

BRITE-TECH BERHAD

Registration No. 200101014455 (550212-U)

ANNUAL REPORT 2023

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Third Annual General Meeting of Brite-Tech Berhad will be conducted fully virtual via Online Meeting Platform at <https://rb.gy/w55o31> provided by Niche & Milestones International Sdn Bhd on Friday, 7 June 2024 at 12.00 noon for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. | Please refer to
Explanatory Note 1 |
| 2. | To declare a final single tier dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 December 2023. | (Resolution 1) |
| 3. | To approve the payment of Directors' fees of RM337,500.00 and benefits of RM39,600.00 for the financial year ended 31 December 2023. | (Resolution 2) |
| 4. | To approve the payment of Directors' fees and benefits up to RM560,000.00 from 1 January 2024 until the next Annual General Meeting. | (Resolution 3) |
| 5. | To re-elect the following Directors who are retiring by rotation, pursuant to Clause 104 of the Constitution of the Company, and being eligible, offer themselves for re-election: | |
| a) | Mr. Pang Wee See | (Resolution 4) |
| b) | Ir. Koh Thong How | (Resolution 5) |
| 6. | To re-appoint Messrs CAS Malaysia PLT as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. | (Resolution 6) |

AS SPECIAL BUSINESS

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

7. ORDINARY RESOLUTION

AUTHORITY PURSUANT TO SECTION 75 AND 76 OF THE COMPANIES, ACT 2016 FOR THE DIRECTORS TO ISSUE SHARES

(Resolution 7)

"THAT pursuant to Section 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorised to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the issued share capital of the Company for the time being, subject always to the approvals of all the relevant authorities being obtained for such allotment and issue and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.

THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clauses 3 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act, 2016."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. ORDINARY RESOLUTION PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY

(Resolution 8)

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

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

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by resolution passed by the Company in general meeting;

whichever occurs first.

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

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

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS ALSO HEREBY GIVEN that the final single tier dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 December 2023, if approved by the shareholders, will be paid on 11 July 2024 to shareholders whose names appear in the Register of Depositors at the close of business on 26 June 2024. A Depositor shall qualify for dividend entitlement only in respect of:

- a) Shares transferred into Depositor's Securities Account before 4.30 p.m. on 26 June 2024 in respect of ordinary transfers; and
- b) Shares bought on the Bursa Malaysia Securities Berhad ("Bursa Securities") on a cum entitlement basis according to the Rules of Bursa Securities.

By order of the Board

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

Dated : 30 April 2024

Notes:

1. The Company's Twenty-Third Annual General Meeting ("**23rd AGM**") will be conducted fully virtual via Online Meeting Platform provided by Niche & Milestones International Sdn Bhd, as the safety of the members, Directors, staff and other stakeholders of the Company who will attend the 23rd AGM is of paramount importance to the Company.

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

2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
3. Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. The instrument of appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing in that behalf.
6. The instrument appointing a proxy must be deposited at the Registered Office at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than twenty-four hours before the time appointed for the taking of the poll.
7. Only a depositor whose name appears on the Record of Depositors as at 30 May 2024 shall be entitled to attend the said meeting and to appoint a proxy or proxies to attend, speak and/or vote on his/her behalf.
8. According to Clause 64 of the Constitution of the Company and pursuant to Paragraph 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes:

1. Item 1 of the Agenda

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

2. Item 7 of the Agenda – Ordinary Resolution 7

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

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

THAT pursuant to Section 85 of the Companies Act, 2016, read together with Clauses 3 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act, 2016.”

As at the date of this notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Twenty-Second Annual General Meeting held on 2 June 2023 and which will lapse at the conclusion of the Twenty-Third Annual General Meeting.

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

3. Item 8 of the Agenda – Ordinary Resolution 8

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

The proposed Ordinary Resolution 8 if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting,

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

PERSONAL DATA PRIVACY:

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

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

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

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

As at the date of this Notice, there is no individual standing for election as a Director of the Company at the 23rd AGM.

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Pang Wee See
Executive Chairman

Kan King Choy
Executive Director

Ng Kok Ann
Non-Independent Non-Executive Director

Tan Ching Shim
Independent Non-Executive Director

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

Tan Boon Kok
Executive Director

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

Wee Swee Cheng
Independent Non-Executive Director

Lee See Bee
Independent Non-Executive Director

AUDIT COMMITTEE

Wee Swee Cheng (Chairman)
Ng Kok Ann
Lee See Bee
Tan Ching Shim

NOMINATION COMMITTEE

Wee Swee Cheng (Chairman)
Ng Kok Ann
Lee See Bee

REMUNERATION COMMITTEE

Wee Swee Cheng (Chairman)
Ng Kok Ann
Tan Ching Shim

COMPANY SECRETARIES

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

REGISTERED OFFICE

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

BUSINESS OFFICE

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

AUDITORS

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

SHARE REGISTRAR

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

PRINCIPAL BANKERS

United Overseas Bank (Malaysia) Berhad
Malayan Banking Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
Public Bank Berhad
Amfunds Management Berhad
United Overseas Bank Asset Management (Malaysia)
Berhad
CIMB Bank Berhad
Alliance Malaysia Bank Berhad

STOCK EXCHANGE LISTING

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

DIRECTORS' PROFILE

PANG WEE SEE

Executive Chairman

Pang Wee See, a Malaysian, male, aged 72, was appointed to the Board on 25 May 2002.

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

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

He is the spouse of Madam Yee Oii Wah and brother-in-law of Ir. Koh Thong How. He has no conflict of interest with the Company and he has not been convicted for any offences in the past five (5) years (other than traffic offences, if any), and there was no public sanction or penalty imposed upon him by any relevant regulatory bodies during the financial year.

He attended all five (5) Board meetings of the Company held during the financial year ended 31 December 2023.

TAN BOON KOK

Executive Director

Tan Boon Kok, a Malaysian, male, aged 66, was appointed to the Board on 25 May 2002.

Upon completion of his Form Six Level education in Tunku Abdul Rahman College in 1978, he joined Paloh Palm Oil Mill in 1979. The following year in 1980, he moved to Bukit Benut Palm Oil Mill and subsequently to Coronation Palm Oil Mill as Laboratory Conductor. He joined Brite-Tech Corporation Sdn Bhd in 1983 as Sales Executive and later was promoted to Sales Manager in 1986. He has been with the Group for more than 40 years.

