Brite-Tech Berhad
(Company No.: 550212-U)

Brite-Tech Berhad (Company No.: 550212-U) | Annual Report **2008**

Brite-Tech Berhad
(Company No.: 550212-U)

ANNUAL REPORT
2008

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of **Brite-Tech Berhad** will be held at Tioman Room, Bukit Jalil Golf and Country Resort, Jalan 3/155B, 57000 Kuala Lumpur on Monday, 11 May 2009 at 9.30 a.m. to transact the following business:-

AGENDA

ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements for the financial year ended 31 December 2008 together with the Reports of the Directors and Auditors thereon. ***(Resolution 1)***

2. To declare a final gross dividend of 0.17 sen per ordinary share, less income tax and 0.29 sen per ordinary shares, tax exempt in respect of the financial year ended 31 December 2008. ***(Resolution 2)***

3. To approve the payment of Directors' fees for the financial year ended 31 December 2008. ***(Resolution 3)***

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. Pang Wee See ***(Resolution 4)***
   b) Mr. Kan King Choy ***(Resolution 5)***
   c) Mr. Cheng Sim Meng ***(Resolution 6)***

5. To re-elect the following Director who is retiring pursuant to Article 102 of the Articles of Association of the Company, and being eligible, offer himself for re-election:-

   a) Mr. Ng Kok Ann ***(Resolution 7)***

6. To re-appoint S. F. Yap & Co as auditors of the Company and to authorise the Directors to fix their remuneration ***(Resolution 8)***

SPECIAL BUSINESS

7. To consider and, if thought fit, pass with or without modification, the following ordinary resolution:- ***(Resolution 9)***

   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."

8. 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 ANNUAL GENERAL MEETING (Cont'd)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that the final gross dividend of 0.17 sen per ordinary share, less income tax and 0.29 sen per ordinary share, tax exempt in respect of the financial year ended 31 December 2008, if approved by the shareholders, will be paid on 8 June 2009 to shareholders whose names appear in the Register of Depositors at the close of business on 25 May 2009. 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 2009 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.

By order of the Board

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

Kuala Lumpur
17 April 2009

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.*

5. *Explanatory Note on Special Business – Resolution 9*

   The proposed Ordinary Resolution under Special Business, if passed, will give the Directors of the Company authority to issue 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 would avoid any delay and cost involved in convening a general meeting to specifically approve such an issue of shares. This authority, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

a) Directors standing for re-election at the Eighth 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:

- Pang Wee See (Executive Chairman)
- Kan King Choy (Executive Director)
- Cheng Sim Meng (Independent Non-Executive Director)

The Director who is retiring pursuant to Article 102 of the Company's Article of Association and seeking re-election is as follows:

- Ng Kok Ann (Independent Non-Executive Director)

Further details of the Directors who are standing for re-election at the Eighth 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 77 of the Annual Report.

b) Details of attendance of Directors at Board Meetings

Four (4) Board meetings were held during the financial year from 1 January 2008 to 31 December 2008. Details of attendance of Directors at the Board meetings are as follows:-

Name	Designation	Attendance
Pang Wee See	Executive Chairman	4/4
Tan Boon Kok	Executive Director	4/4
Chan Ah Kien	Executive Director	4/4
Kan King Choy	Executive Director	4/4
Ir. Koh Thong How	Non-Executive Director (Engineering)	4/4
Dr. Seow Pin Kwong	Independent Non-Executive Director	4/4
Cheng Sim Meng	Independent Non-Executive Director	4/4
Wong Sak Chiew *(Resigned w.e.f. 21 January 2009)*	Independent Non-Executive Director	2/4
Ng Kok Ann *(Appointed w.e.f. 21 January 2009)*	Independent Non-Executive Director	Not applicable

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

The Eighth Annual General Meeting of **Brite-Tech Berhad** will be held at Tioman Room, Bukit Jalil Golf and Country Resort, Jalan 3/155B, 57000 Kuala Lumpur on Monday, 11 May 2009 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
(Appointed w.e.f. 21 January 2009)	
WONG SAK CHIEW	Independent Non-Executive Director
(Resigned w.e.f. 21 January 2009)	
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
(Appointed w.e.f. 21 January 2009)		
WONG SAK CHIEW	Member	Independent Non-Executive Director
(Resigned w.e.f. 21 January 2009)		

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

Mesdaq 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 57, 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 20 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, BVSB, SUSB and TTPSB 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 has attended all the four (4) Board meetings of the Company for the financial year ended 31 December 2008.

TAN BOON KOK

Tan Boon Kok, a Malaysian, aged 51, 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, BVSB, SUSB, and TTPSB.

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 has attended all the four (4) Board meetings of the Company for the financial year ended 31 December 2008.

CHAN AH KIEN

Chan Ah Kien, a Malaysian, aged 46, 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 13 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 15 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, BVSB, SUSB, and TTPSB.

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 has attended all the four (4) Board meetings of the Company for the financial year ended 31 December 2008.

DIRECTORS' PROFILE (Cont'd)

KAN KING CHOY

Kan King Choy, a Malaysian, aged 47, 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, BVSB, SUSB, and TTPSB.

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 has attended all the four (4) Board meetings of the Company for the financial year ended 31 December 2008.

IR. KOH THONG HOW

Ir. Koh Thong How, a Malaysian, aged 54, 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 has attended all the four (4) Board meetings of the Company for the financial year ended 31 December 2008.

DR. SEOW PIN KWONG

Dr. Seow Pin Kwong, a Malaysian, aged 68, 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 has attended all the four (4) Board meetings of the Company for the financial year ended 31 December 2008. 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 56, 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, 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 also worked as a Research Associate during his tenure of his Masters in Business Administration studies. He was recently elected as a Fellow of the Singapore Insurance Institute.

He has been in the insurance industry for more than twenty-nine 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. Currently, he is the Assistant General Manager (Commercial Lines Head) 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 has attended all the four (4) Board meetings of the Company for the financial year ended 31 December 2008. He is also a member of the Audit Committee of the Company.

NG KOK ANN

Ng Kok Ann, a Malaysian, aged 35, 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 was appointed as a member of the Audit Committee of the Company on 21 January 2009.

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.
BVSB	-	Brite-Tech Ventures Sdn. Bhd.
SUSB	-	Sincere United Sdn. Bhd.
TTPSB	-	Tan Tech-Polymer Sdn. Bhd.

