate Governance Guide – Towards Boardroom Excellence
Dr. Seow Pin Kwong	Corporate Governance Guide – Towards Boardroom Excellence
Cheng Sim Meng	Corporate Governance Guide – Towards Boardroom Excellence
Ng Kok Ann	Workshop on Practical Auditing National Seminar on Taxation Latest Development on Transfer Pricing in Malaysia
Yee Oii Pah @ Yee Ooi Wah	Corporate Governance Guide – Towards Boardroom Excellence

CORPORATE GOVERNANCE STATEMENT (Cont'd)

2. 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.

The aggregate remuneration of the Directors during the financial year ending 31 December 2009 is as follows:

	Executive Directors RM	Non-Executive Directors RM
Salary and other emoluments	838,656	–
Fees	276,000	28,500
Total	**1,114,656**	**28,500**

The number of directors whose aggregate remuneration during the financial year ending 31 December 2009 which falls within the following bands is as follows:

Band of Remuneration	Executive Directors	Non-Executive Directors
RM 50,000 and below	–	4
RM 50,001 – RM100,000	–	–
RM100,001 – RM150,000	–	–
RM150,001 – RM200,000	–	–
RM200,001 – RM250,000	3	–
RM250,001 and above	1	–

The Board do not consider it appropriate to disclose the remuneration of each individual Director so as to preserve a degree of privacy.

3. BOARD COMMITTEES

a) Audit Committee

The composition and the terms of reference of the Audit Committee are set out in the Audit Committee Report on Page 17 of this Annual Report.

b) Remuneration Committee

The present members of the Remuneration Committee are as follows:

Chairman:	DR. SEOW PIN KWONG	(Independent Non-Executive Director)
Members:	CHENG SIM MENG	(Independent Non-Executive Director)
	KAN KING CHOY	(Executive Director)

The Committee's roles include making recommendations to the Board on the remuneration framework for Executive Directors of the Group as well as reviewing and recommending annual remuneration adjustments of the Executive Directors, 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 STATEMENT (Cont'd)

3. BOARD COMMITTEES (CONT'D)

c) Nomination Committee

The present members of the Nomination Committee are as follows:

Chairman:	DR. SEOW PIN KWONG	(Independent Non-Executive Director)
Members:	CHENG SIM MENG	(Independent Non-Executive Director)
	KAN KING CHOY	(Executive Director)

The 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 and experience.

4. ACCOUNTABILITY AND AUDIT

a) Financial Reporting

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 and the quality of the financial reporting.

b) Internal Control

The Board acknowledges its responsibility for the Group's system of 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;
- regular internal audits to monitor compliance with policies, procedures, external regulations and assess integrity of financial information.

These are covered in more detail in the "Statement of Internal Controls" in Pages 20 and 21.

c) Relationship with the Auditors

The Board has established a transparent 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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

5. RELATIONSHIP WITH SHAREHOLDERS

The Board maintains an effective 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;

b) various announcements made to the Bursa Securities, which includes announcement on quarterly results;

In addition, the Annual General Meeting ("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.

6. STATEMENT OF COMPLIANCE WITH THE CODE

The Group endeavours, in so far as it is applicable, towards achieving compliance with the best practices of good governance to the recommendations of the Malaysian Code on Corporate Governance.

7. 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.

In ensuring the preparation of these financial statements, the Directors have:-
- adopted suitable accounting policies and apply them consistently;
- made judgments and estimates that are reasonable and prudent;
- 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 1965 and Bursa Securities Listing Requirements.

AUDIT COMMITTEE REPORT

1. INTRODUCTION

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

Chairman:	DR. SEOW PIN KWONG	Independent Non-Executive Director
Members:	CHENG SIM MENG	Independent Non-Executive Director
	NG KOK ANN	Independent Non-Executive Director

2. TERMS OF REFERENCE

a) Composition of Audit Committee

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

The members of the Audit Committee shall elect a Chairman from amongst its members who shall be an Independent Non-Executive Director. The Board of Directors must review the term of office and performance of the Audit Committee and each of its members at least once every three years 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 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 Committee.

Notwithstanding the above, the 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 assumption; 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 senior staff members of the internal audit function; and
- inform itself of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.

(ix) To consider any related party transactions that may arise within the Company or the Group;

(x) To consider the major findings of internal investigations and the management's response;

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

AUDIT COMMITTEE REPORT (Cont'd)

3. SUMMARY OF ACTIVITIES

The Audit Committee held four (4) meetings during the financial year ended 31 December 2009. The details of their meetings are as follows:

Name	Designation	Attendance
DR. SEOW PIN KWONG	Independent Non-Executive Director	4/4
CHENG SIM MENG	Independent Non-Executive Director	3/4
NG KOK ANN	Independent Non-Executive Director	4/4

The activities of the Audit Committee during the financial year ended 31 December 2009 include the following:

(i) review the Group's year end audited financial statements presented by the external auditors and recommend the same to the Board for approval;

(ii) review the quarterly financial result announcements;

(iii) review audit plan of external auditors;

(iv) review related party transactions within the Group;

(v) review the scope of work and audit plan of the internal audit consultants for 2009 as well as review the internal audit reports issued, which covered amongst others, areas such as project management, quality assurance, purchasing, inventory management, human resource management, safety & health and investor relationship;

(vi) review the effectiveness of the Group's system of internal control;

(vii) review the Company's compliance with Bursa Securities Listing Requirements, Malaysian Accounting Standards Board and other relevant legal and regulatory requirements; and

(viii) consider and recommend to the Board for approval the audit fees payable to external auditors.

4. INTERNAL AUDIT FUNCTION

The Group has outsourced its Internal Audit function to an external independent internal audit service provider to advise and assist the Audit Committee in the Internal Audit functions of the Group within the framework as directed by the Audit Committee, which is in accordance with Bursa Securities "Statement on Internal Control: Guidance for Directors of Public Listed Companies". The internal audit activities during the financial year covered amongst others, areas such as sales and marketing, credit control and collection, financial reporting, purchases and payment, inventory management, quality assurance, managing customers' satisfaction, fraud risk assessment, safeguard of fixed assets, health and safety management and environmental management.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") is committed to maintain and ensure that a sound system of internal control exists and operates effectively within the Group of Companies and is pleased to provide this statement outlining the nature and scope of internal control of the Group during the financial year pursuant to Paragraph 15.27(b) of the Listing Requirements of Bursa Malaysia Securities Bhd and compliance with Section 167A of the Companies Act, 1965.

BOARD RESPONSIBILITIES

The Board acknowledges its responsibility and reaffirms its commitment in recognising the importance of effective system of internal control and risk management practices to enhance good corporate governance. In this respect the Board is responsible for identifying principal risks, ensuring the implementation of appropriate systems to manage these risks and reviewing the adequacy and integrity of the Group's systems of internal control. The system of internal control covers inter alia, governance, risk management, financial organisation, operational and compliance control However, the Board recognises that this system is designed to manage and control risk appropriately rather than eliminate the risks of failure to achieve business objectives. Accordingly, these systems can only provide reasonable, but not absolute assurance against material misstatement of management and financial information and, records or against financial losses or fraud.

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the financial statements is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to mitigate and control these risks.

RISK MANAGEMENT AND INTERNAL AUDIT FUNCTION

Risk management is embedded in the Group's management systems. The Board together with the Audit Committee has established an on-going process for identifying, evaluating and managing the significant risks faced by the Group and this process includes updating of the system of internal controls when there are changes to business environment or regulatory guidelines. The process is regularly reviewed by the Board and accords with the guidelines for directors on internal control, the Statement on Internal Control: Guidance for Directors of Public Listed Companies.

The Group's Internal Audit function is outsourced to external consultants to assist the Board and Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system, the scope of the review of the outsourced internal audit function is determined by the Audit Committee with feedback from Executive Management.

In this respect, internal audits are carried out in accordance with the audit plan approved by the Board and focuses on the identified areas of risks with priority towards the management of the significant risks impacting the achievement of the business objectives of the Group. The internal controls are established after considering the overall control environment of the Group. The systems are designed to achieve proper balance between risks undertaken and the potential returns to shareholders. The Group adopts an enterprise wide risk management policy. This policy framework has since identified and managed the significant risks affecting the Group as a whole taking into consideration both the internal and external factors.

The costs incurred for the outsourced internal audit function for the financial year ended 31 December 2009 amounted to RM36,000.

STATEMENT ON INTERNAL CONTROL (Cont'd)

KEY INTERNAL CONTROL PROCESSES

The Board has considered the system of internal control in operation during the financial year and some of the key elements include the following:

- Periodic Board and management meetings to review financial performance and business operations of the Group to ensure that they are in line with the corporate objectives, strategies and annual budget;
- A comprehensive annual budget prepared for the Group is reviewed and approved by the Board.
- Management accounts/reports are prepared and the actual performance compared with the budget is reviewed on a monthly basis with detailed explanation of any major variances;
- Board Committees, namely the Audit Committee, Remuneration and Nomination Committee have been established with defined terms of reference;
- A management organisation structure with clearly defined lines of responsibilities and appropriate levels of delegation and authority;
- Standard operating Procedures for the ISO/IEC 17025 for the analytical laboratory services business of the Group is documented; internal quality audits are carried out by the management and surveillance audits are conducted semi-annually by a certification body to provide assurance of compliance with the ISO;
- There are proper guidelines within the Group for hiring and termination of staff, formal training programmes for staff, annual or semi-annual performance appraisals and other relevant procedures in place to ensure that staff are competent and adequately trained in carrying out their responsibilities;
- Through the internal audit process, the effectiveness of the internal control procedures are subject to continuous assessment, reviews and improvements;
- Continuous reviews on established systems to ensure compliance with policies, plans, procedures and regulations which have a material impact to the Company and the Group's operations and well-being;
- The Audit Committee reviews the quarterly financial results, annual report, audited financial statements, Group's risk profile and internal control issues identified by the External Auditors, Internal Auditors and the management; and
- The internal audit function reviews the adequacy and integrity of the system of internal control. The internal audit function reports its findings to the Audit Committee on quarterly basis. During the financial year, some areas of improvement to internal control were identified and addressed. Nevertheless, the identified weaknesses in the internal control have not resulted in any losses and/or require further disclosure in this Statement.

CONCLUSION

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the financial statements is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

The Board also recognises that the systems of internal control must continuously improve in line with the growth of the Group and evolving business environment. Therefore, the Board is committed to put in place adequate plans, where necessary, to continuously improve the Group's system of internal control.

OTHER COMPLIANCE INFORMATION

1. **Utilisation of Proceeds**

The proceeds from the initial public offering ("IPO") pursuant to the Company's prospectus dated 28 June 2002 have been fully utilised during the financial year ended 31 December 2005. Since the said IPO, the Company has not undertaken any equity fund raising exercise.

2. **Share Buyback**

During the financial year, the Company did not enter into any share buyback transaction.

3. **Options, Warrants or Convertible Securities**

During the financial year, no option, warrants or convertible securities were issued by the Company.