He does not have any family relationship with other Directors and/or major shareholder of the Company. He has no conflict of interest with the Company and he has not been convicted for any offences in the past five (5) years (other than traffic offences, if any), and there was no public sanction or penalty imposed upon him by any relevant regulatory bodies during the financial year. He does not hold directorship of any other public listed company.

He attended all five (5) Board meetings of the Company held during the financial year ended 31 December 2023.

KAN KING CHOY

Executive Director

Kan King Choy, a Malaysian, male, aged 62, was appointed to the Board on 25 May 2002.

He joined Spectrum Laboratories Sdn Bhd as a Manager of the laboratory in 1990 and has been with the Group for more than 30 years. He graduated from Tunku Abdul Rahman College with a Diploma in Science and a Bachelor of Science degree in Chemistry and Mathematics from Campbell University (U.S.A.) in 1985. After graduation, he joined Sailcos Laboratories Sdn. Bhd. in 1986 as a Chemist where he remained for 4 years, familiarising with the laboratory operations and the laboratory business in general. He was admitted as a Licentiate of the Institut Kimia Malaysia in 1988.

He does not have any family relationship with other Directors and/or major shareholder of the Company. He has no conflict of interest with the Company and he has not been convicted for any offences in the past five (5) years (other than traffic offences, if any), and there was no public sanction or penalty imposed upon him by any relevant regulatory bodies during the financial year. He does not hold directorship of any other public listed company.

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

DIRECTORS' PROFILE (CONT'D)

IR. KOH THONG HOW

Non-Independent Non-Executive Director

Ir. Koh Thong How, a Malaysian, male, aged 69, was appointed to the Board on 25 May 2002.

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

He is the brother-in-law of Pang Wee See. He has no conflict of interest with the Company and he has not been convicted for any offences in the past five (5) years (other than traffic offences, if any), and there was no public sanction or penalty imposed upon him by any relevant regulatory bodies during the financial year. He does not hold directorship of any other public listed company.

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

NG KOK ANN

Non-Independent Non-Executive Director

Ng Kok Ann, a Malaysian, male, aged 50, was appointed to the Board on 21 January 2009.

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

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

He does not have any family relationship with other Directors and/or major shareholder of the Company. He has no conflict of interest with the Company and he has not been convicted for any offences in the past five (5) years (other than traffic offences, if any), and there was no public sanction or penalty imposed upon him by any relevant regulatory bodies during the financial year. He does not hold directorship of any other public listed company.

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

DIRECTORS' PROFILE (CONT'D)

WEE SWEE CHENG

Independent Non-Executive Director

Wee Swee Cheng, a Malaysian, male, aged 68, was appointed to the Board on 28 May 2019.

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

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

He does not have any family relationship with other Directors and/or major shareholder of the Company. He has no conflict of interest with the Company and he has not been convicted for any offences in the past five (5) years (other than traffic offences, if any), and there was no public sanction or penalty imposed upon him by any relevant regulatory bodies during the financial year. He does not hold directorship of any other public listed company.

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

LEE SEE BEE

Independent Non-Executive Director

Madam Lee See Bee, a Malaysian, female, aged 52, was appointed to the Board on 18 April 2023.

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

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

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

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

She does not have any family relationship with other Directors and/or major shareholder of the Company. She has no conflict of interest with the Company and she has not been convicted for any offences in the past five (5) years (other than traffic offences, if any), and there was no public sanction or penalty imposed upon her by any relevant regulatory bodies during the financial year. She does not hold directorship of any other public listed company.

She attended three (3) Board meetings of the Company held during the financial year ended 31 December 2023. She was appointed as a member of the Audit Committee and Nomination Committee of the Company on 18 April 2023.

DIRECTORS' PROFILE (CONT'D)

TAN CHING SHIM

Independent Non-Executive Director

Madam Tan Ching Shim, a Malaysian, female, aged 58, was appointed to the Board on 18 April 2023.

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

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

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

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

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

She does not have any family relationship with other Directors and/or major shareholder of the Company. She has no conflict of interest with the Company and she has not been convicted for any offences in the past five (5) years (other than traffic offences, if any), and there was no public sanction or penalty imposed upon her by any relevant regulatory bodies during the financial year. She does not hold directorship of any other public listed company.

She attended three (3) Board meetings of the Company held during the financial year ended 31 December 2023. She was appointed as a member of the Audit Committee and Remuneration Committee of the Company on 18 April 2023.

MADAM YEE OII PAH @ YEE OOI WAH

Alternate Director to Pang Wee See

Yee Oii Pah @ Yee Ooi Wah, a Malaysian, female, aged 70, was appointed as an alternate Director to Pang Wee See on 25 May 2002.

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

Madam Yee is the spouse of Pang Wee See. She has no conflict of interest with the Company and she has not been convicted for any offences in the past five (5) years (other than traffic offences, if any), and there was no public sanction or penalty imposed upon her by any relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

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

Environmental products and services

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

System equipment and ancillary products

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

Investments

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

FIVE YEAR FINANCIAL HIGHLIGHTS

Financial year ended ("FYE")	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Revenue	27,855	24,273	25,323	25,663	25,109
Profit before tax	7,154	6,519	10,474	9,714	9,477
Profit after tax	6,041	4,847	8,622	7,409	7,235
Profit after tax attributable to owners of the Company	5,846	4,644	8,571	7,455	6,967
Share capital	25,200	25,200	25,200	25,200	25,200
Total Assets	93,121	114,154	120,160	130,982	147,735
Total Liabilities	30,466	43,448	42,578	47,274	58,472
Basic earnings per share attributable to owners of the Company (sen)	2.32	1.84	3.40	2.96	2.76
Gross Dividends per share (sen)	1.60	1.60	0.80	0.80	1.00*

* The Board of Directors is proposing a final single tier dividend of 1.00 sen per share in respect of the financial year ended 31 December 2023 for the approval of shareholders at the forthcoming Annual General Meeting.