MANAGEMENT'S DISCUSSION

On behalf of the Board of Directors and the management team 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 2008.

FINANCIAL REVIEW

For the financial year ended 31 December 2008, the Group recorded a decrease in revenue to RM18.93 million as compared to RM19.83 million in the previous financial year while the Group's profit before tax decreased to RM2.08 million from RM2.11 million in the previous financial year.

The Group's revenue was affected by the global financial crisis and this has resulted in the lower revenue for the Group. The decrease in the Group's profit before tax was also attributed to allowance made for impairment of goodwill and doubtful debts.

INDUSTRY TREND AND DEVELOPMENT

During the 9th Malaysia Plan, 2006-2010, the Government will place emphasis on preventive measures to mitigate and minimise pollution as well as address other adverse environmental impact arising from development activities. In addition, steps will be undertaken to identify and adopt action to promote sustainable natural resource management practices in relation to land, water, forest, energy and marine resources. These efforts will enhance protection of the environment and conservation of natural resources and contribute towards improving the quality of life. The strategic thrusts for addressing environmental and natural resources issues will focus on:

- Promoting a healthy living environment;
- Utilising resources sustainably and conserving critical habitats;
- Strengthening the institutional and regulatory framework as well as intensifying enforcement;
- Expanding the use of market-based instruments;
- Developing suitable sustainable development indicators; and
- Inculcating an environment-friendly culture and practice at all levels of society.

(Source: 9th Malaysia Plan 2006-2010)

The Malaysian economy has been resilient in the 1st half of 2008, but is not going to be insulated from the global downturn. Gross domestic product ("GDP") growth has subsided to 4.7% in 3rd quarter of 2008 after a strong 7.1% gain in the 1st half of 2008 (revised upwards from 6.7%), bringing growth to an average of 6.3% in the 1st three quarters of 2008. Resilient private consumption, steady public investment and higher fiscal spending supported the growth in 3rd quarter 2008. Malaysia has no direct exposure to the United States' market but is increasingly feeling the shock from the slowing global economy through trade and investment linkages.

The government stretched its fiscal deficit to 4.8% in 2008, reversing a 7-year progressive deficit reduction. A RM7 billion stimulus package, to be financed by savings from subsidy reduction, was unveiled in November 2008 as a measure to stimulate domestic demand. The deficit fiscal target for 2009 has also been raised to 4.8% of GDP, from 3.6% previously. Industrial output has contracted in three successive months, as the export-oriented sectors faced diminishing demand. Total exports have declined for two months in a row, with imports showing steeper declines, resulting in sustained trade surplus. With limited room for policy flexibility, domestic demand can be propped up by fiscal pump-priming and easier monetary policy, providing a partial cushion to the uncertain global economy. Falling commodity may help put a lid on inflationary pressures. The services sector will be the pillar of strength amidst a weak manufacturing sector.

In light of the deeper declines in macro indicators, the estimated 2008 GDP growth was adjusted to 5.1% from 5.5% previously and the forecast for 2009 downwards to 1.3% from 3.4% earlier. Provided that the global economy bottoms out, as projected by the World Bank with global growth recovering to 3.9% in 2010, a marginal improvement is foreseen for Malaysia's growth to inch up to 3.8% in 2010.

(Source: Malaysian Economic Outlook: Executive Summary, www.mier.org.my)

MANAGEMENT'S DISCUSSION (Cont'd)

PRODUCT DEVELOPMENT AND RESEARCH & DEVELOPMENT

The Group's research and development ("R&D") activities are continually on-going processes. The Group will continue its efforts and focus on research and development to enhance its products offerings and to improve its cost competitiveness relative to its competitors.

As most of the Group's R&D activities form an integral part of the Group's engineering studies, the R&D expenditure on new product development in the financial year ended 31 December 2008 has been minimal. The Group believes that the R&D expenditure is in the ordinary course of business and the financial impact on the future R&D allocation for new product development is also expected to be immaterial.

CORPORATE DEVELOPMENTS

a) The Company implemented a bonus issue of 102,000,000 new BTECH Shares ("Bonus Shares") on the basis of 68 new BTECH Shares for every 100 BTECH Shares held on 4 June 2008. The Bonus Shares were listed on the MESDAQ Market of Bursa Malaysia Securities Berhad on 5 June 2008;

b) On 30 June 2008, the Company proposed to undertake the following exercises to comply with the National Development Policy of a minimum 30% Bumiputera equity participation:-

   (i) 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; and

   (ii) Proposed restricted offer for sale of up to 49,784,000 existing BTECH Shares representing up to 17.23% of the enlarged issued and paid-up share capital after the Proposed Restricted Bumiputera Issue to Bumiputera investors.

   (Collectively referred to as the "Proposals")

The Company had via its letter dated 9 July 2008 applied to the Securities Commission ("SC") and the Ministry of International Trade and Industry ("MITI") to extend the deadline up to 30 September 2009 to increase its Bumiputera equity participation to 30% ("Deadline").

The MITI had vide its letter dated 24 July 2008 approved the Company's application for the Deadline, subject to BTECH obtaining the approval from the SC.

Subsequently, the SC had vide its letter dated 6 August 2008 approved for the extension of time up to 12 months from the date of the said SC letter (i.e. 5 August 2009) for BTECH to increase its Bumiputera equity participation to 30%, instead of 30 September 2009 as applied for by the Company.

The conditional approval of the SC for the Proposals was obtained vide its letter dated 4 December 2008. The MITI had vide its letter dated 13 January 2009 taken note of the Proposals.

PROSPECTS

The Group expects the year ahead to remain challenging due to the effects of the current global financial crisis and weakening global economic conditions. The Group expects that a prolonged economic slowdown may affect the performance of the existing business of the Group as well as the implementation of the projects under the Clean Development Mechanism ("CDM") of the Kyoto Protocol due to funding/financing difficulties.

Nonetheless, the Group will continue to consolidate its existing operations and concentrate on its core competencies while at the same time, improve its operational efficiencies and cost management.

Barring any significant deterioration of the state of the global economy and other 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 2009.

MANAGEMENT'S DISCUSSION (Cont'd)

DIVIDENDS

As recognition of your continuous support, the Board of Directors is pleased to recommend a final gross dividend of 0.17 sen per ordinary share, less income tax and 0.29 sen per ordinary share, tax exempt, for the approval of shareholders at the forthcoming Annual General Meeting.