4. **American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme**

During the financial year, the Company did not sponsor any American Depository Receipt (ADR) or Global Depository Receipt (GDR) programme.

5. **Sanctions and/or Penalties**

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

6. **Non-Audit Fees**

There were no non-audit fees paid to the external auditors by the Group for the financial year.

7. **Profit Estimates, Forecast or Projection**

There was no profit estimate, forecast or projection issued by the Company and/or its subsidiaries for the financial year.

8. **Variation of Results**

There was no significant variance between the results for the financial year ended 31 December 2009 as per the audited financial statements and the unaudited results previously announced.

9. **Profit Guarantee**

There was no profit guarantee issued by the Company and/or its subsidiaries for the financial year.

10. **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 2009.

11. **Revaluation Policy on Landed Properties**

The Group does not have a revaluation policy on landed properties.

12. **Recurrent Related Party Transaction of Revenue Nature**

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

13. **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 2009.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services to subsidiary companies. The principal activities of the subsidiary companies are as set out in Note 5 in the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit after taxation for the financial year	1,023,827	2,300,429
Attributable to:		
Shareholders of the Company	1,057,997	2,300,429
Minority interest	(34,170)	–
	1,023,827	2,300,429

DIVIDEND

A final gross dividend comprising 0.17 sen per share, less tax at 25%, amounting to RM 321,298 and 0.29 sen per share, tax exempt, amounting to RM 730,798 in respect of the financial year ended 31st December 2008 was paid on 8th June, 2009 to the shareholders whose name appear in the Register of Depositors at the close of business on 25th May, 2009.

The Directors proposed a final single tier dividend of 0.48 sen per share amounting to RM 1,209,600 in respect of the financial year ended 31 December 2009 subject to the approval of members at the forthcoming Annual General Meeting.

The financial statements for the current 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 profits in the next financial year ending 31 December 2010. The book closure and the payment dates for the dividend entitlement will be determined at a later date.

MOVEMENTS ON RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

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

The Group and the Company did not issue any debentures during the financial year.

DIRECTORS' REPORT (Cont'd)

DIRECTORS OF THE COMPANY

Directors who served on the Board of the Company since the date of the last report are as follows :

PANG WEE SEE
TAN BOON KOK
CHAN AH KIEN
KAN KING CHOY
IR. KOH THONG HOW
DR. SEOW PIN KWONG
CHENG SIM MENG
YEE OII PAH @ YEE OOI WAH (F) *(Alternate director to Pang Wee See)*
NG KOK ANN

In accordance with Article 96 of the Company's Articles of Association, MR CHAN AH KIEN, DR. SEOW PIN KWONG and IR. KOH THONG HOW retires by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interest of Directors in office at the end of the financial year in the ordinary shares of the Company are as follows :

	Number of ordinary shares of RM0.10 each			
Shares in the Company Direct interest	**Balance At 1/1/2009**	**Bought**	**Sold**	**Balance At 31/12/2009**
PANG WEE SEE	113,152,861	–	–	113,152,861
TAN BOON KOK	24,821,963	–	–	24,821,963
CHAN AH KIEN	25,213,147	–	–	25,213,147
KAN KING CHOY	10,215,841	–	–	10,215,841
IR. KOH THONG HOW	487,200	–	–	487,200
DR. SEOW PIN KWONG	305,760	–	–	305,760
YEE OII PAH @ YEE OOI WAH *(Alternate director to Pang Wee See)*	487,200	–	–	487,200

By virtue of their interests in the shares of the Company, all the above directors are also deemed to be interested in the shares of all the subsidiary companies to the extent that the Company has an interest.

Other than disclosed above, none of the directors in office at the end of the financial year held any interest in shares in any related corporations.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than those included in the aggregate amount of emoluments received or due and receivable by the Directors shown in 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 he is a member, or with a company in which he has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits through the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REPORT (Cont'd)

BAD AND DOUBTFUL DEBTS

Before the income statements and the balance sheets were made out, the Directors took reasonable steps to ascertain that action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the income statements and the balance sheets were made out, the Directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to realize in the ordinary course of business their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected to realize.

At the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

a) 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
b) any contingent liability 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 affect the liability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements which would render any amounts stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year ended 31st December 2009 were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

DIRECTORS' REPORT (Cont'd)

EVENTS SUBSEQUENT TO BALANCE SHEET DATE

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which the report is made.

OPTIONS

No options has been granted during the year ended covered by the income statement to take up unissued shares of the Group and of the Company.

AUDITORS

The retiring auditors, MESSRS S.F.YAP & CO., have indicated their willingness to be re-appointed as auditors in accordance with section 172(2) of the Companies Act, 1965.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors

PANG WEE SEE
Director

KAN KING CHOY
Director

Kuala Lumpur
12 April 2010

STATEMENT OF DIRECTORS

PURSUANT TO SUB-SECTION (15) OF SECTION 169 OF THE COMPANIES ACT, 1965

The Directors of **BRITE-TECH BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements of the Group and of the Company are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2009 and of the results of their operations and cash flows of the Group and of the Company for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the Directors,

PANG WEE SEE
Director

KAN KING CHOY
Director

Kuala Lumpur
12 April 2010

STATUTORY DECLARATION

PURSUANT TO SUB-SECTION (16) OF SECTION 169 OF THE COMPANIES ACT, 1965

I, **CHANG KOK FAI**, the Officer primarily responsible for the financial management of **BRITE-TECH BERHAD**, do solemnly and sincerely declare that the accompanying financial statements of the Group and of the Company are to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala Lumpur)
in the State of Federal Territory)
on this 12th day of April 2010)

CHANG KOK FAI

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BRITE-TECH BERHAD (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **BRITE-TECH BERHAD**, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 31 to 77.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

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

OPINION

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards in Malaysia, the MASB Approved Accounting Standards in Malaysia for Entities other than Private Entities and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2009 and of their financial performance and cash flows for the year then ended.

INDEPENDENT AUDITORS' REPORT (Cont'd)

TO THE MEMBERS OF BRITE-TECH BERHAD (Incorporated in Malaysia)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

b) We have considered the financial statements and auditors' reports of the subsidiary companies, of which we have not acted as auditors, as mentioned under note 5 to the financial statements, being financial statements that have been included in the consolidated financial statements.

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

d) Our audit reports on the accounts of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER MATTERS

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

S.F. YAP & CO.
NO. AF 0055
CHARTERED ACCOUNTANTS

YAP SHIN SIANG
NO. 2439/01/10(J)
CHARTERED ACCOUNTANT

Kuala Lumpur,
12 April 2010

BALANCE SHEETS

AS AT 31 DECEMBER 2009

		Group		Company	
	Note	2009 RM	2008 RM	2009 RM	2008 RM
PROPERTY, PLANT AND EQUIPMENT	2	8,310,574	9,092,412	37,108	47,441
INVESTMENT PROPERTIES	3	1,605,471	1,605,471	–	–
PREPAID LAND LEASE PAYMENT	4	2,705,567	2,750,154	–	–
INVESTMENTS IN SUBSIDIARY COMPANIES	5	–	–	18,852,449	18,852,449
INVESTMENTS IN JOINT VENTURES ENTITY	6	–	–	–	502,100
OTHER INVESTMENT	8	152,100	–	152,100	–
DEVELOPMENT EXPENDITURE	9	–	163,963	–	–
DEFERRED TAX ASSETS	10	8,738	–	–	–
GOODWILL ON CONSOLIDATION	11	4,568,052	5,218,052	–	–
TOTAL NON-CURRENT ASSETS		17,350,502	18,830,052	19,041,657	19,401,990
CURRENT ASSETS					
Inventories	12	2,211,571	2,513,692	–	–
Trade receivables	13	4,886,986	6,033,783	–	–
Other receivables, deposits and prepayments	14	539,610	324,085	1,311,083	3,687
Tax recoverable		225,737	471,422	17,366	–
Amount due from subsidiary companies	15	–	–	3,911,327	4,881,774
Amount due from related company		30,000	–	30,000	–
Fixed deposits with licensed banks	30	8,015,599	5,989,460	2,097,224	1,169,965
Cash and bank balances	16	1,881,709	1,172,682	128,673	91,668
		17,791,212	16,505,124	7,495,673	6,147,094
CURRENT LIABILITIES					
Trade payables	17	1,651,983	1,378,898	–	–
Other payables and accruals	18	901,777	950,551	80,763	87,331
Borrowings	19	585,852	994,090	–	–
Amount due to subsidiary companies	15	–	–	–	231,124
Amount due to directors	20	141,660	65,497	2,008	2,849
Provision for taxation		172,813	113,497	–	21,554
		3,454,085	3,502,533	82,771	342,858
NET CURRENT ASSETS		14,337,127	13,002,591	7,412,902	5,804,236
		31,687,629	31,832,643	26,454,559	25,206,226

BALANCE SHEETS (Cont'd)

AS AT 31 DECEMBER 2009

		Group		Company	
		2009	2008	2009	2008
	Note	RM	RM	RM	RM
CAPITAL AND RESERVES					
SHARE CAPITAL	21	25,200,000	25,200,000	25,200,000	25,200,000
RESERVES	22	5,366,507	5,360,606	1,249,559	1,226
SHAREHOLDERS' EQUITY		30,566,507	30,560,606	26,449,559	25,201,226
MINORITY INTEREST		643,397	740,567	–	–
TOTAL EQUITY		31,209,904	31,301,173	26,449,559	25,201,226
LONG TERM AND DEFERRED LIABILITIES					
Deferred tax liabilities	23	440,655	447,243	5,000	5,000
Borrowings	19	37,070	84,227	–	–
		31,687,629	31,832,643	26,454,559	25,206,226

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
REVENUE	24	17,485,617	18,928,050	3,844,896	2,926,757
Cost of sales		(8,985,089)	(9,799,881)	–	–
GROSS PROFIT		8,500,528	9,128,169	3,844,896	2,926,757
Interest income		169,095	146,247	41,096	30,564
Other operating income		342,433	148,610	–	–
Administrative and other operating expenses		(7,036,380)	(7,280,075)	(1,566,522)	(1,479,364)
Finance costs		(67,763)	(66,023)	(23)	(99)
NET PROFIT BEFORE TAXATION	25	1,907,913	2,076,928	2,319,447	1,477,858
Taxation	27	(884,086)	(643,955)	(19,018)	(391,301)
NET PROFIT AFTER TAXATION FOR THE YEAR		1,023,827	1,432,973	2,300,429	1,086,557
Attributable to:					
Shareholders of the Company		1,057,997	1,422,165	2,300,429	1,086,557
Minority interest		(34,170)	10,808	–	–
		1,023,827	1,432,973	2,300,429	1,086,557
EARNINGS PER ORDINARY SHARE (SEN)	28	0.42	0.56		
DIVIDENDS PER ORDINARY SHARE (SEN)	34	0.48	0.46	0.48	0.46