FINANCIAL PERFORMANCE REVIEW

Financial Result	FYE 31 December 2023 RM'000	FYE 31 December 2022 RM'000	Variance	
			RM'000	%
Revenue	25,109	25,663	(554)	(2.16)
Profit before tax	9,477	9,714	(237)	(2.44)
Profit after tax	7,235	7,409	(174)	(2.35)
Profit after tax attributable to owners of the Company	6,967	7,455	(488)	(6.55)

The Group's revenue for the financial year ended 31 December 2023 ("FYE 2023") decreased slightly compared to the previous financial year ended 31 December 2022 ("FYE 2022") which showed a slight decrease of 2.16% to RM25.109 million for the FYE 2023 from RM25.663 million for the FYE 2022.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The Group's profit before tax for the FYE 2023 decreased slightly by 2.44% to RM9.477 million as compared to RM9.714 million for the FYE 2022 while the Group's profit after tax for the FYE 2023 decreased slightly by 2.35% to RM7.235 million as compared to RM7.409 million for the FYE 2022.

The environmental products and services segment is the main contributor to the Group's revenue, contributing 78.88% or RM19.798 million while the system equipment and ancillary products contributed 11.77% or RM2.955 million and the investment segment contributed 9.35% or RM2.347 million.

ANTICIPATED OR KNOWN RISKS

Competition Risk

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

Dependence on Key Personnel

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

The Group will periodically review and revise its remuneration scheme to attract and retain the key management personnel who are essential in the support of the Group's operations by providing employees benefits and incentives to ensure long term commitment of the key management personnel to the Group.

Economic and Regulatory Risks

The Group, like any other company in the environmental products and services sector, is exposed to the risks brought upon by changes in the economic and regulatory environment, which may adversely impact the Group's business and operations. In the past few years, the COVID-19 pandemic had temporarily impacted on the economic conditions as well as the environmental products and services sector in which the Group is involved. The Group will strive to ensure compliance with all applicable regulations and policies as well as to stay abreast of any changes in regulations and policies.

ECONOMIC OUTLOOK

The global economy is anticipated to moderate in 2023 and 2024 due to various downside risks, including weaker-than-expected global demand; tighter global financial conditions; worsening trade tensions between major economies; mounting geopolitical uncertainty; and a further rise in protectionist measures. World trade is expected to moderate in 2023 in line with weaker global demand. However, world trade is expected to strengthen in 2024 in tandem with improved trade activities. As an open economy, Malaysia is not spared from external developments. Thus, the Gross Domestic Product is expected to moderate in 2023. Nonetheless, the economy is expected to strengthen in 2024 supported by expansion in all sectors and better prospect in global trade.

Efforts will be intensified to strengthen Malaysia's agility in keeping pace with the fast-changing environment, which requires a paradigm shift and innovation culture to enhance economic growth. The continuation of strategic projects, digitalisation, improved productivity and advanced manufacturing will further stimulate the growth of the economy in the medium term. All economic sectors are expected to benefit from the recent policies such as the National Energy Transition Roadmap, the New Industrial Master Plan 2030 and the Mid-Term Review of the Twelfth Malaysia Plan, which are in tandem with the Ekonomi MADANI framework. Looking ahead, effective implementation of these policies will further enhance economic growth and resilience as Malaysia navigates through the challenging global landscape.

(Source: Economic Outlook 2024; Ministry of Finance Malaysia)

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PROSPECTS

The Group is cautiously optimistic on the business prospects and expects the year ahead to be challenging. Amidst these challenging times, the Group expects to maintain a reasonably level of business with the resources the Group has and efforts taken by the Group. The Group looks forward to increase its business activities which are expected to contribute to better revenue for the Group.

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

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

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

DIVIDENDS

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

The Board of Directors is pleased to recommend a final single tier dividend of 1.00 sen per share for the approval of shareholders at the forthcoming Annual General Meeting.

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

ACKNOWLEDGEMENT AND APPRECIATION

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

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

Pang Wee See

Executive Chairman

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

The Board is pleased to set out below our Corporate Governance Overview Statement which describes how the Group has applied the principles of the MCCG and the extent to which it has complied with the best practices set out in the MCCG during the financial year ended 31 December 2023. This statement also serves as a compliance with Rule 15.25 of the Bursa Securities Listing Requirements for ACE Market. The detailed explanation on the application of the corporate governance practices are reported in the Corporate Governance Report announced to Bursa Malaysia and published in the Company’s website at www.brite-tech.com.my.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

1. Establish Clear Roles and Responsibilities

1.1 Responsibilities of the Board

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

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

1.2 Composition of the Board

The Board currently consists of eight (8) members, comprising an Executive Chairman, two (2) Executive Directors, two (2) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. This composition complies with Rule 15.02(1) of the Bursa Securities Listing Requirements for ACE Market which requires that at least two directors or one-third of the Board, whichever is the higher, comprises of independent directors. In the event of any vacancy in the Board, resulting in the non-compliance with Rule 15.02(1), the Company must fill the vacancy within three (3) months.

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

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

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

The Board acknowledges the need for gender diversity for good governance practices and to enhance the efficient functioning of the Board. The Board believes that the evaluation of any candidate’s suitability is guided by the skills, experience, competency and knowledge of the individual candidate and it shall review any potential candidate wherever reasonably possible. The Company currently has two (2) female representation in the Board. The Board will remain mindful of the need for gender diversity and will consider to appoint more women directors to the Board when suitable candidates are identified.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

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

1.3 Access to Information and Advice

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

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

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

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

1.4 Company Secretaries

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

1.5 Board Charter

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

The Board Charter is available for reference on the Company's website at www.brite-tech.com.

1.6 Directors' Code of Conduct

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

The Directors' Code of Conduct is available for reference on the Company's website at www.brite-tech.com.

1.7 Whistleblowing Policy

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

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

1.8 Anti-Bribery and Anti-Corruption Policy

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

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

1.9 Fit and Proper Policy

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

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

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

1.10 Strategies Promoting Sustainability

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

2. Strengthen composition

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

2.1 Audit Committee

The composition and the terms of reference of the Audit Committee are set out in the Audit Committee Report on Page 24 of this Annual Report.