BOARD CHANGES

On behalf of the Board of Directors, I wish to express our sincere thanks and appreciation to Mr. Wong Sak Chiew who resigned on 21 January 2009 as Independent Non-Executive Director for his invaluable contributions during his tenure in office.

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
17 April 2009

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 four (4) times during the year ended 31 December 2008. 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.

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 number of directors whose aggregate remuneration during the financial year ending 31 December 2008 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	3	–
RM200,001 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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

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 18 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.

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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

4. ACCOUNTABILITY AND AUDIT (CONT'D)

b) Internal Control (Cont'd)

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 21 and 22.

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.

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.

CORPORATE GOVERNANCE STATEMENT (Cont'd)

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 *(Appointed w.e.f. 21 January 2009)*	Independent Non-Executive Director
	Wong Sak Chiew *(Resigned w.e.f. 21 January 2009)*	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)

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 2008. 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	4/4
NG KOK ANN *(Appointed w.e.f. 21 January 2009)*	Independent Non-Executive Director	Not applicable
WONG SAK CHIEW *(Resigned w.e.f. 21 January 2009)*	Independent Non-Executive Director	2/4

The activities of the Audit Committee during the financial year ended 31 December 2008 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 2008 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 and managing customers' satisfaction.

STATEMENT ON INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Brite-Tech Berhad ('the Group") recognises that it is the Board's responsibility to review the adequacy and integrity of the Group's system of internal control. The Board is committed to maintain and ensure that a system of internal control exists and operating effectively across the Group. The Board 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

The Board together with the Audit Committee, with the assistance of the external independent internal audit service provider, 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".

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.

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 annually by a certification body to provide assurance of compliance with the ISO/IEC 17025;
- 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.

The Board 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 2008 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 2008.

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 2008.

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 2008.

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	1,432,973	1,086,557
Attributable to:		
Shareholders of the Company	1,422,165	1,086,557
Minority interest	10,808	–
	1,432,973	1,086,557

DIVIDEND

A final gross dividend on ordinary share of 0.46 sen per share, less tax at 26%, amounting to RM857,806 in respect of the financial year ended 31 December 2007 was paid by the Company on 30 June 2008 to shareholders whose names appear in the Register of Depositors at the close of business on 12 June 2008.

The Directors proposed a final gross dividend of:-
- approximately 0.17 sen per share, less tax at 25% amounting to RM317,693
- approximately 0.29 sen per share, tax exempt, amounting to RM730,800

in respect of the financial year ended 31 December 2008 subject to the approval of members at the forthcoming Annual General Meeting.

The financial statement for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the next financial year ending 31 December 2009.

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

During the year, the Company increased its authorized share capital from RM25,000,000 to RM50,000,000 by way of creation of 250,000,000 ordinary shares of RM0.10 each.

The issued and paid-up ordinary share capital of the Company was increased from RM15,000,000 to RM25,200,000 by way of a bonus issue of 102,000,000 new ordinary shares of RM0.10 each through capitalization of RM8,019,296 and RM2,180,704 from the share premium and retained earnings accounts respectively on the basis of 68 new ordinary share of RM0.10 each for every 100 existing ordinary share of RM0.10 each held in the Company.

The new ordinary shares issued rank pari passu with the then existing ordinary shares of the Company.

The Company has not issued 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
WONG SAK CHIEW *(Resigned w.e.f. 21.1.2009)*
YEE OII PAH @ YEE OOI WAH (F) *(Alternate director to Pang Wee See)*
NG KOK ANN *(Appointed w.e.f. 21.1.2009)*

In accordance with Article 96 of the Company's Articles of Association, MR. KAN KING CHOY, PANG WEE SEE and CHENG SIM MENG retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 102 of the Company's Articles of Association, MR. NG KOK ANN retire at the forthcoming Annual General Meeting and, being eligible, offer himself 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 1/1/2008**	**Bought**	**Sold**	**Balance At 31/12/2008**
PANG WEE SEE	67,352,894	45,799,967	–	113,152,861
TAN BOON KOK	14,774,978	10,046,985	–	24,821,963
CHAN AH KIEN	15,007,826	10,205,321	–	25,213,147
KAN KING CHOY	6,080,858	4,134,983	–	10,215,841
IR. KOH THONG HOW	290,000	197,200	–	487,200
DR. SEOW PIN KWONG	182,000	123,760	–	305,760
YEE OII PAH @ YEE OOI WAH *(Alternate director to Pang Wee See)*	290,000	197,200	–	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 2008 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 on 8 April 2009.

PANG WEE SEE
Director

KAN KING CHOY
Director

Kuala Lumpur
8 April 2009

STATEMENT BY DIRECTORS

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

We, **PANG WEE SEE** and **KAN KING CHOY**, being two of the Directors of **BRITE-TECH BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements of the Group and of the Company as set out on pages 32 to 76 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 2008 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 in accordance with a resolution of the Directors,

PANG WEE SEE
Director

KAN KING CHOY
Director

Kuala Lumpur
8 April 2009

STATUTORY DECLARATION

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

I, **LEE LI CHIN**, 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 as set out on pages 32 to 76 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 8th day of April 2009)

LEE LI CHIN

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 2008 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 32 to 76.

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 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 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 2008 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,
8 April 2009

BALANCE SHEETS

AS AT 31 DECEMBER 2008

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
PROPERTY, PLANT AND EQUIPMENT	2	9,092,412	9,334,060	47,441	53,805
INVESTMENT PROPERTIES	3	1,605,471	1,605,471	–	–
PREPAID LAND LEASE PAYMENT	4	2,750,154	2,794,741	–	–
INVESTMENTS IN SUBSIDIARY COMPANIES	5	–	–	18,852,449	18,852,449
INVESTMENTS IN JOINT VENTURES ENTITY	6	–	–	502,100	252,098
OTHER INVESTMENT	8	–	20,000	–	–
DEVELOPMENT EXPENDITURE	9	163,963	88,637	–	–
GOODWILL ON CONSOLIDATION	10	5,218,052	5,418,052	–	–
TOTAL NON-CURRENT ASSETS		18,830,052	19,260,961	19,401,990	19,158,352
CURRENT ASSETS					
Inventories	11	2,513,692	2,744,287	–	–
Trade receivables	12	6,033,783	6,793,047	–	–
Other receivables, deposits and prepayments	13	324,085	381,317	3,687	3,687
Tax recoverable		471,422	1,071,685	–	–
Amount due from subsidiary companies	14	–	–	4,881,774	5,188,167
Fixed deposits with licensed banks	30	5,989,460	3,015,155	1,169,965	780,000
Cash and bank balances	15	1,172,682	1,556,575	91,668	63,219
		16,505,124	15,562,066	6,147,094	6,035,073
CURRENT LIABILITIES					
Amount due to contract customers	16	–	81,305	–	–
Trade payables	17	1,378,898	1,897,411	–	–
Other payables and accruals	18	950,551	895,099	87,331	123,097
Borrowings	19	994,090	699,752	–	–
Amount due to subsidiary companies	14	–	–	231,124	86,635
Amount due to directors	20	65,497	109,738	2,849	313
Provision for taxation		113,497	12,841	21,554	5,705
		3,502,533	3,696,146	342,858	215,750
NET CURRENT ASSETS		13,002,591	11,865,920	5,804,236	5,819,323
NON CURRENT ASSETS HELD FOR SALE	21	–	153,334	–	–
		31,832,643	31,280,215	25,206,226	24,977,675