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Issued and fully paid ordinary shares of RM0.10 each RM	Non-distributable share premium RM	Distributable unappropriated profits RM	Total RM	Minority interest RM	Total equity RM
Group							
Balance as at 1 January 2008		15,000,000	8,019,296	6,976,951	29,996,247	729,759	30,726,006
Issue of bonus share capital		10,200,000	(8,019,296)	(2,180,704)	–	–	–
Net profit for the year		–	–	1,422,165	1,422,165	10,808	1,432,973
Dividends - Final dividends for financial year ended 31 December 2007		–	–	(857,806)	(857,806)	–	(857,806)
Balance as at 31 December 2008		25,200,000	–	5,360,606	30,560,606	740,567	31,301,173
Net profit for the year		–	–	1,057,997	1,057,997	(34,170)	1,023,827
Dividends - Final dividends for financial year ended 31 December 2008	34	–	–	(1,052,096)	(1,052,096)	–	(1,052,096)
Dividends paid to minority shareholders		–	–	–	–	(63,000)	(63,000)
Balance as at 31 December 2009		25,200,000	–	5,368,251	30,568,251	643,397	31,211,648

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Issued and fully paid ordinary shares of RM0.10 each RM	Non-distributable share premium RM	Distributable unappropriated profits RM	Total RM
Company					
Balance as at 1 January 2008		15,000,000	8,019,296	1,953,179	24,972,475
Issue of bonus share capital		10,200,000	(8,019,296)	(2,180,704)	–
Net profit for the year		–	–	1,086,557	1,086,557
Dividends - Final dividends for financial year ended 31 December 2007		–	–	(857,806)	(857,806)
Balance as at 31 December 2008		25,200,000	–	1,226	25,201,226
Net profit for the year		–	–	2,300,429	2,300,429
Dividends - Final dividends for financial year ended 31 December 2008	34	–	–	(1,052,096)	(1,052,096)
Balance as at 31 December 2009		25,200,000	–	1,249,559	26,449,559

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

CASH FLOW STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit before taxation		1,907,913	2,076,928	2,319,447	1,477,858
Adjustments for:					
Gain on disposal of property, plant and equipment		(2,625)	(20,350)	–	–
Depreciation on property, plant and equipment		799,127	792,383	10,333	10,334
Property, plant and equipment written off		21,592	9,074	–	–
Interest income		(169,095)	(146,247)	(41,096)	(30,564)
Interest expenses		67,763	66,023	23	99
Bad debts written off		128,449	229,850	–	–
Allowance for doubtful debts		127,662	225,061	–	–
Amortisation of prepaid lease payment		44,587	44,587	–	–
(Gain)/loss on disposal of joint venture entity		(199,170)	–	150,000	–
Impairment of goodwill		650,000	200,000	–	–
Gain on disposal of other investments		–	(20,848)	–	–
Share of loss for Joint Venture Entity		18,866	–	–	–
Asset held for sale written off		–	11,198	–	–
Recovery from write down inventories		(24,828)	–	–	–
Dividend income		–	–	(2,508,896)	(1,506,757)
Unrealised loss on foreign exchange		5	–	–	–
Write-down of inventories		8,553	214,818	–	–
Operating profit/loss before changes in working capital		3,378,799	3,682,477	(70,189)	(49,030)
Changes in working capital					
Development expenditure		–	(75,326)	–	–
inventories		318,396	41,624	–	–
Trade and other receivables		645,157	361,585	940,447	306,391
Trade and other payables		82,122	(301,768)	(238,533)	111,259
Cash generated from operations		4,424,474	3,708,592	631,725	368,620
Interest paid		(67,763)	(66,023)	(23)	(99)
Income tax refund		196,719	354,743	–	1,259
Income tax paid		(791,131)	(276,038)	(26,438)	(376,909)
Net cash flow from operating activities		3,762,299	3,721,274	605,264	(7,129)

CASH FLOW STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	Group 2009 RM	Group 2008 RM	Company 2009 RM	Company 2008 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceed from disposal of joint venture entity, net of cash disposed (Note A)		195,463	–	200,000	–
Investment in joint venture entities		–	–	–	(250,002)
Interest received		169,095	146,247	41,096	30,564
Purchase of property, plant and equipment	29	(300,279)	(447,655)	–	(3,970)
Proceeds from disposal of property, plant and equipment		64,532	24,550	–	–
Proceeds from disposal of other investment		–	40,848	–	–
Dividend received		–	–	1,170,000	1,506,757
Net cash flow generated from / (used in) investing activities		128,811	(236,010)	1,411,096	1,283,349
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(44,543)	(61,301)	–	–
Dividend paid to minority shareholders		(63,000)	–	–	–
Dividend paid to shareholders of the Company		(1,052,096)	(857,806)	(1,052,096)	(857,806)
Net cash flow used in financing activities		(1,159,639)	(919,107)	(1,052,096)	(857,806)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,731,471	2,566,157	964,264	418,414
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		7,016,465	4,450,308	1,261,633	843,219
CASH AND CASH EQUIVALENTS AT END OF YEAR	30	9,747,936	7,016,465	2,225,897	1,261,633

CASH FLOW STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

Note A

Analysis of disposal of joint venture entity

The assets and liabilities of joint venture entity disposed were as follows:-

Group	**RM**
Property, plant and equipment	199,491
Development expenditure	163,963
Remaining cost of investment reclassified to Other Investment	(152,100)
Cash and cash equivalents	4,537
Net current liabilities	(215,061)
	830
Gain on disposal of Joint Venture	199,170
Proceed from disposal of joint venture entity	200,000
Less: Cash and cash equivalents of joint venture disposed	(4,537)
Cash inflow on disposal of joint venture entity	195,463

Company	**RM**
Cost of investment	350,000
Less: Loss on disposal of joint venture entity	(150,000)
Cash inflow on disposal of joint venture entity	200,000

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 DECEMBER 2009

A. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies and comply with the provisions of the Companies Act, 1965 and Financial Reporting Standards, the Malaysian Accounting Standards Board ("MASB") Approved Accounting Standards in Malaysia for Entities Other than Private Entities.

The preparation of the financial statements in conformity with the MASB Approved Accounting Standards in Malaysia for Entities Other than Private Entities 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 revenues and expenses during the reported period. It also requires Directors to exercise their judgment in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results could differ from those estimates.

B. CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSS

(i) Standards and Interpretations in issue but not yet effective

At the date of authorisation for issue of these financial statements, the following FRSs amendments to FRSs and Issues Committee Interpretations ("IC Interpretations") were in issue but not yet effective and have not been applied by the Company:

FRSs, amendments to FRSs and IC Interpretations		**Effective for financial periods beginning on or after**
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 1 and FRS 127	Amendments to FRS 1 First-time Adoption of Financial Reporting Standards and FRS 127 Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2010
Amendments to FRS 2	Share-based Payment-Vesting Conditions and Cancellations	1 January 2010
Amendments to FRS 2	Share-based Payment	1 July 2010
FRS 3	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2010
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 7	Amendments to FRS 139 Financial Instruments: Recognition and Measurement, FRS 7 Financial Instruments: Disclosures and IC Interpretation 9 Reassessment of Embedded Derivatives	1 January 2010
FRS 8	Operating Segments	1 July 2009
Amendments to FRS 8	Operating Segments	1 January 2010
FRS 101	Presentation of Financial Statements	1 January 2010

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

B. CHANGES IN ACCOUNTING POLICIES AND EFFECTS ARISING FROM ADOPTION OF NEW AND REVISED FRSS (CONT'D)

(i) Standards and Interpretations in issue but not yet effective (Cont'd)

FRSs, amendments to FRSs and IC Interpretations		Effective for financial periods beginning on or after
FRS 123 and Amendment to FRS 123	Borrowing Costs	1 January 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2: Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010

Amendment to FRSs contained in the document titled "Improvements to FRSs (2009)" 1 January 2010 or 1 July 2010. Consequential amendments were also made to various FRS as a result of these new/revised FRSs.

All of the above new/revised FRSs, amendments to FRSs and IC Interpretations are effective for periods beginning on or after 1 January 2010 or 1 July 2010 except for FRS 8 which is effective for annual financial statements for period beginning on or after 1 July 2009.

By virtue of the exemption provided in paragraph 103AB of FRS 139 and paragraph 44AB of FRS 7, the impact of applying FRS 139 and FRS 7 on the financial statements of the Group and of the Company upon initial application of these standards as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed.

The Company plan to adopt the remaining above mentioned FRSs/ Amendments/Interpretations from annual period beginning on 1 January 2010 or 1 July 2010 except for Amendment to FRS 2, FRS 4, IC Interpretation 13, 14 and 15 which are not applicable to the Company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

C. BASIS OF CONSOLIDATION

The Group financial statements consolidate the audited financial statements of the Company and all of its subsidiary companies which have been prepared in accordance with the Group's accounting policies.

The subsidiary companies are consolidated using the purchase method. Under the purchase method, the results of subsidiary companies acquired or disposed of during the year are included in the consolidated income statement from the date on which control is transferred to the Group and are no longer consolidated from the date control ceases.

At the acquisition date, the fair values of the subsidiary net assets are determined and these values are reflected in the consolidated financial statements. The difference between the cost the acquisition over the Group's share of fair value of the identifiable net assets of the subsidiary company acquired at the date of acquisition is reflected as goodwill.

The gain or loss on disposal of a subsidiary company is the difference between the net disposal proceeds and the Group's share of its net assets together with any unamortized balance of goodwill on acquisition and exchange differences.

All significant inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

Minority interests in the consolidated balance sheet consist of the minorities' share of the fair value of the identifiable assets and liabilities of the acquiree as at acquisition date and minorities' share of movements in the acquiree's equity since then.

D. PROPERTY, PLANT AND EQUIPMENT

The gross carrying amounts of property, plant and equipment are initially measured at cost. Land and buildings which have been subsequently revalued, are stated at valuation less accumulated depreciation and impairment losses, if any. All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item of it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated to write off the costs of the assets on a straight line basis over their estimated useful lives. The principal annual depreciation rates are as follows :

	%
Freehold buildings	1-2
Electrical fittings	5-10
Motor vehicles	10-25
Furniture and fittings, laboratory, office, store equipment and signboard	5-20
Demo equipment, research and development equipment and machinery	10
Renovation	10-20

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

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

Depreciation on plant in progress commences when the assets are ready for their intended use.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates.

At each balance sheet date, the Group assesses 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 H on impairment of assets.

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/ (loss) from operations. On disposal of revalued assets, amounts in revaluation reserve relating to those assets are transferred to retained earnings.

E. INVESTMENT PROPERTIES

Investment properties comprising principally land and buildings held for long term rental yields or for capital appreciation or both, and are not occupied by the Group. Investment properties are stated at fair value, representing open-market value determined annually by external valuers or assessed by 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. These valuations are reviewed annually by external valuers or as assessed by directors. Changes in fair values are recorded in the income statements as part of other income or other expenses.

On disposal of an investment property or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it shall be derecognized (eliminated from the balance sheet). The difference between that the net disposal proceeds and the carrying amounts is recognized in the income statement in the period of the retirement or disposal.