2.2 Remuneration Committee

The present members of the Remuneration Committee are as follows:

Chairman:	Wee Swee Cheng	(Independent Non-Executive Director)
Members:	Ng Kok Ann	(Non-Independent Non-Executive Director)
	Tan Ching Shim	(Independent Non-Executive Director)

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. Strengthen composition (Cont'd)

2.3 Directors' Remuneration (Cont'd)

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

Details of the aggregate remuneration received/receivable by the Directors of the Company from the Company and the Group for the financial year ending 31 December 2023 are as follows:

Received/receivable from the Company

	Fees RM	Salaries and other emoluments RM	Bonus RM	Benefit- in-kind RM	Total RM
Pang Wee See	87,000	306,000	57,000	-	450,000
Tan Boon Kok	87,000	200,400	39,400	-	326,800
Kan King Choy	87,000	200,400	39,400	-	326,800
Ir. Koh Thong How	16,500	-	-	-	16,500
Ng Kok Ann	16,500	-	-	-	16,500
Wee Swee Cheng	16,500	-	-	-	16,500
Lee See Bee	13,500	-	-	-	13,500
Tan Ching Shim	13,500	-	-	-	13,500

Received/receivable from the Group

	Fees RM	Salaries and other emoluments RM	Bonus RM	Benefit- in-kind RM	Total RM
Pang Wee See	87,000	306,000	57,000	17,400	467,400
Tan Boon Kok	87,000	200,400	39,400	11,100	337,900
Kan King Choy	87,000	200,400	39,400	11,100	337,900
Ir. Koh Thong How	16,500	-	-	-	16,500
Ng Kok Ann	16,500	-	-	-	16,500
Wee Swee Cheng	16,500	-	-	-	16,500
Lee See Bee	13,500	-	-	-	13,500
Tan Ching Shim	13,500	-	-	-	13,500

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

2. Strengthen composition (Cont'd)

2.4 Nomination Committee

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

The present members of the Nomination Committee are as follows:

Chairman:	Wee Swee Cheng	(Independent Non-Executive Director)
Members:	Ng Kok Ann	(Non-Independent Non-Executive Director)
	Lee See Bee	(Independent Non-Executive Director)

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

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

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

The Terms of Reference of the Nomination Committee is available for reference on the Company's website at www.brite-tech.com.

2.5 Retirement and Re-election of Directors

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

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

3. Reinforce Independence

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

3. Reinforce Independence (Cont'd)

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

4. Foster Commitment

4.1 Board Meetings

The Board ordinarily meets at least four (4) times a year at quarterly interval with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. There were five (5) meetings held during the financial year ended 31 December 2023.

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

Name	Designation	Attendance
Pang Wee See	Executive Chairman	5/5
Tan Boon Kok	Executive Director	5/5
Kan King Choy	Executive Director	5/5
Ir. Koh Thong How	Non-Independent Non-Executive Director	5/5
Ng Kok Ann	Non-Independent Non-Executive Director	5/5
Wee Swee Cheng	Independent Non-Executive Director	5/5
Lee See Bee	Independent Non-Executive Director	3/5
Tan Ching Shim	Independent Non-Executive Director	3/5

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

Foster Commitment (Cont'd)

4.2 Directors' Training

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

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

During the financial year ended 31 December 2023, the seminars and training courses attended by the Directors are as follows:

Directors	Seminar/Training Course Attended
Ir. Koh Thong How	Advanced Air Purification System Which Utilizes Hydroxyl Radicals To Achieve Superior IAQ Vibration Mitigation Dampers
Ng Kok Ann	Taxation of Property Developers and Contractors Tax Deductible Expenses – Principles and Latest Developments 2023 Budget Seminar Audit Risk Management
Wee Swee Cheng	Security Commission Malaysia's Audit Oversight Board Conversation with Audit Committees
Lee See Bee	Mandatory Accreditation Programme Part 1 Seminar on "Companies Act 2016. Practical Guide for Company Secretaries"
Tan Ching Shim	Mandatory Accreditation Programme Part 1

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

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

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit Committee

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

The composition and the terms of reference of the Audit Committee are set out in the Audit Committee Report on Page 24 of this Annual Report

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

2. Relationship with the Auditors

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

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

3. Risk Management and Internal Control

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

The Group's overall internal controls system includes :-

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

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

These are covered in more detail in the "Statement on Risk Management and Internal Control" in Pages 27 to 28.

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

1. Communications with Stakeholders

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

2. Conduct of General Meetings

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

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

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

STATEMENT OF COMPLIANCE

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

This Corporate Governance Overview Statement was approved by the Board on 16 April 2024.

AUDIT COMMITTEE REPORT

1. Introduction

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

Chairman:	Wee Swee Cheng	Independent Non-Executive Director
Members:	Ng Kok Ann	Non-Independent Non-Executive Director
	Lee See Bee	Independent Non-Executive Director
	Tan Ching Shim	Independent Non-Executive Director

2. Terms of Reference

a) Composition of Audit Committee

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

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

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

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

b) Meetings

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

c) Authority

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

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

AUDIT COMMITTEE REPORT (CONT'D)

2. Terms of Reference (Cont'd)

d) Duties and Responsibility

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

- (i) To consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal;
- (ii) To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- (iii) To discuss with the external auditor on the evaluation of the system of internal controls and the assistance given by the employees to the external auditors.
- (iv) To review and report to the Board if there is reason (supported by grounds) to believe that the external auditor is not suitable for reappointment.
- (v) To review the quarterly and year-end financial statements of the Board, focusing particularly on:
 - any changes in the accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumptions; and
 - compliance with accounting standards and other legal requirements.
- (vi) To discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of the management where necessary);
- (vii) To review the external auditor's management letter and the management's response;
- (viii) To do the following where the internal audit function is outsourced:
 - review the adequacy of the scope, functions and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process and where necessary ensure that appropriate action is taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of the internal audit function; and
 - inform itself of resignation of the internal audit function and provide the resigning internal audit function an opportunity to submit their reasons for resigning.
- (ix) To consider any related party transactions and conflicts of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- (x) To consider the major findings of internal investigations and the management's response;
- (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 five (5) meetings during the financial year ended 31 December 2023. The details of their meetings are as follows:

Audit Committee Members	Attendance
Wee Swee Cheng	5/5
Ng Kok Ann	5/5
Lee See Bee	3/5
Tan Ching Shim	3/5

The activities of the Audit Committee during the financial year ended 31 December 2023 include the following:-

- (i) Reviewed the Group's quarterly unaudited financial statements prior to submission to the Board for consideration and approval for release to Bursa Securities;
- (ii) Reviewed the Group's year end audited financial statements prior to submission to the Board for consideration and approval;
- (iii) Reviewed the scope of work and audit planning memorandum of the external auditors;
- (iv) Reviewed the scope of work and audit plan of the internal auditors. Thereafter discussed with internal auditors and management on the management's response to the findings and recommendations highlighted in the internal audit reports;
- (v) Reviewed the Corporate Governance Overview Statement, Audit Committee Report and Statement on Risk Management and Internal Control, and recommended the same to the Board for approval and disclosure in the Company's Annual report;
- (vi) Held discussions with external auditors without the presence of management;
- (vii) Reviewed related party transactions and conflict of interest situation that may arise within the Group;
- (viii) Reviewed the effectiveness of the Group's system of internal control;
- (ix) Considered and recommended to the Board for approval the audit fees payable to external auditors.
- (x) Reviewed the performance of the external auditors and made recommendation to the Board for their re-appointment.