BALANCE SHEETS (Cont'd)

AS AT 31 DECEMBER 2008

		Group		Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
CAPITAL AND RESERVES					
SHARE CAPITAL	22	25,200,000	15,000,000	25,200,000	15,000,000
RESERVES	23	5,360,606	14,996,247	1,226	9,972,475
SHAREHOLDERS' EQUITY		30,560,606	29,996,247	25,201,226	24,972,475
MINORITY INTEREST		740,567	729,759	–	–
TOTAL EQUITY		31,301,173	30,726,006	25,201,226	24,972,475
LONG TERM AND DEFERRED LIABILITIES					
Deferred tax liabilities	24	447,243	425,438	5,000	5,200
Borrowings	19	84,227	128,771	–	–
		31,832,643	31,280,215	25,206,226	24,977,675

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 2008

		Group		Company	
	Note	2008 RM	2007 RM	2008 RM	2007 RM
REVENUE	25	18,928,050	19,828,353	2,926,757	3,336,685
Cost of sales		(9,799,881)	(10,994,226)	–	–
GROSS PROFIT		9,128,169	8,834,127	2,926,757	3,336,685
Interest income		146,247	82,082	30,564	19,419
Other operating income		148,610	249,584	–	–
Administrative and other operating expenses		(7,280,075)	(6,930,671)	(1,479,364)	(1,479,508)
Finance costs		(66,023)	(123,842)	(99)	–
NET PROFIT BEFORE TAXATION	26	2,076,928	2,111,280	1,477,858	1,876,596
Taxation	28	(643,955)	(679,690)	(391,301)	(224,048)
NET PROFIT AFTER TAXATION FOR THE YEAR		1,432,973	1,431,590	1,086,557	1,652,548
Attributable to:					
Shareholders of the Company		1,422,165	1,361,137	1,086,557	1,652,548
Minority interest		10,808	70,453	–	–
		1,432,973	1,431,590	1,086,557	1,652,548
EARNINGS PER ORDINARY SHARE (SEN)	29	0.56	0.91		
DIVIDENDS PER ORDINARY SHARE (SEN)	36	0.46	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 2008

	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 2007		15,000,000	8,019,296	5,922,414	28,941,710	659,306	29,601,016
Net profit for the year		–	–	1,361,137	1,361,137	70,453	1,431,590
Dividends - Final dividends for financial year ended 31 December 2006 (approximately 0.28 sen per share less 27% tax)		–	–	(306,600)	(306,600)	–	(306,600)
Balance as at 31 December 2007		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 (approximately 0.46 sen per share less 26% tax)	36	–	–	(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

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

	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 2007		15,000,000	8,019,296	607,231	23,626,527
Net profit for the year		–	–	1,652,548	1,652,548
Dividends - Final dividends for financial year ended 31 December 2006 (approximately 0.28 sen per share less 27% tax)		–	–	(306,600)	(306,600)
Balance as at 31 December 2007		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 (approximately 0.46 sen per share less 26% tax)	36	–	–	(857,806)	(857,806)
Balance as at 31 December 2008		25,200,000	–	1,226	25,201,226

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 2008

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Net profit before taxation		2,076,928	2,111,280	1,477,858	1,876,596
Adjustments for:					
Gain on disposal of property, plant and equipment		(20,350)	(29,720)	–	–
Depreciation on property, plant and equipment		792,383	786,246	10,333	9,875
Property, plant and equipment written off		9,074	81,768	–	–
Interest income		(146,247)	(82,082)	(30,564)	(19,419)
Interest expenses		66,023	123,842	99	–
Bad debts written off		229,850	106,447	–	–
Allowance for doubtful debts		225,061	148,968	–	–
Bad debt recovered		–	(49,608)	–	–
Sundry deposit written off		–	500	–	–
Amortisation of prepaid lease payment		44,587	44,588	–	–
Loss on dilution of interest in subsidiary company		–	18,446	–	–
Impairment of goodwill		200,000	–	–	–
Gain on disposal of other investments		(20,848)	–	–	–
Asset held for sale written off		11,198	–	–	–
Write-down of inventories		214,818	–	–	–
Operating profit before changes in working capital		3,682,477	3,260,675	1,457,726	1,867,052
Changes in working capital					
Payment of development expenditure		(75,326)	(88,837)	–	–
Increase in inventories		41,624	327,522	–	–
Increase/(Decrease) in trade and other receivables		361,585	724,617	306,392	(442,169)
Increase/(Decrease) in trade and other payables		(301,768)	(1,011,377)	111,259	(1,557,092)
Cash generated from operations		3,708,592	3,212,600	1,875,377	752,129
Interest paid		(66,023)	(123,842)	(99)	–
Income tax recovered		354,743	226,507	1,259	–
Income tax paid		(276,038)	(450,434)	(376,909)	(198,810)
Net cash flow from operating activities		3,721,274	2,864,831	1,499,628	553,319

CASH FLOW STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Dilution of interest in subsidiary company		–	(4,417)	–	–
Investment in joint venture entities		–	–	(250,002)	(249,998)
Interest received		146,247	82,082	30,564	19,419
Purchase of property, plant and equipment	30	(447,655)	(676,743)	(3,970)	(2,348)
Proceeds from disposal of property, plant and equipment		24,550	89,868	–	–
Proceeds from disposal of other investment		40,848	–	–	–
Net cash flow used in investing activities		(236,010)	(509,210)	(223,408)	(232,927)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings		(61,301)	(555,745)	–	–
Dividend paid		(857,806)	(306,600)	(857,806)	(306,600)
Net cash flow used in financing activities		(919,107)	(862,345)	(857,806)	(306,600)
NET INCREASE IN CASH AND CASH EQUIVALENTS		2,566,157	1,493,476	418,414	13,792
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4,450,308	2,956,832	843,219	829,427
CASH AND CASH EQUIVALENTS AT END OF YEAR	31	7,016,465	4,450,308	1,261,633	843,219