F. INVESTMENTS

Investments in subsidiaries, associates and joint venture entities are shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount.

(i) Subsidiary Companies

Subsidiary companies are those companies in which the Group has power to exercise control over the financial and operating policies so as to obtain benefits from their activities, generally accompanying a shareholding of more than half voting rights.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

F. INVESTMENTS (CONT'D)

(ii) Associated Companies

An associated company is a company in which the Group and the Company have a long term equity interest and where the Group and the Company is in a position to exercise significant influence over the financial and operating policies of the investee company, generally accompanying of between 20% and 50% of the voting rights.

The Company's investment in associated companies is stated at cost less impairment losses, if any.

Investment in associated companies are accounted for in the consolidated financial statements using the equity method. The Group's interests in associated companies are stated at cost plus adjustments to reflect changes in the Group's share of profits and losses in the associated companies. Equity accounting is discontinued when the carrying amount of the investment in the associated company reaches zero, unless the Group has incurred obligations or made payments on behalf of the associated companies.

The Group's share of results and reserves in the associated companies acquired or disposed of are included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal.

(iii) Joint Controlled Entities

Jointly controlled entities are corporations, partnerships, and other entities over which there is contractually agreed sharing of control by the Group with one or more parties where the strategic financial and operating decisions relating to the entities require unanimous consent of the parties sharing control.

The Group's interest in jointly controlled assets and liabilities arising from its joint venture arrangements have been accounted for in the financial statements using the line-by-line reporting format for the proportionate consolidation.

The Group recognizes the portion of gains and losses on the sale of assets by the Group to the joint venture that is attributable to the other venturers. The Group does not recognizes its share of profits or losses from the joint venture that result from purchase of assets by the Group from the joint venture until it resells the assets to an independent party. However, a loss on the transactions is recognized immediately if the loss provides evidence of a reduction in the net realizable value of current assets or an impairment loss.

Where necessary, adjustments have been made to the financial statements of jointly controlled entities to ensure consistency of accounting policies with the Group.

(iv) Other Investment

Investments in other non-current investments are stated at cost and an allowance for diminution is made where, in the opinion of the Directors, there is a decline other than temporary, in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged/ credited to the income statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

G. DEVELOPMENT EXPENDITURE

Costs that are directly associated with the development of projects which will ultimately produce Carbon Emission Reductions ('CERs') and qualify for capitalization and recognition are categorized as development expenditure. It must be probable that the related costs will generate future economic benefits and that amount capitalized are clearly identifiable and allocated to specific projects. Costs include the Clean Development Mechanism ('CDM') expenses like preparation of Project Design Documents ('PDDs'), stakeholders meeting, validation, monitoring, verification and related consulting fees.

Capitalized development expenditure is measured at cost less accumulated amortization and impairment losses, if any. Development expenditure initially recognized as an expenses are not recognized as assets in the subsequent period.

The development expenditure is amortized based on the product's economic benefits consumed by the Company over a period of not exceeding 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written off to its recoverable amount.

H. IMPAIRMENT OF ASSETS

The carrying amount of the Group's and Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for that asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statement, a reversal of that impairment loss is also recognised in the income statement.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

I. INVENTORIES

Inventories comprising raw materials, finished goods and laboratory supplies are valued at the lower of cost and net realizable value after making due allowance for any obsolete or slow-moving items.

Cost is determined on a first-in-first-out basis and comprise purchase price plus cost incurred in bringing the inventories to present location. Cost of finished goods and work-in-progress includes raw materials, labour and an appropriate proportion of production overheads. It excludes borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

J. RECEIVABLES

Receivables are carried at book value as reduced by the appropriate allowances for estimated irrecoverable amounts. Allowance for doubtful debts is made based on estimates of possible losses which may arise from non-collection of certain receivable accounts. Bad debts are written off in the year in which they are identified.

K. CASH AND CASH EQUIVALENTS

The Group and Company adopt the indirect method in the preparation of the cash flow statement. For the purpose of the cash flow statement, cash and cash equivalents comprise of cash in hand, bank balances, fixed deposits, bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Bank overdraft are included within borrowings in current liabilities on the balance sheet.

L. AMOUNT DUE FROM/TO CONTRACT CUSTOMERS

Amount due from contract customers is the net amount of cost incurred for contracts in progress plus attributable profit less progress billings and anticipated losses, if any. Contract cost incurred to date include:-

i) Costs directly related to the contract;

ii) Costs attributable to contract activity in general and can be allocated to the contract; and

iii) Other costs specifically chargeable to the customers under the terms of the contract.

Where progress billings exceed cost incurred plus attributable profit less foreseeable losses, the net credit balance on all such contracts is shown as amounts due to contract customers.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

M. LEASE PAYMENT

i) Finance Lease

Property, plant and equipment acquired by way of hire purchase or finance lease where the Group assumes substantially all the benefits and risks of ownership are classified as finance lease.

Finance lease are capitalized at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the lease principal outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability of each period.

Property, plant and equipment acquired under finance lease contracts is depreciated over the useful life of the asset. If there is no reasonable certainty that the ownership will be transferred to the Group, the asset is depreciated over the shorter of the lease term and its useful life.

ii) Operating lease

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.Lease of assets where significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating lease payments made under operating lease are charged to the income statement over the lease period.

In the case of a lease of land, the minimum lease payments or the up-front payments made represents prepaid land lease payments and are recognised on a straight-line basis over the lease term.

N INCOME TAXES

Current tax expense is determined according to the tax laws of each jurisdiction in which the Group operates and include all taxes based upon the taxable profits for the financial year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax liabilities and assets are provided for under the liability method at the current tax rate in respect of all temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base including unused tax losses and capital allowance.

A deferred tax asset is recognised only to the extent that is probable that taxable profit will be available against which the deductible temporary differences or unused tax losses can be utilized. The carrying amount of a deferred tax asset is reviewed at each balance sheet. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profit.

O. GOODWILL ON CONSOLIDATION

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

P. REVENUE RECOGNITION

(i) Trading income

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

(ii) Contract income

Revenue from contract income is recognised based on percentage of completion method over the period of contract for all systems integration projects where a fixed contract sum has been agreed up front. Full provision is made for foreseeable losses, if any.

(iii) Dividend income

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

(iv) Interest income

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

(v) Management fee

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

(vi) Rental income

Rental income is recognised when the rights to receive payment is establised.

Q. DIVIDENDS

Dividends on ordinary shares are recognised as liabilities when shareholders' right to receive the dividends is established.

R. FOREIGN CURRENCIES

Transactions in foreign currencies are recorded in Ringgit Malaysia at rates of exchange ruling at transaction dates. Outstanding balances as at the financial year end are reported at rates then ruling, unless hedged by forward foreign exchange contracts, in which case the rates specified in such forward contracts are used. Exchange differences arising therefrom are charged or credited to the income statement.

The closing rates used in translating the monetary assets and liabilities are as follows:-

	2008	2007
USD 1.00	RM 3.42	RM 3.51
SGD 1.00	RM 2.44	RM 2.45

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

S. FINANCIAL INSTRUMENTS

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

T. SEGMENT REPORTING

Segment reporting is presented for enhanced assessment of the Group's risks and returns. Business segments provide products or services that are subject to risk and returns that are different from those of other business segments.

Segment revenue, expense, assets and liabilities are those amounts resulting from the operating activities of a segment that are directly attributable to the segment and the relevant portion that can be allocated on a reasonable basis to the segment. Segment revenue, expense, assets and segment liabilities are determined before intragroup balances and intragroup transactions are eliminated as part of the consolidation process, except to the extent that such intragroup balances and transactions are between group enterprises within a single segment.

U. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by occurence or non-ocurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resourses will be required to settle the obligation. A contingent liability also arises in the extremely rare circumstances where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by occurence or non-ocurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

V. PAYABLES

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

W. EMPLOYEE BENEFITS

(i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and not monetary benefits are recognised as an expense in the financial year when employees have rendered their services to the Group.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when absences occur.

Bonus is recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined contribution plans

Obligations for contributions to defined contribution plan are recognised as an expense in the income statement as incurred once the contributions have been paid, the Group has no further payment obligations.

X. NON-CURRENT ASSET CLASSIFIED AS ASSETS HELD FOR SALE

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the assets (or disposal group) are available for immediate sale in its present condition and the sale is highly probable subject only to terms that are usual and customary.

On initial classification as held for sale, non-currents assets are measured at the lower of its carrying amount and fair value less costs to sell. Immediately before the initial classification of the assets as held for sale, the carrying amount of the assets (all the assets and liabilities of the disposal group) are measured in accordance with applicable FRSs.

An impairment loss is recognised for any initial or subsequent write-down of the disposal group to fair value less costs to sell. Subsequent increase in fair value less costs to sell its recognised as a gain in the income to the extent of the cumulative impairment loss that has been recognised previously.

Y. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

Estimates and judgements are continually evaluated by Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the cirrsumstances.

(a) Critical judgment made in applying accounting policy

There are no critical judgments made by management in the process of applying the Group's accounting policies that have the most significant effect on the amount recognised in these financial statements.

(b) Key sources of estimation uncertainty

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

Y. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

(b) Key sources of estimation uncertainty (Cont'd)

(i) Impairment on goodwill

The Group test goodwill for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this necessary.

Determining whether goodwill is impaired requires and estimation of the value-in-use of the Cash Generating Units ("CGU") to which goodwill has been allocated. The value-in-use calculation requires the entity to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Further details of the estimates used are disclosed in Note 11.

(ii) Estimation of income taxes

Income taxes are estimated based on the rules governed under Income Tax Act, 1967. Judgment is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which the outcome is known.

(iii) Depreciation of property, plant and equipment

The estimates of the residual values, useful lives and related depreciation charges for its property, plant and equipment is based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Company anticipates that the residual values of its property, plant and equipment to be insignificant. As a result, residual values have not been taken into consideration for the computation of depreciable amount.

The depreciation charge will increase when useful lives are less than those previously estimated.

(iv) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can utilised. This involves judgements regarding the future financial performance of the particular entity which the deferred tax assets has been recognised.

(v) Assessment of impairment of property, plant and equipment

The Group assess impairment of assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value in use ("VIU"). The VIU is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. Projected cash flows are estimated based on historical, sector and industry trends, general market and economic conditions and other available information.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2009

1. GENERAL INFORMATION

The principal activities of the Company are investment holding and provision of management services to subsidiary companies. The principal activities of the subsidiary companies are described in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

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

The address of the registered office of the Company is 2nd Floor, No. 17 & 19, Jalan Brunei Barat, Pudu, 55100 Kuala Lumpur, Malaysia.

The address of the principal place of business of the Company is Lot 14 (PT 5015), Jalan Pendamar 27/90, Seksyen 27, 40000 Shah Alam, Selangor, Malaysia.

The financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

2. PROPERTY, PLANT AND EQUIPMENT

i) Group

	Freehold land and buildings RM	Motor vehicles RM	Furniture and Fittings, laboratory, office, store equipment and signboard RM	Demo equipment, R and D equipment and machinery RM	Plant in progress RM	Electrical Fittings RM	Renovation RM	Total RM
Cost/Valuation								
Balance as at 1 January 2009	5,877,549	3,138,375	5,389,183	288,896	199,491	89,580	577,852	15,560,926
Additions	–	52,132	194,941	–	–	1,195	52,011	300,279
Disposal	–	(116,612)	–	–	–	–	–	(116,612)
DIsposal of joint venture entity	–	–	–	–	(199,491)	–	–	(199,491)
Written off	–	–	(473,880)	–	–	–	–	(473,880)
Balance as at 31 December 2009	5,877,549	3,073,895	5,110,244	288,896	–	90,775	629,863	15,071,222
Accumulated Depreciation								
Balance as at 1 January 2009	366,838	2,110,456	3,367,580	184,336	–	52,715	386,589	6,468,514
Charges for the financial year	51,668	260,030	406,173	30,452	–	4,651	46,153	799,127
Disposal	–	(54,705)	–	–	–	–	–	(54,705)
Written off	–	–	(452,288)	–	–	–	–	(452,288)
Balance as at 31 December 2009	418,506	2,315,781	3,321,465	214,788	–	57,366	432,742	6,760,648

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

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

i) Group (Cont'd)

	Freehold land and buildings RM	Motor vehicles RM	Furniture and Fittings, laboratory, office, store equipment and signboard RM	Demo equipment, R and D equipment and machinery RM	Plant in progress RM	Electrical Fittings RM	Renovation RM	Total RM
Net Carrying Amount								
As at 31 December 2009	5,459,043	758,114	1,788,779	74,108	–	33,409	197,121	8,310,574
As at 31 December 2008	5,510,711	1,027,919	2,021,603	104,560	199,491	36,865	191,263	9,092,412
Depreciation For Year Ended								
31 December 2008	51,668	271,348	376,054	37,968	–	5,587	49,758	792,383

ii) Company

	Renovation RM	Furniture and fittings, laboratory, office and store equipment RM	Total RM
Cost			
Balance as at 1 January 2009	64,382	38,954	103,336
Additions	–	–	–
Balance as at 31 December 2009	64,382	38,954	103,336
Accumulated Depreciation			
Balance as at 1 January 2009	37,162	18,733	55,895
Charge for the financial year	6,437	3,896	10,333
Balance as at 31 December 2009	43,599	22,629	66,228
Net Carrying Amount			
At 31 December 2009	20,783	16,325	37,108
At 31 December 2008	27,220	20,221	47,441
Depreciation For Year Ended			
31 December 2008	6,438	3,896	10,334

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

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

The freehold land and buildings and the leasehold land of the Group were revalued based on independent valuation reports in 2001, 2002 and 2004 carried out by Messrs Colliers, Jordan Lee & Jaafar Sdn. Bhd., Colliers, Jordan Lee & Jaafar (S) Sdn. Bhd., Colliers, Jordan Lee & Jaafar (PG) Sdn. Bhd. and Colliers, Jordan Lee & Jaafar (JH) Sdn. Bhd., registered independent firms of professional valuers, where the properties were valued using the fair value market basis.

The Directors have not adopted a policy of regular revaluation of such property assets. As permited under the transitional provision of FRS 116 "Property, Plant and Equipment", these assets continue to be stated at their valuation less accumulated depreciation.

The fair value of the land and buildings as the end of the financial year was determined by the directors based on internal valuation which reasonably reflect market conditions of similar properties as the balance sheet date.

Had the revalued assets been carried at cost less accumulated depreciation, the carrying amounts would have been as follows:

The Group	Cost RM	Accumulated depreciation RM	Net Carrying Amount RM
2009			
Freehold land and buildings	3,655,527	353,208	3,302,319
2008			
Freehold land and buildings	3,655,527	330,417	3,325,110

Details of assets under finance lease agreements:

	Group 2009 RM	Group 2008 RM
Motor vehicles		
- net book value at year end	53,551	64,816

Net book value of assets pledged as security for bank borrowings:

	2009 RM	2008 RM
Freehold land and buildings	406,090	416,090

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

3. INVESTMENT PROPERTIES

	Group	
	2009	**2008**
	RM	**RM**
At valuation		
Freehold land and buildings	1,605,471	1,605,471

Investment properties with carrying amounts of RM 420,696 (2008: RM 420,696) have been charged to a financial institution for credit facilities granted to the Group.

The investment properties of the Group were revalued based on independent valuation report in 2001 carried out by Messrs Colliers, Jordan Lee & Jaafar Sdn. Bhd., Colliers, Jordan Lee & Jaafar (S) Sdn. Bhd., Colliers, Jordan Lee & Jaafar (PG) Sdn. Bhd. and Colliers, Jordan Lee & Jaafar (JH) Sdn. Bhd., registered independent firms of professional valuers, where the properties were valued using the fair value market basis.

The fair value of the land and buildings as the end of the financial year was determined by the directors based on internal valuation which reasonably reflect market conditions of similar properties as the balance sheet date.

4. PREPAID LAND LEASE PAYMENT

	Group	
	2009	**2008**
	RM	**RM**
Carrying amount at beginning of the year	2,750,154	2,794,741
Amortisation charge	(44,587)	(44,587)
Carrying amount at end of the year	2,705,567	2,750,154
Analysed as:		
Long term leasehold land	2,705,567	2,750,154

The leasehold land were revalued by the Directors based on valuations carried out by professional valuers to reflect open market value for existing use. As allowed by the transitional provisions of FRS 117, where the leasehold land had been previously revalued, the unamortised revalued amount of leasehold land is retained as the surrogate cost of prepaid lease payment and is amortised over the remaining lease term of the leasehold land.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

5. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2009 RM	2008 RM
Unquoted shares - at cost	18,852,449	18,852,449

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

Name of Company	Principal activities	Effective interest 2009	Effective interest 2008
Brite-Tech Corporation Sdn. Bhd.	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.	100%	100%
Hooker Chemical Sdn. Bhd.	To provide consultation, environmental impact studies, engineering design, construction, installation and commissioning of water purification, recycling and wastewater treatment systems.	100%	100%
Rank Chemical Sdn. Bhd.	To provide rental of portable ion-exchange resin columns and supply of institutional housekeeping chemicals, industrial maintenance chemicals and hotel amenities.	100%	100%
Spectrum Laboratories Sdn. Bhd.	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.	100%	100%
Spectrum Laboratories (Penang) Sdn. Bhd. (The Company holds 70.24% direct interest in Spectrum Laboratories (Penang) Sdn. Bhd., the remaining 29.76% is held indirectly through subsidiary Spectrum Laboratories Sdn. Bhd.)	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.	100%	100%

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

5. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	**Principal activities**	**Effective interest 2009**	**2008**
Spectrum Laboratories (Johore) Sdn. Bhd. (The Company holds 70.64% direct interest in Spectrum Laboratories (Johore) Sdn. Bhd., 14.68% is held indirectly through Brite-Tech Corporation Sdn. Bhd. and the remaining 14.68% is held indirectly through Hooker Chemical Sdn. Bhd.)	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.	100%	100%
Brite-Tech (Sabah) Sdn. Bhd.	The principal activities of the Company are provide integrated services in water and wastewater treatment, supply of water treatment related chemicals, treatment systems and equipment, supply of industrial and institutional chemicals, analytical laboratory and environmental monitoring services and other related business. The Company has ceased its operation during the year.	89%	89%
Renown Orient Sdn. Bhd.	To provide general trading, investment holdings, water treatment services and other related business. The Company has not commenced business operation since its incorporation date.	100%	100%
* Sincere United Sdn. Bhd.	To import and export chemical and other raw materials.	70%	70%
* Tan-Tech Polymer Sdn. Bhd.	To provide consultancy services and manufacturing of polymers and its related products.	60%	60%
Subsidiary company of Brite-Tech Corporation Sdn. Bhd.			
Cybond Chemical Sdn. Bhd.	To provide water treatment chemicals and provide other related services.	100%	100%

* *Companies not audited by S.F. Yap & Co.*

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

6. INVESTMENTS IN JOINT VENTURES ENTITY

	Company	
	2009 RM	2008 RM
Unquoted shares; at cost	–	502,100

Name of Company	Principal activities	Effective interest 2009	Effective interest 2008
Agro Venture Carbon Sdn. Bhd. (formerly know as Brite-Tech Venture Sdn. Bhd.)	To carry on the business of water and waste water treatment services, and related businesses and in particular, to undertake environmental projects under the Clean Development Mechanism of the Kyoto Protocol including co-composting projects; provide integrated services in water and wastewater treatment; supply of water treatment chemical, treatment systems and equipment; and other related business.	Nil	50%

The Group's share of income and expenses, assets and liabilities of the jointly ventures entity are as follows:

	2009 RM	2008 RM
Expenses	–	(250,692)
Share of loss after taxation	–	(250,692)
Non-current assets	–	363,454
Current assets	–	4,537
Current liabilities	–	(196,195)
Share of assets	–	171,796

On 9 December 2009, the Company had entered into a Sale Share Agreement to dispose of 350,000 shares of RM 1.00 each, representing 15% equity interest in Agro Venture Carbon Sdn. Bhd. ("the entity") for a total disposal consideration of RM 200,000 and a Call and Put Option Agreement ("CPOA") for disposal of 150,000 ordinary shares RM 1.00 rach, representing 15% of equity interest in entity for a total disposal consideration of RM 300,000. The salient features of the CPOA are stated in Note 35(B) of the financial statements.

The Company hold 150,000 shares of RM 1.00 each, representing 15% of equity interest as at 31 December 2009 and this amount had been reclassified as Other Investment during the year as disclosed in Note 8 in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

7. INVESTMENT IN ASSOCIATED COMPANY

The details of the associated company, which is incorporated in Malaysia, is as follow:

Name of Company	Principal activities	Effective interest 2009	Effective interest 2008
Hooker Chemical (Johore) Sdn. Bhd.	Dealing with water and wastewater treatment system. It has ceased business on 1 June 2001.	19%	19%

Recognition of further losses is discontinued for investment in Hooker Chemical (Johore) Sdn. Bhd. as the Group's share of losses exceeds the carrying amount of the investment.

8. OTHER INVESTMENT

	Group and Company	
	2009 RM	2008 RM
Unquoted shares; at cost	152,100	–

9. DEVELOPMENT EXPENDITURE

	Group	
	2009 RM	2008 RM
Cost		
At beginning of the year	163,963	88,637
Additions during the year	–	75,326
DIsposal of joint venture entity	(163,963)	–
At end of the year	–	163,963

Development expenditure principally comprise expenditure on development costs on major projects where it is reasonably anticipated that the costs will be recovered through future commercial activity.

No development expenditure has been amortised to income statement as the products are not ready for their intended use.