4. Internal Audit Function

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

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

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

The internal audit activities during the financial year covered amongst others, areas such as Sales, Credit Control and Human Resources.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“Board”) of Brite-Tech Berhad is pleased to present its Statement on Risk Management and Internal Control of the Company and its subsidiaries (“the Group”) for the financial year ended 31 December 2023. The disclosure in this Statement is required under paragraph 15.26(b) of the ACE Market Listing Requirements, and it is prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” (“Guidelines”).

BOARD RESPONSIBILITIES

The Board, with a deep understanding of the principal business risks, acknowledges its responsibilities to ensure a robust framework for internal controls and risk management. It accepts that business decisions necessitate the incurrence and balancing of risk and return to generate reasonable returns to the shareholders, instilling confidence in the Board’s decision-making process.

In its role of overseeing the effectiveness of the systems of risk management and internal control, the Board diligently applies and uses the following processes and information during the financial year to derive its comfort on these systems:

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

RISK MANAGEMENT

The risk management process involves identifying issues, considering their impact, and assessing the effectiveness and adequacy of the risk mitigation measures. When deliberating the board agenda, the Board and management apply this risk management process in considering the risks and their impact to the Group and the effectiveness and adequacy of the risk mitigation and internal control systems in managing challenges arising from the changes in the business environment and regulatory requirements.

The Group’s key operational challenges are retaining and attracting talents and market competition. To address these challenges, the Group continues its following ongoing measures:

- i. Periodically assesses and ensures its remuneration scheme and incentives stay competitive to retain and attract quality staff;
- ii. Constantly evaluates and identifies ways to improve its operational efficiency and cost management so that its products and services can be priced competitively; and
- iii. Management also uses budgetary control to monitor the operating costs to ensure that the Group’s companies manage and keep their costs within the budget.

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

INTERNAL CONTROLS

Internal controls are essential to support the function of the risk management system, protect the Group assets, facilitate decision-making, achieve operation goals, and ensure compliance. In addition to the Board risk management oversight mentioned above, the Group has implemented the following control procedures to ensure effective risk detection, prevention and mitigation:

- Annual budgets prepared for the subsidiaries are reviewed and approved by the Executive Directors. Management accounts/reports are prepared, and the actual performance against the budget is reviewed every month with explanations of any major variances;
- Management organisation structure with defined lines of responsibilities and appropriate levels of delegation and authority;
- MS ISO/IEC 17025 standard operating procedures for the analytical laboratory services business of the Group. This management system is subject to internal quality audits and surveillance audits carried out by a certified body;
- Guidelines for selecting and hiring staff, training programmes, as well as annual performance appraisals are in place to ensure that staff are competent and adequately trained in carrying out their responsibilities;
- The internal audit function assists the Board and Audit Committee in reviewing the adequacy and integrity of the systems of internal control and reports its findings to the Audit Committee periodically; and
- The Anti-Corruption Policy and Whistleblowing Policy are established, guiding the employees and other stakeholders on the procedures to prevent corruption and bribery and report improper conduct.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

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

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

BOARD ASSURANCE AND LIMITATION

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

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

REVIEW BY EXTERNAL AUDITORS

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

AAPG 3 does require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

Based on the procedures performed and evidence obtained, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the risk management and internal control systems.

This Statement on Risk Management and Internal Control was approved by the Board on 16 April 2024.

OTHER COMPLIANCE INFORMATION

1. Utilisation of Proceeds

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

2. Audit and Non-Audit Fees

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

3. Material Contracts

There were no material contracts entered into by the Company and its subsidiaries which involved the directors and substantial shareholders' interest during the financial year ended 31 December 2023.

4. Recurrent Related Party Transaction of Revenue Nature

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

5. Corporate Social Responsibility

Apart from giving some token donations to certain charity organization, the Group did not undertake any corporate social responsibility activities during the financial year ended 31 December 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

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

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

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

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

SUSTAINABILITY STATEMENT

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

Stakeholders Engagement

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

The Company's website, www.brite-tech.com, provides pertinent information and announcements concerning the Group with the objective to foster and maintain a good relationship, and provide timely information to the Company's shareholders as well as to the investors. In addition, the Annual General Meeting serves as a platform for the Company's shareholders to engage directly with the Board and senior management.

Economic

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

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

The Group practices fair procurement policies for its suppliers and conducts annual evaluations and performance reviews which generally focused on areas such as pricing, on-time delivery, quality service and timely response.

Environmental

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

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

Social

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

The Group provides opportunities to attend various training programmes, workshops and seminars for our management and staff and through these opportunities our employees acquire the right technical knowledge and skills for their daily duties. The Group regularly recruits interns from various universities to provide practical training for the interns to gain working experience and develop their job skills.

The Group is fully committed to the safety and health of its employees and continuously aims to provide a safe working environment for all its employees as well as ensures safe practices in all aspects. The Group provides its employees with the right protection equipment such as face masks, hand gloves and safety shoes as well as educating them on the correct ways to use such equipment.

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DIRECTORS' REPORT

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

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

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiary is as disclosed in Note 8 to the financial statements.