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 2008

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. ADOPTION OF NEW AND REVISED FRSS

i) Standards, amendments to published standards that are effective and adopted

The accounting policies adopted by the Company are consistent with those adopted in the previous year except for the adoption of the new and revised FRSs issued by MASB that are effective for the financial period beginning on 1 July 2007 as follows:

FRS 107 Cash Flow Statements
FRS 112 Income Taxes
FRS 118 Revenue
FRS 119 Employee Benefits
FRS 134 Interim Financial Reporting
FRS 137 Provisions, Contingent Liabilities and Contingent Assets
Amendment to FRS 121, The Effects of Changes in Foreign Exchange Rates
- Net Investment in a Foreign Operation

The adoption of these FRSs does not have any material financial impact on the Company, or any significant changes in accounting policies of Company.

ii) Standards, amendments to published standards and IC Interpretations to existing standards that are not yet effective and have not been early adopted

Standards/Interpretation		Effective date
FRS 7	Financial Instruments: Disclosure	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

The impact of applying FRS 139 on the financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in paragraph FRS13 103 AB.

Other the above paragraph stated, the above amendment to published standards and IC Interpretations to existing standards are not expected to have a significant impact on the financial statements of the Company in the year of initial application.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

B. ADOPTION OF NEW AND REVISED FRSS (CONT'D)

iii) Standards, amendments to published standards and IC Interpretations to existing standards that are not yet effective and are not relevant for the Company's operations

Standards/Interpretation		Effective date
FRS 4	Insurance Contract	1 January 2010

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 or reserve on consolidation.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

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

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

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

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.

(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.

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 2008

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 2008

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.

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

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 2008

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 2008

P. REVENUE RECOGNITION

(i) Trading income

Revenue from sales 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 effective yield on the asset.

(v) Management fee

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

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 3.51	RM3.31
SGD 1.00 =	RM 2.45	RM2.32

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

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 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 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.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

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

(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.

(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 10.

(ii) Income taxes

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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 MESDAQ 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 2008	5,877,549	3,208,798	5,092,697	287,116	76,882	89,580	565,602	15,198,224
Additions	–	95,226	332,145	1,780	122,609	–	12,250	564,010
Disposal	–	(165,649)	(22,550)	–	–	–	–	(188,199)
Written off	–	–	(13,109)	–	–	–	–	(13,109)
Balance as at 31 December 2008	5,877,549	3,138,375	5,389,183	288,896	199,491	89,580	577,852	15,560,926
Accumulated Depreciation								
Balance as at 1 January 2008	315,170	2,004,757	3,013,910	146,368	–	47,128	336,831	5,864,164
Charges for the financial year	51,668	271,348	376,054	37,968	–	5,587	49,758	792,383
Disposal	–	(165,649)	(18,350)	–	–	–	–	(183,999)
Written off	–	–	(4,034)	–	–	–	–	(4,034)
Balance as at 31 December 2008	366,838	2,110,456	3,367,580	184,336	–	52,715	386,589	6,468,514

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

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 2008	5,510,711	1,027,919	2,021,603	104,560	199,491	36,865	191,263	9,092,412
As at 31 December 2007	5,562,379	1,204,041	2,078,787	140,748	76,882	42,452	228,771	9,334,060
Depreciation For Year Ended								
31 December 2007	51,668	283,734	367,469	32,376	–	5,668	45,331	786,246

ii) Company

	Renovation RM	Furniture and fittings, laboratory, office and store equipment RM	Total RM
Cost			
Balance as at 1 January 2008	64,382	34,984	99,366
Additions	–	3,970	3,970
Balance as at 31 December 2008	64,382	38,954	103,336
Accumulated Depreciation			
Balance as at 1 January 2008	30,724	14,837	45,561
Charge for the financial year	6,438	3,896	10,334
Balance as at 31 December 2008	37,162	18,733	55,895
Net Carrying Amount			
At 31 December 2008	27,220	20,221	47,441
At 31 December 2007	33,658	20,147	53,805
Depreciation For Year Ended			
31 December 2007	6,438	3,437	9,875

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

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**
2008			
Freehold land and buildings	3,655,527	330,417	3,325,110
2007			
Freehold land and buildings	3,655,527	301,822	3,353,705

<u>Details of assets under finance lease agreements:</u>

	Group	
	2008 RM	**2007 RM**
Motor vehicles		
- additions during the year	–	76,500
- net book value at year end	64,816	141,234

<u>Net book value of assets pledged as security for bank borrowings:</u>

Freehold land and buildings	426,090	426,090

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

3. INVESTMENT PROPERTIES

	Group	
	2008 **RM**	**2007** **RM**
Carrying amount at beginning of the year	1,605,471	1,498,658
Transfer from property, plant and equipment	–	106,813
Carrying amount at end of the year	1,605,471	1,605,471
Analysed as:		
Freehold land and buildings	1,605,471	1,605,471

Investment properties with carrying amounts of RM 420,696 (2007: 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	
	2008 **RM**	**2007** **RM**
Carrying amount at beginning of the year	2,794,741	2,839,329
Amortisation recognised income statements	(44,587)	(44,588)
Carrying amount at end of the year	2,750,154	2,794,741
Analysed as:		
Long term leasehold land	2,750,154	2,794,741

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 2008

5. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2008 RM	2007 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 2008	Effective interest 2007
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 2008

5. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Name of Company	**Principal activities**	**Effective interest 2008**	**Effective interest 2007**
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, supplyof 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 2008

6. INVESTMENTS IN JOINT VENTURES ENTITY

	Company 2008 RM	Company 2007 RM
Unquoted shares; at cost	502,100	252,098

Name of Company	Principal activities	Effective interest 2008	Effective interest 2007
Brite-Tech Ventures 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.	50%	50%

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

	2008 RM	2007 RM
Income	–	–
Expenses	(250,692)	(69,338)
Share of loss after taxation	(250,692)	(69,338)
Non-current assets	363,454	165,519
Current assets	4,537	96,135
Current liabilities	(196,195)	(89,165)
Share of assets	171,796	172,489