10. DEFERRED TAX ASSETS

	Group	
	2009 RM	2008 RM
At beginning of financial year	–	–
Recognised in the income statement	8,738	–
At end of financial year	8,738	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

10. DEFERRED TAX ASSETS (CONT'D)

The deferred tax assets are made up of the following:

	Group	
	2009	**2008**
	RM	**RM**
Property, plant and equipment		
The tax effect of the excess of property, plant and equipment's carrying value over its tax base	8,738	–
	8,738	–

11. INTANGIBLE ASSET - GOODWILL ON CONSOLIDATION

(a)

	Group	
	2009	**2008**
	RM	**RM**
Cost		
At beginning of the year	5,218,052	5,418,052
Impairment loss for the year	(650,000)	(200,000)
Net carrying amount as at end of the year	4,568,052	5,218,052

(b) The net carrying amounts of goodwill allocated to the Group's CGU are as follows:

	Group	
	2009	**2008**
	RM	**RM**
Manufacturing - CGU 1	2,170,144	2,170,144
Trading - CGU 2	2,397,908	3,247,908
	4,568,052	5,418,052

Impairment test on CGU 1 and CGU 2

The recoverable amounts of CGU 1 and 2 were determined based on value-in-use calculations using cash flow projections. Based on the calculations, there was impairment loss as the recoverable amounts of CGU 2 were lower than their carrying amounts as at the balance sheet date.

Value-in-use of CGU 1 and 2 was determined by discounting the future cash flows generated from the continuing use of CGU 1 and 2 based on the following assumptions:

(i) Pre-tax cash flow projections based on the most recent financial budgets approved by the Directors covering a 5-years period.

(ii) Pre-tax discount rate of 5.00% for CGU-1 and 2 were applied determining the recoverable amounts of CGU 1 and 2. These discount rates were estimated based on the respective CGU's weighted average cost of capital.

With regard to the assessment of value-in-use of CGU 1 and 2, management believe that no reasonably possible change in any of the above key assumptions would cause the carrying values of the units to materially exceed their recoverable amounts.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

12. INVENTORIES

	Group	
	2009 RM	2008 RM
At cost		
Laboratory supplies	82,405	112,665
Raw materials	1,066,615	1,253,014
Finished goods	1,056,398	1,131,379
Work - in - progress	12,153	16,634
	2,217,571	2,513,692

13. TRADE RECEIVABLES

	Group	
	2009 RM	2008 RM
Trade receivables	5,386,490	6,277,176
Less: Allowance for doubtful debts	(371,055)	(243,393)
Less: Bad debt written off	(128,449)	(229,850)
	4,886,986	6,033,783

The Group's normal credit term is 90 to 120 days. Other credit terms are assessed and approved on a case by case basis.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other receivables	405,124	178,781	–	–
Deposits	84,192	133,027	3,500	3,500
Prepayments	50,294	12,277	187	187
Dividend receivable from subsidiary companies	–	–	1,307,396	–
	539,610	324,085	1,311,083	3,687

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

15. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

The amount due from/(to) subsidiary companies represented trade and non-trade transactions which are unsecured, interest-free and have no fixed terms of repayment.

16. CASH AND BANK BALANCES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Cash in hand	36,185	48,772	3,956	3,980
Cash at bank	1,845,524	1,123,910	124,717	87,688
	1,881,709	1,172,682	128,673	91,668

17. TRADE PAYABLES

	Group	
	2009 RM	2008 RM
Trade payables	1,651,983	1,378,898

The credit terms of trade payables granted to the Group range from 60 to 90 days.

18. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Other payables	148,702	529,994	–	–
Accruals	751,135	395,237	80,763	87,331
Deposits received	1,940	25,320	–	–
	901,777	950,551	80,763	87,331

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

19. BORROWINGS

	Group 2009 RM	Group 2008 RM
Current liabilities		
Secured		
Bank overdraft	149,372	145,677
Bills payable	389,321	803,869
Finance lease liabilities	47,159	44,544
	585,852	994,090
Long term liabilities		
Secured		
Finance lease liabilities	37,070	84,227
Total borrowings		
Bank overdraft	149,372	145,677
Bills payable	389,321	803,869
Finance lease liabilities	84,229	128,771
	622,922	1,078,317

	Group 2009 %	Group 2008 %
Interest rates on the above are as follows:		
Bank overdraft	7.05	8.25
Bills payable	7.05	8.25
Finance lease liabilities	2.78-7.3	2.78-7.3

The banking facilities of the Group comprise term loan, bank overdraft, trade financing facilities, performance guarantee, and financial guarantee which are secured by:

- legal charge over the Group's certain land and buildings; and
- corporate guarantee by the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

19. BORROWINGS (CONT'D)

FINANCE LEASE LIABILITIES

	Group	
	2009 RM	2008 RM
Minimum lease payment		
- not later than one year	50,520	50,520
- later than one year and not later than five years	38,010	88,530
	88,530	139,050
Less: Future interest charges	(4,301)	(10,279)
Present value of finance lease liabilities	84,229	128,771
Current liabilities		
- not later than one year	47,159	44,544
Long term liabilities		
- later than one year and not later than five years	37,070	84,227
	84,229	128,771

There is no finance lease liabilities later than five years.

20. AMOUNT DUE TO DIRECTORS

The amount due to directors represent advance from directors which are unsecured, interest free and has no fixed term of repayment.

21. SHARE CAPITAL

	Group and Company	
	2009 RM	2008 RM
Ordinary shares of RM0.10 each:		
Authorised		
Balance brought forward	50,000,000	25,000,000
Created during the year	–	25,000,000
Balance carried forward	50,000,000	50,000,000
Issued and fully paid		
Balance brought forward	25,200,000	15,000,000
Bonus issue during the year	–	10,200,000
Balance carried forward	25,200,000	25,200,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

22. RESERVES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Distributable:				
Unappropriated profit	5,368,251	5,360,606	1,249,559	1,226
	5,368,251	5,360,606	1,249,559	1,226

23. DEFERRED TAX LIABILITIES

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
At beginning of financial year	447,243	425,438	5,000	5,200
Recognised in the income statement	(6,588)	21,805	–	(200)
Transfer to revaluation reserve	(1,744)	–	–	–
At end of financial year	438,911	447,243	5,000	5,000

The deferred tax liabilities are made up of the following:

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Property, plant and equipment				
The tax effect of the excess of property, plant and equipment's carrying value over its tax base	438,911	447,243	5,000	5,000
	438,911	447,243	5,000	5,000

24. REVENUE

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Management fee receivable	–	–	1,336,000	1,420,000
Dividend received and receivable	–	–	2,508,896	1,506,757
Contract fees	506,465	148,167	–	–
Trading sales and services	16,979,152	18,779,883	–	–
	17,485,617	18,928,050	3,844,896	2,926,757

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

25. PROFIT BEFORE TAXATION

i)

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Profit before taxation is arrived at -				
After charging:-				
Impairment of goodwill	650,000	200,000	–	–
Allowance for doubtful debts	127,662	225,061	–	–
Amortisation of prepaid lease payment	44,587	44,587	–	–
Assets held for sale written off	–	11,198	–	–
Auditors' remuneration	44,584	41,900	8,475	3,000
Bad debts written off	128,449	229,850	–	–
Depreciation on property, plant and equipment	799,127	792,383	10,333	10,334
Directors' remuneration:				
- Salaries	1,105,196	1,214,508	838,656	838,656
- Fees	304,500	295,500	304,500	295,500
Interest expenses:				
- Finance lease interest	2,909	2,211	–	–
- Bank overdraft interest	8,949	11,902	23	99
- Term loan interest	–	–	–	–
- LC charges & TR interest	55,905	50,829	–	–
- Other interest	–	1,081	–	693
Loss on disposal of joint venture entity	–	–	150,000	–
Property, plant and equipment written off	21,592	9,074	–	–
Realised loss on foreign exchange	783	–	–	–
Rental of equipment	13,431	–	–	–
Rental of premises	39,650	47,410	–	–
Research and development expenditure	72	3,567	–	–
Share of loss for joint venture entity	18,866	–	–	–
Unrealised loss on foreign exchange	5	–	–	–
Write-down of inventories	8,553	214,818	–	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

25. PROFIT BEFORE TAXATION (CONT'D)

i)

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
And crediting:-				
Bad debts recovered	16,187	–	–	–
Gross dividend from unqouted subsidiary companies	–	–	2,508,896	1,506,757
Gain on disposal of investment	–	20,848	–	–
Gain on disposal of joint venture entity	199,170	–	–	–
Gain on disposal of property, plant and equipment	2,625	20,350	–	–
Interest income received from:				
- Fixed deposit interest	159,643	139,632	40,590	30,564
- Other interest	9,452	6,615	506	–
Management fee receivable	–	–	1,336,000	1,420,000
Rental received	94,220	87,460	–	–
Realised gain on foreign exchange	2,319	20,591	–	–
Recovery from write down of inventories	24,828	–	–	–

ii) **STAFF COSTS**

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Staff costs for the financial year	4,214,587	4,417,435	1,203,947	1,189,218

26. DIRECTORS' REMUNERATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Non-executive Directors:				
- fees	28,500	19,500	28,500	19,500
Executive Directors:				
- salaries	1,105,196	1,214,508	838,656	838,656
- fees	276,000	276,000	276,000	276,000
	1,409,696	1,510,008	1,143,156	1,134,156

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

27. TAXATION

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Current tax based on profit for the financial year:				
Malaysian income tax	890,516	622,599	34,000	380,000
Deferred tax	(15,326)	21,805	–	(200)
(Over)/under provision of taxation in prior years	8,896	(449)	(14,982)	11,501
	884,086	643,955	19,018	391,301

Income tax expense for the Company is calculated based on the statutory income tax rate of Malaysia at 25% (2008: 26%) of the estimated taxable profit for the financial year.

The Malaysian Budget 2008, introduced a single tier Company income tax system with effect from year of assessment 2008, as such, the Section 108 tax credit as at 30 June 2008 will be available to the Company until such time the credit is fully utilized or upon expiry of the six year transitional period on 31 December 2013 whichever is earlier. The Section 108 tax credit of the Company was fully utilised during the year.

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

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
Profit before taxation ("PBT")	1,857,913	2,076,928	2,319,446	1,477,858
Tax expense	884,086	643,955	19,018	391,301

	Group		Company	
	2009 RM	2008 RM	2009 RM	2008 RM
- Income tax using Malaysian tax rate of 25% (2008:26%)	464,478	540,001	579,862	384,243
- Effect of tax saving at statutory tax rate of 20%	–	(131,581)	–	–
- (Over)/under provision of income tax in prior year	8,896	(449)	(14,982)	11,501
- Deferred taxation recognised during the year (net)	(15,326)	21,805	–	(200)
- Deferred tax assets not recognised during the year	85,300	–	–	–
- Tax exempt income	(42,274)	(82,376)	(600,769)	(59,947)
- Non-deductible expenses	504,406	446,572	57,471	58,580
- Utilisation of capital allowances	(121,394)	(150,017)	(2,564)	(2,876)
- Tax expenses	884,086	643,955	19,018	391,301

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

28. EARNINGS PER ORDINARY SHARES

Basic earnings per ordinary share :

The basic earnings per ordinary share has been calculated based on the net profit attributable to ordinary shareholders by the number of ordinary shares in issue during the financial year.