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

FINANCIAL RESULTS

	Group 2023 RM	Company 2023 RM
Profit for the financial year	<u>7,235,388</u>	<u>2,752,180</u>
Attributable to:		
Owners of the Company	6,967,023	2,752,180
Non-controlling interest	<u>268,365</u>	<u>-</u>
	<u>7,235,388</u>	<u>2,752,180</u>

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

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' REPORT (continued)

DIVIDENDS

The amount of dividend paid by the Company since 31 December 2022 as follows:

RM

In respect of the financial year ended 31 December 2022:

Final dividend of 0.80 sen per ordinary share declared on 2 June 2023 and paid on 7 July 2023

2,016,068

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2023 is 1.00 sen per ordinary share totalling RM2,520,000, is subject to shareholders' approval at the forth coming Annual General Meeting of the Company. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

SHARES AND DEBENTURES

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

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

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

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' REPORT (continued)

DIRECTORS (continued)

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

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

DIRECTORS' INTERESTS

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

Shareholdings in the name of directors	Number of ordinary shares			As at 31.12.2023
	As at 01.01.2023	Acquired	Sold	
<u>Direct interest</u>				
Pang Wee See	113,152,861	-	-	113,152,861
Tan Boon Kok	24,821,963	-	-	24,821,963
Kan King Choy	10,215,841	-	-	10,215,841
Ir. Koh Thong How	337,200	-	-	337,200
Yee Oii Pah @ Yee Ooi Wah (f) <i>(Alternate Director to Pang Wee See)</i>	6,824,320	1,200,000	-	8,024,320
<u>Indirect interest</u>				
Pang Wee See *	7,161,520	1,200,000	-	8,361,520
Tan Boon Kok **	2,825,800	-	-	2,825,800
Kan King Choy #	90,552	-	-	90,552
Ir. Koh Thong How +	113,152,861	-	-	113,152,861
Yee Oii Pah @ Yee Ooi Wah (f) ^ <i>(Alternate Director to Pang Wee See)</i>	113,152,861	-	-	113,152,861

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

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

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

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

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

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS (continued)

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

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

DIRECTORS' REMUNERATIONS

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

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

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

INDEMNITY AND INSURANCE COSTS

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

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 29 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' REPORT (continued)

DIRECTORS' BENEFITS (continued)

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

	Group	Company
	2023	2023
	RM	RM
Directors of the Company		
<u>Executive Directors:</u>		
Remuneration	706,800	706,800
Defined contribution plans and social security costs	103,340	103,340
Bonus	135,800	135,800
Fees	261,000	261,000
<u>Non-Executive Directors:</u>		
Fees	76,500	76,500
	1,283,440	1,283,440
	1,283,440	1,283,440

Directors of the subsidiary companies

<u>Executive Directors:</u>		
Remuneration	83,148	-
Defined contribution plans and social security costs	11,143	-
Fees	14,000	-
	108,291	-
	108,291	-

OTHER STATUTORY INFORMATION

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

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' REPORT (continued)

OTHER STATUTORY INFORMATION (continued)

At the date of this report, the directors are not aware of any circumstances:

- (i) which would render it necessary to write off for any bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent in respect of the financial statements of the Group and of the Company; or
- (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

(CONT'D)

DIRECTORS' REPORT (continued)

AUDITORS

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

Auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2023 were as follows:

	Group RM	Company RM
Statutory audit:		
- CAS Malaysia PLT	94,000	35,000
- other auditors	7,000	-
- overprovision in previous year	(600)	-
Non-statutory audit	11,000	11,000
	<u>111,400</u>	<u>46,000</u>

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 April 2024.

PANG WEE SEE
Director

KAN KING CHOY
Director

STATEMENT BY DIRECTORS

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

We, PANG WEE SEE and KAN KING CHOY, being two of the directors of BRITE-TECH BERHAD, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 48 to 147 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 30 April 2024.

PANG WEE SEE
Director

KAN KING CHOY
Director

STATUTORY DECLARATION

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

I, PANG WEE SEE, being the director primarily responsible for the accounting records and financial management of BRITE-TECH BERHAD, do solemnly and sincerely declare that the accompanying financial statements set out on pages 48 to 147 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)	
PANG WEE SEE)	
at Petaling Jaya in the state of Selangor Darul Ehsan)	
on 30 April 2024)	PANG WEE SEE

Before me,

LILY YII LING CHOO
Commissioner for Oath

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BRITE-TECH BERHAD, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 48 to 147.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis of Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matters	How the matter was addressed in the audit
<p>1. Valuation of properties</p> <p><i>Refer to Note 3.2 and 3.3 - Material Accounting Policies, Note 4.1 - Significant Accounting Judgements, Estimates and Assumptions, Note 5 - Property, Plant and Equipment, Note 6 - Leases and Note 7 - Investment Properties.</i></p> <p>The Group holds properties which are significant to the Group as these represent approximately RM114.2 million represented 77% of the total assets. These properties are classified as land and buildings, right-of-use assets and investment properties as disclosed in Note 5, Note 6 and Note 7 to the financial statements respectively and are measured at fair value, unless otherwise stated.</p> <p>Valuations for each class of land and buildings are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.</p>	<p>Our audit procedures include:</p> <ul style="list-style-type: none"> (i) evaluated the independent external valuers' competency, capabilities and objectivity which included consideration of their qualifications and experiences; (ii) reviewed the valuation reports and discussed with the independent valuers on the valuation approach and the significant judgement, including the selection of comparable properties and adjustments for differences in key attributes made to the transacted value of comparable properties; (iii) obtained understanding on the scope and purpose of the valuation and assessed their independence; and (iv) assessed the appropriateness of the disclosures on the fair values of land and buildings and investment properties in the financial statements.

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Key audit matters	How the matter was addressed in the audit
<p>1. Valuation of properties (continued)</p> <p>The Group has engaged an independent valuer in December 2023 to carry out a formal valuation of these assets. When estimating the fair value of the land and buildings, right-of-use assets and investment properties, the objective is to estimate the price that would be received from the sale of land and buildings, right-of-use assets and investment properties in an orderly transaction between market participants under the current market condition.</p> <p>We considered this as key audit matter due to the significance of land and buildings, right-of-use assets and investment properties to the Group's financial statements and the determination of the fair values involves significant judgement and estimation.</p>	

Information Other Than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements (continued)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements (continued)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements (continued)

Report on Other Legal and Regulatory Requirements

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

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

CAS MALAYSIA PLT

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

Chartered Accountants

KONG JUNE HON

[No. 03258/05/2024(J)]