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 2008	Effective interest 2007
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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

8. OTHER INVESTMENT

	Group	
	2008 RM	**2007 RM**
Unit trust; at cost	–	20,000
Market value	–	40,070

9. DEVELOPMENT EXPENDITURE

	Group	
	2008 RM	**2007 RM**
Cost		
At beginning of the year	88,637	–
Additions during the year	75,326	88,637
At end of the year	163,963	88,637
Net carrying amount as at end of the year	163,963	88,637

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. INTANGIBLE ASSET - GOODWILL ON CONSOLIDATION

(a)

	Group	
	2008 RM	**2007 RM**
Cost		
At beginning of the year	5,418,052	5,418,052
Impairment loss for the year	(200,000)	–
Net carrying amount as at end of the year	5,218,052	5,418,052

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

10. INTANGIBLE ASSET - GOODWILL ON CONSOLIDATION (CONT'D)

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

	Group	
	2008	**2007**
	RM	**RM**
Manufacturing - CGU 1	2,170,144	2,170,144
Trading - CGU 2	3,047,908	3,247,908
	5,218,052	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.

11. INVENTORIES

	Group	
	2008	**2007**
	RM	**RM**
At cost		
Laboratory supplies	112,665	146,339
Raw materials	1,253,014	1,615,583
Finished goods	1,131,379	971,126
Work - in - progress	16,634	11,239
	2,513,692	2,744,287

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

12. TRADE RECEIVABLES

	Group 2008 RM	Group 2007 RM
Trade receivables	6,277,176	6,994,395
Less: Allowance for doubtful debts	(243,393)	(201,348)
	6,033,783	6,793,047

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

The foreign currency exposure of the trade receivables of the Group are as follows:

	Group 2008 RM	Group 2007 RM
US Dollar	–	66,068

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Other receivables	178,781	214,440	–	–
Deposits	133,027	164,327	3,687	3,687
Prepayments	12,277	2,550	–	–
	324,085	381,317	3,687	3,687

14. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

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

15. CASH AND BANK BALANCES

	Group 2008 RM	Group 2007 RM	Company 2008 RM	Company 2007 RM
Cash in hand	48,772	51,285	3,980	5,919
Cash at bank	1,123,910	1,505,290	87,688	57,300
	1,172,682	1,556,575	91,668	63,219

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

16. AMOUNT DUE TO CONTRACT CUSTOMERS

	Group	
	2008 RM	**2007 RM**
Aggregate costs incurred to date	–	110
Add: Attributable profits	–	42,345
	–	42,455
Less: Progress billings	–	(123,760)
	–	(81,305)

17. TRADE PAYABLES

	Group	
	2008 RM	**2007 RM**
Trade payables	1,378,898	1,897,411

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

18. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Other payables	529,994	705,053	–	–
Accruals	395,237	142,686	87,332	123,097
Deposits received	25,320	47,360	–	–
	950,551	895,099	87,332	123,097

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

19. BORROWINGS

	Group	
	2008	**2007**
	RM	**RM**
Current liabilities		
Secured		
Bank overdraft	145,677	121,422
Bills payable	803,869	517,029
Finance lease liabilities	44,544	61,301
	994,090	699,752
Long term liabilities		
Secured		
Finance lease liabilities	84,227	128,771
Total borrowings		
Bank overdraft	145,677	121,422
Bills payable	803,869	517,029
Finance lease liabilities	128,771	190,072
	1,078,317	828,523

	Group	
	2008	**2007**
	%	**%**
Interest rates on the above are as follows:		
Bank overdraft	8.25	7.30 - 8.00
Bills payable	8.25	7.50
Finance lease liabilities	2.78-7.3	5.57-11.24

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 2008

19. BORROWINGS (CONT'D)

FINANCE LEASE LIABILITIES

	Group 2008 RM	Group 2007 RM
Minimum lease payment		
- not later than one year	50,520	70,287
- later than one year and not later than five years	88,530	139,050
	139,050	209,337
Less: Future interest charges	(10,279)	(19,265)
Present value of finance lease liabilities	128,771	190,072
Current liabilities		
- not later than one year	44,544	61,301
Long term liabilities		
- later than one year and not later than five years	84,227	128,771
	128,771	190,072

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. NON-CURRENT ASSETS HELD FOR SALE

	Group 2008 RM	Group 2007 RM
The assets held for sale comprise the following:		
a) Property, plant and equipment		
At cost	170,885	170,885
Accumulated depreciation	(53,635)	(53,635)
Net carrying amount	117,250	117,250
Transfer to intercompany	(116,355)	–
Written off during the year	(895)	–
	–	117,250

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

21. NON-CURRENT ASSETS HELD FOR SALE (CONT'D)

		Group	
		2008 RM	2007 RM
b)	Inventory held for sale, at cost	36,084	36,084
	Transfer to intercompany	(25,782)	–
	Written off during the year	(10,303)	–
		–	36,084
	Net carrying amount as at end of the year	–	153,334

22. SHARE CAPITAL

	Group and Company	
	2008 RM	2007 RM
Ordinary shares of RM0.10 each:		
Authorised		
Balance brought forward	25,000,000	25,000,000
Created during the year	25,000,000	–
Balance carried forward	50,000,000	25,000,000
Issued and fully paid		
Balance brought forward	15,000,000	15,000,000
Bonus issue during the year	10,200,000	–
Balance carried forward	25,200,000	15,000,000

23. RESERVES

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Non-distributable:				
Share premium reserve	–	8,019,296	–	8,019,296
Distributable:				
Unappropriated profit	5,360,606	6,976,951	1,226	1,953,179
	5,360,606	14,996,247	1,226	9,972,475

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

24. DEFERRED TAX LIABILITIES

	Group		Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
At beginning of financial year	425,438	344,155	5,200	5,433
Recognised in the income statement	21,805	81,283	(200)	(233)
At end of financial year	447,243	425,438	5,000	5,200

The deferred tax liabilities are made up of the following:

	Group		Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Property, plant and equipment				
The tax effect of the excess of property, plant and equipment's carrying value over its tax base	447,243	425,438	5,000	5,200
	447,243	425,438	5,000	5,200

25. REVENUE

	Group		Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Management fee receivable	–	–	1,420,000	1,440,000
Dividend received and receivable	–	–	1,506,757	1,896,685
Contract fees	148,167	207,043	–	–
Trading sales and services	18,779,883	19,621,310	–	–
	18,928,050	19,828,353	2,926,757	3,336,685