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Net profit attributable to ordinary shareholders	1,057,997	1,422,164	2,300,429	1,086,557
Issued ordinary shares	252,000,000	252,000,000	252,000,000	252,000,000
Basic earnings per share (sen)	0.42	0.56	0.91	0.43

29. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Cash payments on purchase of property, plant and equipment	300,279	447,655	–	3,970

30. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statements comprise the following balance sheet amounts:

	Group		Company	
	2009 RM	**2008 RM**	**2009 RM**	**2008 RM**
Cash and bank balances (Note 15)	1,881,709	1,172,682	128,673	91,668
Fixed deposits with licensed banks	8,015,599	5,989,460	2,097,224	1,169,965
	9,897,308	7,162,142	2,225,897	1,261,633
Bank overdraft (Note 19)	(149,372)	(145,677)	–	–
	9,747,936	7,016,465	2,225,897	1,261,633

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

31. SEGMENT INFORMATION

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 include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the economic entity at an arm's length transactions. These transfers are eliminated on consolidation.

The Group comprises the following main business segments:

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

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

2009
Group

Primary reporting - Business segments

	Environmental products and services RM	System equipment and ancillary products RM	Investments RM	Eliminations RM	Group RM
REVENUE					
External revenue	13,349,085	4,136,532	–	–	17,485,617
Inter-segment revenue	1,136,784	6,350	1,336,000	(2,479,134)	–
Total revenue	14,485,869	4,142,882	1,336,000	(2,479,134)	17,485,617

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

31. SEGMENT INFORMATION (CONT'D)

	Environmental products and services RM	System equipment and ancillary products RM	Investments RM	Eliminations RM	Group RM
RESULT					
Segment results (external)	2,295,854	121,757	(611,030)	–	1,806,581
Interest income	119,174	8,825	41,096	–	169,095
Finance costs	(67,719)	(21)	(23)	–	(67,763)
Profit before taxation	2,347,309	130,561	(569,957)	–	1,907,913
Taxation					(884,086)
Profit after taxation					1,023,827
Minority interests					34,170
Net profit for the year					1,057,997
OTHER INFORMATION					
Segment assets	19,295,355	6,733,806	8,886,816		34,915,977
Segment liabilities	2,606,760	627,586	83,996		3,318,342
Capital expenditure	253,544	46,735	–	–	300,279
Depreciation	544,271	244,523	10,333	–	799,127
Non-cash expenses other than depreciation	134,214	161,289	704,211	–	999,714

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

31. SEGMENT INFORMATION (CONT'D)

2008
Group

Primary reporting - Business segments

	Environmental products and services RM	System equipment and ancillary products RM	Investments RM	Eliminations RM	Group RM
REVENUE					
External revenue	14,115,311	4,812,739	–	–	18,928,050
Inter-segment revenue	1,371,805	13,275	2,926,757	(4,311,837)	–
Total revenue	15,487,116	4,826,014	2,926,757	(4,311,837)	18,928,050
RESULT					
Segment results (external)	2,399,746	164,768	(567,810)	–	1,996,704
Interest income	105,178	10,505	30,564	–	146,247
Finance costs	(63,703)	(1,528)	(792)	–	(66,023)
Profit before taxation	2,441,221	173,745	(538,038)	–	2,076,928
Taxation					(643,955)
Profit after taxation					1,432,973
Minority interests					(10,808)
Net profit for the year					1,422,165
OTHER INFORMATION					
Segment assets	18,521,545	7,538,688	8,803,521		34,863,754
Segment liabilities	2,632,286	552,809	288,168		3,473,263
Capital expenditure	301,447	19,729	126,479		447,655
Depreciation	534,287	247,762	10,334		792,383
Non-cash expenses other than depreciation	844,567	26,028	(164,654)		705,941

Turnover and profit before tax for investment mainly relates to dividend income received by the Company from its subsidiary companies. The amount is set-off in inter-company adjustments.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

32. SIGNIFICANT INTERCOMPANY AND RELATED PARTY DISCLOSURE

a) The Company has the following transactions with its subsidiary during the financial year:-

	Company	
	2009 RM	2008 RM
Management fee received/ receivable	1,336,000	1,420,000
Dividend received/ receivable	2,508,896	1,506,757

b) Compensation of key management personnel

The key management personnel comprised mainly executive directors of the Company whose remuneration are disclosed in Note 26.

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

33. CONTINGENT LIABILITIES (UNSECURED)

	Company	
	2009 RM	2008 RM
Corporate guarantees given to financial institutions for finance lease facilities granted to subsidiary companies	146,700	146,700
Corporate guarantees given to financial institutions for banking facilities granted to subsidiary companies	16,410,000	16,410,000
	16,556,700	16,556,700

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

34. DIVIDENDS

	Gross dividend per share (sen)	Amount of net dividend RM	Date of payment
2009			
First and final 2008 ordinary	0.46	1,052,096	8 June 2009
2008			
First and final 2007 ordinary	0.46	857,806	30 June 2008

After the balance sheet date the following dividend was proposed by the Directors. This dividend will be recognised in subsequent financial reports upon approval by the shareholders.

	Company	
	Single tier dividend per share (sen)	Amount of single tier dividend RM
First and final 2009 ordinary	0.48	1,209,600

35. FINANCIAL INSTRUMENTS

(A) FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Group and the policy for managing each of these risks are set out as follows:

(a) Foreign currency risk

The Group incurred foreign currency risk on the sales, purchases and investments that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk is primarily the US dollars and Singapore dollars.

The Group maintains a natural hedge, whenever is possible, by matching the receivables and the payables in the same currency, any unmatched balance will then be hedged by forward foreign currency contracts. The combination of matching technique and forward foreign currency contracts aims to effectively hedge the Group's exposure to exchange rates fluctuation while maintaining the hedging cost to the minimal.

The Group and the Company did not have any open forward contracts at the financial year end.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

35. FINANCIAL INSTRUMENTS (CONT'D)

(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Interest rate risk

The Group obtains additional financing through bank borrowings and leasing arrangements. The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

The interest rate risk that financial instruments' values will fluctuate as a result of changes in market interest rates and the effective interest rates of financial assets and financial liabilities are follows:

	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM	Effective interest rate during the year %
The Group					
2009					
Financial Assets					
Deposits with licensed banks	8,015,599	–	–	8,015,599	2.0-2.56
Financial Liabilities					
Bank overdraft	149,372	–	–	149,372	7.05
Bills payable	389,321	–	–	389,321	7.05
Finance lease liabilities	47,159	37,070	–	84,229	2.78-7.3
	585,852	37,070	–	622,922	
The Company					
2009					
Financial Assets					
Deposits with licensed banks	2,097,224	–	–	2,097,224	2.0-2.56

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

35. FINANCIAL INSTRUMENTS (CONT'D)

(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Interest rate risk (Cont'd)

	Less than 1 year RM	1 to 5 years RM	More than 5 years RM	Total RM	Effective interest rate during the year %
The Group					
The Group 2008					
Financial Assets					
Deposits with licensed banks	5,989,460	–	–	5,989,460	3.04
Financial Liabilities					
Bank overdraft	145,677	–	–	145,677	8.51
Bills payable	803,869	–	–	803,869	8.51
Finance lease liabilities	44,544	84,227	–	128,771	2.82-7.55
	994,090	84,227	–	1,078,317	
The Company 2008					
Financial Assets					
Deposits with licensed banks	1,169,965	–	–	1,169,965	3.04

(c) Credit risk

Cash deposits, trade and other receivables may expose the Group to credit risk. Such risk is effectively managed through the application of credit limits, regular monitoring and review of the financial standing of the Group's counter parties, with reference to published credit ratings by prime financial institutions. In the absence of publication ratings, an internal credit review or company background search is conducted if the credit risk is deemed in existence.

The Group's cash deposits are placed with major financial institutions in Malaysia with excellent credit ratings.

The Company has given corporate guarantees to its subsidiary companies for banking facilities and security of goods (see Note 34). In view of the stability of the subsidiary companies' financial position, the Directors are confident that such credit risk is minimal.

At the balances sheet date, the Group had no significant concentrations of credit risks.

The maximum exposures to credit risk are represented by the carrying amounts shown in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

35. FINANCIAL INSTRUMENTS (CONT'D)

(A) FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(d) Market risk

The Group has minimal exposure to market risk as its investment is mainly on quoted security, which is not substantial.

The Group's exposure to risk from changes in market price of the quoted securities is set out in Note (f) as below.

(e) Liquidity and cash flow risks

The Group practices prudent liquidy risk management by cautiously and effectively managing its debt maturity profiles and operating cash flows; at the same time maintaining sufficient cash balances and availability of funding through committed banking facilities so as to ensure all operating, investing and financing obligations are met.

(f) Fair values

The carrying amounts of financial instruments of the Group and the Company at the balance sheet date approximated their fair value except as set out below:

	Group		Company	
	Carrying Amount RM	Fair Value RM	Carrying Amount RM	Fair Value RM
2009				
Financial Assets				
Other investment	152,100	–	152,100	–

It is not practical to estimate the fair value of the Group's and Company's investment in unquoted corporations because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs.

(B) UNRECOGNISED FINANCIAL INSTRUMENTS

The Company had entered into a Call and Put Option Agreement ("CPOA") on 9 December 2009 for the disposal of 150,000 ordinary shares of RM 1.00 each, comprising 15% equity interest in Agro Venture Carbon Sdn. Bhd. ("AVC") for a total disposal consideration of RM 300,000. The salient features of CPOA are as follow:

i) - The Company grants a call option ("the Call Option") to the Purchaser to give the Purchaser the option to purchase the 15% equity interest in AVC, free from all Encumbrances ("Option Shares") from the Company within a period of 48 months from the date of the CPOA ("the Call Option Period") at RM300,000 provided that the turnover of AVC based on the latest audited accounts of AVC at the time of the exercise of the Call Option, is less than RM5,000,000;

- The Call Option may be exercisable by the Purchaser in respect of all and not part of the Option Shares within the Call Option Period;

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2009

35. FINANCIAL INSTRUMENTS (CONT'D)

(B) UNRECOGNISED FINANCIAL INSTRUMENTS (CONT'D)

ii) - The Purchaser grants to the Company the right to sell the Option Shares ("the Put Option A") to the Purchaser within a period of 48 months from the date of the CPOA ("the Put Option A Period") at RM300,000 provided that, the turnover of AVC based on the latest audited accounts of at the time of exercise of Put Option, is RM5,000,000 or more;

iii) - The Purchaser grants to the Company the right to sell the Option Shares to the Purchaser ("Put Option B") on or after the expiry of 48 months from the date of the CPOA ("Put Option B Period"). The Put Option B shall be exercisable by the Company within 6 months from the expiry of 48 months from the date of the CPOA at RM300,000 irregardless of the turnover of AVC;

The Put Option A and Put Option B may be exercisable by the Company in respect of all and not part of the Option Shares within the Put Option A Period and Put Option B Period;

36. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 12 April 2010.