Chartered Accountant

Date: 30 April 2024

Puchong

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
NON-CURRENT ASSETS					
Property, plant and equipment	5	21,230,489	21,534,781	43,559	41,101
Right-of-use assets	6	1,191,947	2,481,952	-	-
Investment properties	7	98,120,396	83,317,565	-	-
Investment in subsidiary companies	8	-	-	21,515,561	21,515,561
Goodwill	9	-	-	-	-
		<u>120,542,832</u>	<u>107,334,298</u>	<u>21,559,120</u>	<u>21,556,662</u>
CURRENT ASSETS					
Inventories	10	814,398	774,166	-	-
Trade receivables	11	6,126,896	5,836,745	790,898	716,501
Other receivables	12	439,248	368,959	2,546,200	2,043,623
Amount due from a subsidiary company	13	-	-	1,754,540	1,444,540
Tax recoverable		376,872	238,051	151,854	121,681
Short-term investments	14	14,320,308	14,018,605	3	89,264
Fixed deposits with licensed banks	15	1,977,937	234,839	-	-
Cash and bank balances		3,136,729	2,176,553	302,091	10,130
		<u>27,192,388</u>	<u>23,647,918</u>	<u>5,545,586</u>	<u>4,425,739</u>
TOTAL ASSETS		<u>147,735,220</u>	<u>130,982,216</u>	<u>27,104,706</u>	<u>25,982,401</u>

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023 (CONT'D)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	25,200,000	25,200,000	25,200,000	25,200,000
Revaluation reserve	17	25,797,044	25,520,751	-	-
Retained earnings	18	37,264,257	32,176,435	1,173,178	437,066
Total equity attributable to owners of the Company		88,261,301	82,897,186	26,373,178	25,637,066
Non-controlling interest	8	1,001,978	811,216	-	-
TOTAL EQUITY		89,263,279	83,708,402	26,373,178	25,637,066
NON-CURRENT LIABILITIES					
Deferred taxation	19	5,446,920	5,323,221	1,386	1,221
Lease liabilities	6	252,900	366,864	-	-
Loan and borrowings	20	45,780,093	35,457,255	-	-
		51,479,913	41,147,340	1,386	1,221
CURRENT LIABILITIES					
Trade payables	21	841,424	816,932	-	-
Other payables	21	3,505,276	2,661,497	176,549	151,342
Amount due to Directors	22	1,717	-	1,717	-
Amount due to a subsidiary companies	13	-	-	551,876	192,772
Lease liabilities	6	116,217	244,523	-	-
Loan and borrowings	20	2,016,181	1,932,102	-	-
Provision for taxation		511,213	471,420	-	-
		6,992,028	6,126,474	730,142	344,114
TOTAL LIABILITIES		58,471,941	47,273,814	731,528	345,335
TOTAL EQUITY AND LIABILITIES		147,735,220	130,982,216	27,104,706	25,982,401

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	23	25,108,712	25,663,244	4,512,083	3,647,130
Cost of sales		(10,294,685)	(11,489,084)	-	-
GROSS PROFIT		14,814,027	14,174,160	4,512,083	3,647,130
Other operating income		3,346,323	3,498,033	100	-
Administrative expenses		(6,619,353)	(5,724,847)	(1,750,761)	(1,614,762)
Net impairment losses on trade and other receivables	11, 12	26,659	94,392	-	-
Other operating expenses		(539,467)	(1,443,465)	(1,992)	(525,272)
OPERATING PROFIT		11,028,189	10,598,273	2,759,430	1,507,096
Finance income	24	448,301	391,553	6,867	21,015
Finance costs	25	(1,999,655)	(1,276,057)	-	-
PROFIT BEFORE TAXATION	26	9,476,835	9,713,769	2,766,297	1,528,111
Taxation	27	(2,241,447)	(2,305,148)	(14,117)	(27,539)
PROFIT AFTER TAXATION		7,235,388	7,408,621	2,752,180	1,500,572
Other comprehensive income					
<i>Item that will not be reclassified subsequently to profit or loss in subsequent periods (net of tax):</i>					
Revaluation of properties	17	535,557	734,370	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u>7,770,945</u>	<u>8,142,991</u>	<u>2,752,180</u>	<u>1,500,572</u>

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:					
Owners of the Company		6,967,023	7,454,887	2,752,180	1,500,572
Non-controlling interest		268,365	(46,266)	-	-
		<u>7,235,388</u>	<u>7,408,621</u>	<u>2,752,180</u>	<u>1,500,572</u>
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:					
Owners of the Company		7,471,427	8,115,958	2,752,180	1,500,572
Non-controlling interest		299,518	27,033	-	-
		<u>7,770,945</u>	<u>8,142,991</u>	<u>2,752,180</u>	<u>1,500,572</u>
Basic earnings per share attributable to owners of the Company (sen)	30	<u>2.76</u>	<u>2.96</u>		

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Attributable to owners of the Company					Total equity RM
	Non-distributable		Distributable		Non-controlling interest RM	
2023	Share capital RM	Revaluation reserve RM	Retained earnings RM	Total RM	Total equity RM	
As at 1 January 2023	25,200,000	25,520,751	32,176,435	82,897,186	811,216	83,708,402
Transactions with owners:						
Disposal of property	-	(228,111)	136,867	(91,244)	91,244	-
Profit for the financial year	-	-	6,967,023	6,967,023	268,365	7,235,388
Other comprehensive income, net of tax	-	504,404	-	504,404	31,153	535,557
Total comprehensive income for the financial year	-	504,404	6,967,023	7,471,427	299,518	7,770,945
Dividends paid to owners of the Company	-	-	(2,016,068)	(2,016,068)	-	(2,016,068)
Dividends paid to non-controlling interests	-	-	-	-	(200,000)	(200,000)
As at 31 December 2023	25,200,000	25,797,044	37,264,257	88,261,301	1,001,978	89,263,279

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Company	Note	Share capital RM	Retained earnings RM	Total RM
As at 1 January 2022		25,200,000	952,494	26,152,494
Total comprehensive income for the financial year		-	1,500,572	1,500,572
Dividend paid	31	-	(2,016,000)	(2,016,000)
As at 31 December 2022		25,200,000	437,066	25,637,066
Total comprehensive income for the financial year		-	2,752,180	2,752,180
Dividend paid	31	-	(2,016,068)	(2,016,068)
As at 31 December 2023		<u>25,200,000</u>	<u>1,173,178</u>	<u>26,373,178</u>