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

26. PROFIT BEFORE TAXATION

i)

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Profit before taxation is arrived at -				
After charging:-				
Impairment of goodwill	200,000	–	–	–
Allowance for doubtful debts	225,061	148,968	–	–
Auditors' remuneration	41,900	47,400	3,000	3,000
Bad debts written off	229,850	106,447	–	–
Loss on dilution of interest in subsidiary company	–	18,446	–	–
Depreciation on property, plant and equipment	792,383	786,246	10,334	9,875
Directors' remuneration:				
- Salaries	1,214,508	1,208,908	838,656	838,656
- Fees	295,500	298,500	295,500	298,500
Interest expenses:				
- Finance lease interest	2,211	16,424	–	–
- Bank overdraft interest	11,902	8,848	99	–
- Term loan interest	–	5,117	–	–
- LC charges & TR interest	50,829	91,972	–	–
- Other interest	1,081	1,481	693	–
Property, plant and equipment written off	9,074	81,768	–	–
Research and development expenditure	3,567	3,639	–	–
Rental of premises	47,410	103,781	–	–
Amortisation of prepaid lease payment	44,587	44,588	–	–
Sundry deposit written off	–	500	–	–
Assets held for sale written off	11,198	–	–	–
Write-down of inventories	214,818	–	–	–
And crediting:-				
Bad debts recovered	–	49,608	–	–
Gross dividend from unquoted subsidiary companies	–	–	1,506,757	1,896,685
Gain on disposal of property, plant and equipment	20,350	29,720	–	–
Interest income received from:				
- Fixed deposit interest	139,632	81,770	30,564	19,419
- Other interest	6,615	312	–	–
Management fee receivable	–	–	1,420,000	1,440,000
Rental received	87,460	75,630	–	–
Net gain on foreign exchange	20,591	32,327	–	–
Gain on disposal of investment	20,848	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

26. PROFIT BEFORE TAXATION (CONT'D)

ii) STAFF COSTS

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Staff costs for the financial year	4,364,769	4,417,435	1,218,759	1,189,218

27. DIRECTORS' REMUNERATION

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Non-executive Directors:				
- fees	19,500	22,500	19,500	22,500
Executive Directors:				
- salaries	1,214,508	1,208,908	838,656	838,656
- fees	276,000	276,000	276,000	276,000
	1,510,008	1,507,408	1,134,156	1,137,156

28. TAXATION

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Current tax based on profit for the financial year:				
Malaysian income tax	622,599	581,277	380,000	225,000
Deferred tax	21,805	81,283	(200)	(233)
(Over)/under provision of taxation in prior years	(449)	17,130	11,501	(719)
	643,955	679,690	391,301	224,048

With effect from year of assessment 2004, chargeable income of certain subsidiary companies (being residents in Malaysia with paid up capital of less than RM2.5 million) are taxed at the following rates:

On the first RM500,000 : 20%
In excess of RM500,000 : 26% (2007:27%)

Income tax expense for the Company is calculated based on the statutory income tax rate of Malaysia at 26% (2007: 27%) 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

28. TAXATION (CONT'D)

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	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Profit before taxation ("PBT")	2,076,928	2,111,280	1,477,858	1,876,596
Tax expense	643,955	679,690	391,301	224,048

	Group		Company	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
- Income tax using Malaysian tax rate of 26% (2007 : 27%)	540,001	570,046	384,243	506,681
- Effect of tax saving at statutory tax rate of 20%	(131,581)	(159,584)	–	–
- (Over)/under provision of income tax in prior year	(449)	17,130	11,501	(719)
- Deferred taxation	21,805	81,283	(200)	(233)
- Income not subject to income tax	(82,376)	(90,184)	(59,947)	(315,268)
- Non-deductible expenses	446,572	428,627	58,580	52,353
- Utilisation of capital allowances	(150,017)	(167,628)	(2,876)	(18,766)
- Tax expenses	643,955	679,690	391,301	224,048

As at 31 December 2008, the company has sufficient tax credits under Section 108 (6) of the Income Tax Act 1967 to frank the payment of dividends out of its entire retained profits as at 31 December 2008.

29. 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	
	2008 RM	**2007 RM**	**2008 RM**	**2007 RM**
Net profit attributable to ordinary shareholders	1,422,164	1,361,137	1,086,557	1,652,548
Issued ordinary shares	252,000,000	150,000,000	252,000,000	150,000,000
Basic earnings per share (sen)	0.56	0.91	0.43	1.10

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

30. 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	
	2008 RM	2007 RM	2008 RM	2007 RM
Purchase of property, plant and equipment (Note 2(i) & (ii))	447,655	720,043	3,970	2,348
Financed by finance lease arrangement	–	(43,300)	–	–
Cash payments on purchase of property, plant and equipment	447,655	676,743	3,970	2,348

31. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2008 RM	2007 RM	2008 RM	2007 RM
Cash and bank balances (Note 15)	1,172,682	1,556,575	91,668	63,219
Fixed deposits with licensed banks	5,989,460	3,015,155	1,169,965	780,000
	7,162,142	4,571,730	1,261,633	843,219
Bank overdraft (Note 19)	(145,677)	(121,422)	–	–
	7,016,465	4,450,308	1,261,633	843,219

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

32. 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:

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

32. 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)	2,399,746	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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

32. SEGMENT INFORMATION (CONT'D)

2007
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	15,952,370	3,875,983	–	–	19,828,353
Inter-segment revenue	377,123	511,337	3,336,685	(4,225,145)	–
Total revenue	16,329,493	4,387,320	3,336,685	(4,225,145)	19,828,353
RESULT					
Segment results (external)	2,192,826	24,729	(69,685)	–	2,147,870
Interest income	62,462	–	19,419	–	81,881
Finance costs	(113,595)	(4,876)	–	–	(118,471)
Profit before taxation	2,141,693	19,853	(50,266)	–	2,111,280
Taxation					(679,690)
Profit after taxation					1,431,590
Minority interests					(70,453)
Net profit for the year					1,361,137
OTHER INFORMATION					
Segment assets	18,100,347	7,545,507	8,258,822		33,904,676
Segment liabilities	2,992,923	690,879	128,274		3,812,076
Capital expenditure	609,295	108,400	2,348		720,043
Depreciation	506,716	269,655	9,875		786,246
Non-cash expenses other than depreciation	219,372	146,585	53,792		419,749

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 2008

33. SIGNIFICANT INTERCOMPANY AND RELATED PARTY DISCLOSURE

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

	Company	
	2008 **RM**	**2007** **RM**
Management fee received/ receivable	1,420,000	1,440,000
Dividend received/ receivable	1,506,757	1,896,685

b) Compensation of key management personnel

The key management personnel comprised mainly executive directors of the Company whose remuneration are disclosed in Note 27.