STATISTIC OF SHAREHOLDINGS

AS AT 31 MARCH 2010

Authorised Share Capital	-	RM50,000,000
Issued and Fully Paid-up Share Capital	-	RM25,200,000
Class of Shares	-	Ordinary Share of RM0.10 each
Voting Rights	-	One vote per ordinary share
No. of Shareholders	-	652

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of Issued share capital
Less than 100	20	3.07	929	0.00
100 - 1,000	54	8.28	14,918	0.01
1,001 - 10,000	219	33.59	1,044,236	0.41
10,001 - 100,000	253	38.80	9,025,482	3.58
100,001 to less than 5% of issued shares	103	15.80	85,446,464	33.91
5% and above of issued shares	3	0.46	156,467,971	62.09
	652	100.00	252,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

	Name of Shareholder	No. of shares	% of shareholdings
1	Pang Wee See	113,152,861	44.90
2	Chan Ah Kien	25,213,147	10.01
3	Tan Boon Kok	24,821,963	9.85
		163,187,971	64.76

DIRECTORS' SHAREHOLDINGS

	Name	No. of ordinary shares RM0.10 each held Direct	%	Indirect	%
1	Pang Wee See	113,152,861	44.90	974,400*	0.38
2	Chan Ah Kien	25,213,147	10.01	–	–
3	Tan Boon Kok	24,821,963	9.85	16,800**	0.01
4	Kan King Choy	10,215,841	4.05	90,552#	0.04
5	Ir. Koh Thong How	487,200	0.19	113,152,861+	44.90
6	Dr. Seow Pin Kwong	305,760	0.12	–	–
7	Cheng Sim Meng	–	–	–	–
8	Yee Oii Pah @ Yee Ooi Wah	487,200	0.19	113,152,861^	44.90
9	Ng Kok Ann	–	–	–	–

* Deemed interested by virtue of the shareholdings of 290,000 shares each, of his spouse, Yee Oii Pah @ Yee Ooi Wah and 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

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

LIST OF 30 LARGEST SHAREHOLDERS

AS AT 31 MARCH 2010

	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	Chan Ah Kien	18,493,147	7.34
4	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Chong Foong Melw*	11,762,088	4.67
5	Kan King Choy	10,215,841	4.05
6	Chan Ah Kien	6,720,000	2.67
7	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Sepulohniam A/L M.Somu*	5,012,312	1.99
8	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yee Kim Keow*	4,573,380	1.81
9	Lee Ee Lee	3,305,360	1.31
10	Yiap Chee Keng	3,150,084	1.25
11	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yap Chee Seng*	2,657,592	1.05
12	Liang G-E	2,268,181	0.90
13	Chong Tuck Chiew	2,100,000	0.83
14	AIBB Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Low Kok Tiong*	1,790,000	0.71
15	Toong Chong Seng	1,260,000	0.50
16	Liang G-E	1,258,824	0.50
17	Chan Yin Juan @ Chin Hin Poon	1,192,800	0.47
18	Maheswaran A/L Rajamanickam	1,164,240	0.46
19	Tay Lay Cheng	1,159,704	0.46
20	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yap Yuen Choy (CEB)*	974,400	0.39
21	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Lee Chong Theen*	954,912	0.38
22	Yap Chee Teong	900,000	0.36
23	Phua Sin Loke	840,000	0.33
24	Teo Hwee Mien	814,800	0.32
25	HLG Nominee (Asing) Sdn Bhd *Exempt An For DBS Bank (Hong Kong) Limited (A/C 5)*	738,528	0.29
26	Tay Lay Cheng	719,544	0.29
27	Tan Boon Eng	619,800	0.25
28	Yap Siew Cheng	544,000	0.22
29	Lee Wai Sum	522,144	0.21
30	Lim Suat Lean	516,794	0.21
		224,203,299	88.97

LIST OF PROPERTIES

AS AT 31 DECEMBER 2009

The following are the properties held by the Group as at 31 December 2009:

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	Net Book Value as at 31.12.2009 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
P.T. No. 5015 Mukim of Damansara District of Petaling Selangor D.E.*	Freehold Land & Building (Rented to related company)	42,880 sq. ft.	3,077	Triple storey office block and a single storey factory	14	20,402
P.T. No. 12144 Mukim of Kapar District of Kelang Selangor D.E.*	Freehold Land & Building (Operational assets held for owner occupation)	4,220 sq. ft.	369	Double storey semidetached factory	30	1,900
				Extension	4	4,074
P.T. No. 723 H.S. (M) 956 Mukim of Setul District of Seremban Negeri Sembilan.*	Leasehold Land (99 years, expiring in 2/10/2085) (Surplus to the operational requirement)	50,939 sq. ft.	748	Vacant land	–	–

A summary of the land and building owned by Hooker Chemical Sdn. Bhd. is set out below:-

Location	Tenure and Existing Use	Land Area	Net Book Value as at 31.12.2009 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S. (M) 1117 Lot No. 4568 Mukim 14 District of Seberang Perai Tengah Pulau Pinang.*	Freehold Building (Rented to related company)	1,540 sq. ft.	210	Double storey shophouse	17	3,322
PTD 85433 H.S. (D) 169547 Mukim Pelentong District of Johor Bahru Johor.*	Freehold Building (Rented to related company)	2,400 sq. ft.	522	Double storey shophouse	18	3,072
P.T. No. 11419 Mukim of Damansara District of Petaling Selangor.*	Freehold Building (Assets held for investments)	1,760 sq. ft.	1,185	Triple storey shophouse	17	5,161

LIST OF PROPERTIES (Cont'd)

AS AT 31 DECEMBER 2009

A summary of the land and building owned by Rank Chemical Sdn. Bhd. is set out below:-

Location	Tenure and Existing Use	Land Area	Net Book Value as at 31.12.2009 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S. (D) 31573 Lot No. PTD 42295 Mukim and District of Kluang, Johor.*	Freehold Building (Operational assets held for owner occupation)	9,375 sq. ft.	402	Single storey detached factory	10	4,800
H.S. (D) 23144 Lot No. PTD 38519 Mukim and District of Kluang, Johor.*	Freehold Building (Assets held for investment)	1,540 sq. ft.	107	Double storey shophouse	12	2,156
PTD 32881 Mukim and District of Kluang, Johor.*	Freehold Building (Assets held for investments)	1,540 sq. ft.	314	Double storey shophouse	15	3,080
PTD 42334 Mukim and District of Kluang, Johor. (Date of acquisition: 12 May 2004)	Freehold Building (Operational assets held for owner occupation)	7,700 sq. ft	254	Double storey semidetached factory	8	4,675
PTD 42336 Mukim and District of Kluang, Johor. (Date of acquisition: 12 May 2004)	Freehold Building (Operational assets held for owner occupation)	7,700 sq. ft	256	Double storey semidetached factory	8	4,675

A summary of the land and building owned by Renown Orient Sdn. Bhd. is set out below:-

Location	Tenure and Existing Use	Land Area	Net Book Value as at 31.12.2009 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
PLO No. 705 Pasir Gudang Industrial Area Mukim Plentong Daerah Johor Bahru Johor. (Date of acquisition: 22 August 2003)	Leasehold Land (60 years, expiring in 2064) (Idle)	87,120 sq. ft.	935	Vacant land	–	–
PLO No. 706 Pasir Gudang Industrial Area Mukim Plentong Daerah Johor Bahru Johor. (Date of acquisition: 22 August 2003)	Leasehold Land (60 years, expiring in 2064) (Idle)	87,120 sq. ft.	935	Vacant land	–	–

LIST OF PROPERTIES (Cont'd)

AS AT 31 DECEMBER 2009

A summary of the land and building owned by Sincere United Sdn. Bhd. is set out below:-

Location	Tenure and Existing Use	Land Area	Net Book Value as at 31.12.2009 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 (Date of acquisition: 17 September 2002) **	Leasehold Land & Building (87 years, expiring in 14/11/2090) (Operational assets held for owner occupation)	1,604 sq. ft.	207	Single storey terrace factory	21	1,600
H.S. (D) 40981 P.T. No. 14631 Daerah Gombak Bandar Kundang State of Selangor (Date of acquisition: 10 January 2004) ***	Freehold Land & Building (Surplus to the operational requirement)	4,098 sq. ft.	244	Double storey terrace factory	6	1,120

Note:-

* means:
The properties were revalued on 15 May 2001. The valuations were carried out by Messrs. Colliers, Jordan Lee & Jaafar Sdn Bhd, Colliers, Jordan Lee & Jaafar (S) Sdn Bhd, Colliers, Jordan Lee & Jaafar (PG) Sdn Bhd and Colliers, Jordan Lee & Jaafar (JH) Sdn Bhd, registered independent firms of professional valuers based on the comparison, investment and cost methods of valuation.

** means:
The properties were revalued on 10 September 2002. The valuations were carried out by Messrs. JS Valuers Property Consultants (Selangor) Sdn Bhd, registered independent firms of professional valuers based on the fair value market basis.

*** means:
The properties were revalued on 22 July 2004. The valuations were carried out by Messrs. JS Valuers Property Consultants (Selangor) Sdn Bhd, registered independent firms of professional valuers based on the fair value market basis.

BRITE-TECH BERHAD
(550212-U) (Incorporated in Malaysia)

PROXY FORM

No. of shares held

I/We ....

of ....

Being a member/members of **BRITE-TECH BERHAD** hereby appoint ....

....

or failing him/her..

of ....

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Ninth Annual General Meeting of the Company, to be held at Langkawi Room, Bukit Jalil Golf and Country Resort, Jalan 3/155B, 57000 Kuala Lumpur on Tuesday, 11 May 2010 at 9.30 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 single tier dividend of 0.48 sen per ordinary share in respect of the financial year ended 31 December 2009.		
2.	To approve the payment of Directors' fees for the year ended 31 December 2009.		
	To re-elect the following Directors who are retiring by rotation, pursuant to Article 96 of the Articles of Association of the Company, and being eligible, offer themselves for re-election :-		
3.	Mr. Chan Ah Kien		
4.	Dr. Seow Pim Kwong		
5.	Ir. Koh Thong How		
6.	To re-appoint S. F. Yap & Co as auditors of the Company and to authorise the Directors to fix their remuneration		
	Special Business		
7.	To authorise the Directors to allot and issue shares pursuant to Section 132D of the Companies Act, 1965.		

(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................................2010

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

Notes:

1. *A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
2. *Where a member appoints two proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.*
3. *The instrument of appointing a proxy shall be in writing under the hand of the appointer or his/her 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.*
4. *The instrument appointing a proxy must be deposited at the Registered Office at 17 & 19, 2nd Floor, Jalan Brunei Barat, 55100 Kuala Lumpur, not less than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof.*

Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Company Secretary
BRITE-TECH BERHAD (550212-U)
17 & 19, 2nd Floor
Jalan Brunei Barat
55100 Kuala Lumpur
Malaysia

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