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.

34. CONTINGENT LIABILITIES (UNSECURED)

	Company	
	2008 **RM**	**2007** **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 2008

35. DIVIDENDS

	Gross dividend per share (sen)	Amount of net dividend RM	Date of payment
2008			
First and final 2007 ordinary	0.46	857,806	30 June 2008
2007			
First and final 2006 ordinary	0.28	306,600	23 August 2007

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.

The Directors proposed a final gross dividend of:-
- approximately 0.17 sen per share, less tax at 25% amounting to RM317,693
- approximately 0.29 sen per share, tax exempt, amounting to RM730,800

in respect of the financial year ended 31 December 2008 subject to the approval of members at the forthcoming Annual General Meeting.

The financial statement for the current financial year do not reflect this proposed dividend. Such dividend, if apprroved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the next financial year ending 31 December 2009.

36. 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 2008

36. 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					
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	128,771	–	–	128,771	2.82-7.55
	1,078,317	–	–	1,078,317	
The Company					
2008					
Financial Assets					
Deposits with licensed banks	1,169,965	–	–	1,169,965	3.04

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31 DECEMBER 2008

36. 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					
2007					
Financial Assets					
Deposits with licensed banks	3,015,155	–	–	3,015,155	3.10
Financial Liabilities					
Bank overdraft	121,422	–	–	121,422	7.55-8.30
Bills payable	517,029	–	–	517,029	7.76
Finance lease liabilities	61,301	128,771	–	190,072	5.71-11.84
	699,752	128,771	–	828,523	
The Company					
2007					
Financial Assets					
Deposits with licensed banks	780,000	–	–	780,000	3.10

(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 2008

36. 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
2007				
Financial Assets				
Other investment	20,000	40,070	–	–

The following method and assumption is used to estimate the fair value of each class of financial instrument:

- Other investment

  The fair values of quoted security is estimated based on quoted market prices.

37. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 8 April 2009.

STATISTIC OF SHAREHOLDINGS

AS AT 3 APRIL 2009

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	-	629

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of Issued share capital
Less than 100	8	1.27	361	0.00
100 - 1,000	56	8.90	16,810	0.01
1,001 - 10,000	232	36.88	1,124,254	0.45
10,001 - 100,000	230	36.57	7,995,576	3.17
100,001 to less than 5% of issued shares	100	15.90	86,395,028	34.28
5% and above of issued shares	3	0.48	156,467,971	62.09
	629	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	15,213,147	10.01
3	Tan Boon Kok	24,821,963	9.85
		163,187,971	64.76

DIRECTORS' SHAREHOLDINGS

		No. of ordinary shares RM0.10 each held			
	Name	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 3 APRIL 2009

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*	11,792,088	4.68
5	Kan King Choy	10,215,841	4.05
6	Chan Ah Kien	6,720,000	2.67
7	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Yee Kim Keow*	6,171,312	2.45
8	Mayban Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Sepulohniam A/L M.Somu*	5,192,412	2.06
9	Lee Ee Lee	3,305,360	1.31
10	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged Securities Account For Lee Chong Theen*	2,870,128	1.14
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	Yap Chee Teong	900,000	0.36
22	Phua Sin Loke	840,000	0.33
23	Teo Hwee Mien	814,800	0.32
24	HLG Nominees (Asing) Sdn Bhd *Exempt An For DBS Bank (Hong Kong) Limited (A/C 5)*	738,528	0.29
25	Tay Lay Cheng	719,544	0.29
26	Chong Set Moy	697,972	0.28
27	Goh Swee Keng	666,960	0.26
28	Lee Wai Sum	559,972	0.22
29	Yap Siew Cheng	544,000	0.22
30	Lim Suat Lean	516,794	0.21
		225,559,423	89.50

LIST OF PROPERTIES

AS AT 31 DECEMBER 2008

The following are the properties held by the Group as at 31 December 2008:

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 31.12.2008 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.	3,090	Triple storey office block and a single storey factory	13	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.	373	Double storey semi-detached factory	29	1,900
				Extension	3	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.	756	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 31.12.2007 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.	213	Double storey shophouse	16	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.	528	Double storey shophouse	17	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	16	5,161

LIST OF PROPERTIES (Cont'd)

AS AT 31 DECEMBER 2008

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 31.12.2007 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.	412	Single storey detached factory	9	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	11	2,156
PTD 32881 Mukim and District of Kluang, Johor.*	Freehold Building (Assets held for investments)	1,540 sq. ft.	314	Double storey shophouse	14	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	262	Double storey semi-detached factory	7	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	260	Double storey semi-detached factory	7	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 31.12.2007 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.	952	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.	952	Vacant land	–	–

LIST OF PROPERTIES (Cont'd)

AS AT 31 DECEMBER 2008

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 31.12.2007 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S. (D) 97263 P.T. No. 27731 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.	211	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.	247	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 Eighth Annual General Meeting of the Company, to be held at Tioman Room, Bukit Jalil Golf and Country Resort, Jalan 3/155B, 57000 Kuala Lumpur on Tuesday, 11 May 2009 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 receive and consider the Audited Financial Statements for the financial year ended 31 December 2008 together with the Reports of the Directors and Auditors thereon.		
2.	To declare a final gross dividend of 0.17 sen per ordinary share, less income tax and 0.29 sen per ordinary shares, tax exempt in respect of the financial year ended 31 December 2008.		
3.	To approve the payment of Directors' fees for the year ended 31 December 2008.		
	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:		
4.	Mr. Pang Wee See		
5.	Mr. Kan King Choy		
6.	Mr. Cheng Sim Meng		
	To re-elect the following Directors who are retiring pursuant to Article 102 of the Articles of Association of the Company, and being eligible, offer themselves for re-election:		
7.	Mr. Ng Kok Ann		
8.	To re-appoint S. F. Yap & Co as auditors of the Company and to authorise the Directors to fix their remuneration		
	Special Business		
9.	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.................................2009

....
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

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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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