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		9,476,835	9,713,769	2,766,297	1,528,111
Adjustments for:					
Depreciation of property, plant and equipment	5	1,702,775	1,288,048	1,992	1,545
Depreciation of right-of-use assets	6	178,541	177,284	-	-
Dividend income	23	-	-	(2,822,000)	(2,022,000)
Fair value gain on investment properties	7	(1,820,665)	(3,042,500)	-	-
Finance income	24	(448,301)	(391,553)	(6,867)	(21,015)
Finance costs	25	1,999,655	1,276,057	-	-
Gain on disposal of:					
- leasehold land and building	26	(964,275)	-	-	-
- other property, plant and equipment	26	(3,599)	(11,496)	-	-
Impairment losses on:					
- investment in subsidiary companies	8	-	-	-	523,727
- goodwill	9	-	640,714	-	-
- trade receivables	11	62,648	302,301	-	-
- other receivables	12	15,100	17,000	-	-
Property, plant and equipment written off	26	4,323	11,787	-	-
Reversal for impairment losses on:					
- trade receivables	11	(87,407)	(393,093)	-	-
- other receivables	12	(17,000)	(20,600)	-	-
Unrealised gain on foreign exchange	26	(883)	-	-	-
Operating profit/(loss) before working capital changes		10,097,747	9,567,718	(60,578)	10,368

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES (continued)					
(Increase)/Decrease in inventories		(40,232)	429,840	-	-
(Increase)/Decrease in receivables		(333,780)	399,767	(576,974)	(43,724)
Increase/(Decrease) in payables		869,155	(397,110)	25,207	5,954
Cash generated from/ (used in) operations		10,592,890	10,000,215	(612,345)	(27,402)
Interest received	24	448,301	391,553	6,867	21,015
Tax refund		3,674	5,040	-	-
Interest paid	25	(1,999,655)	(1,276,057)	-	-
Income tax paid		(2,128,597)	(1,665,005)	(44,125)	(51,750)
Net cash generated from/(used in) operating activities		6,916,613	7,455,746	(649,603)	(58,137)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment, right-of-use assets and investment properties	32	(1,582,828)	(4,726,266)	(4,450)	(5,572)
(Placement)/Withdrawal of short-term investments		(301,703)	2,947,566	89,261	1,189,032
Proceeds from disposal of property, plant and equipment		2,055,883	11,500	-	-
Dividends received	23	-	-	2,822,000	2,022,000
Net cash generated from/(used in) investing activities		171,352	(1,767,200)	2,906,811	3,205,460

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Advance from/(Repayment to) directors		1,717	(5,999)	1,717	(5,999)
Repayment from/(Advance to) subsidiary companies		-	-	49,104	(1,251,768)
Net repayment of loan and borrowings		(1,978,455)	(4,418,908)	-	-
Repayment of lease liabilities	6	(242,270)	(236,821)	-	-
Placement of fixed deposits with maturity of more than 3 months		(1,000,000)	-	-	-
Dividend paid to owners of the Company	31	(2,016,068)	(2,016,000)	(2,016,068)	(2,016,000)
Dividend paid to non-controlling interests		(200,000)	-	-	-
Net cash used in financing activities		<u>(5,435,076)</u>	<u>(6,677,728)</u>	<u>(1,965,247)</u>	<u>(3,273,767)</u>
Net increase/(decrease) in cash and cash equivalents		<u>1,652,889</u>	<u>(989,182)</u>	<u>291,961</u>	<u>(126,444)</u>
Cash and cash equivalents as at beginning of the financial year		<u>2,045,467</u>	<u>3,034,649</u>	<u>10,130</u>	<u>136,574</u>
Cash and cash equivalents as at end of the financial year		<u><u>3,698,356</u></u>	<u><u>2,045,467</u></u>	<u><u>302,091</u></u>	<u><u>10,130</u></u>
Cash and cash equivalents comprise of:					
Fixed deposits with licensed banks		1,977,937	234,839	-	-
Cash and bank balances		3,136,729	2,176,553	302,091	10,130
Bank overdrafts	20	(416,310)	(365,925)	-	-
		<u>4,698,356</u>	<u>2,045,467</u>	<u>302,091</u>	<u>10,130</u>
Fixed deposits with maturity of more than 3 months		(1,000,000)	-	-	-
		<u><u>3,698,356</u></u>	<u><u>2,045,467</u></u>	<u><u>302,091</u></u>	<u><u>10,130</u></u>

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

Group

2023

	Note	At 1 January 2023 RM	Net changes from financing activities RM	Drawdown of loan and borrowings and lease liabilities RM	At 31 December 2023 RM
Loan and borrowings	20	37,023,432	(1,978,455)	12,334,987	47,379,964
Lease liability	6	611,387	(242,270)	-	369,117
		<u>37,634,819</u>	<u>(2,220,725)</u>	<u>12,334,987</u>	<u>47,749,081</u>

2022

	Note	At 1 January 2022 RM	Net changes from financing activities RM	Drawdown of loan and borrowings and lease liabilities RM	At 31 December 2022 RM
Loan and borrowings	20	33,045,424	(4,418,908)	8,396,916	37,023,432
Lease liability	6	448,508	(236,821)	399,700	611,387
		<u>33,493,932</u>	<u>(4,655,729)</u>	<u>8,796,616</u>	<u>37,634,819</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. GENERAL INFORMATION

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

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

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

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group"). The financial statements of the Company as at and for the financial year ended 31 December 2023 do not include other entities.

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

The information on the name, place of incorporation, principal activities and percentage of issued and paid-up share capital held by the holding company in each subsidiaries are as disclosed in Note 8 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 30 April 2024.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

2.1 Statement of compliance

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company have adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 January 2023:

Amendments to MFRS 101	Presentation of Financial Statements - <i>Disclosure of Material Accounting Policies</i>
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - <i>Definition of Accounting Estimates</i>
Amendments to MFRS 112	Income Taxes - <i>Deferred Tax related to Assets and Liabilities arising from Single Transaction and International Tax Reform - Pillar Two Model Rules</i>
MFRS 17	Insurance Contracts

The adoption of the above new and amended MFRSs, interpretations and annual improvements did not have any significant effect on the financial statements of the Group and of the Company except those as disclosed below:

(a) Disclosure of Material Accounting Policies

The amendments to MFRS 101 Making Materiality Judgements provide guidance and examples to help the Group and the Company apply materiality judgements to accounting policy disclosures. The amendments aim to help the Group and the Company provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies as shown in Note 3 and Note 4, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.2 Adoption of Amendments to MFRSs and Annual Improvements (continued)

(b) Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has adopted the Deferred Tax related to Assets and Liabilities from a Single Transaction (Amendments to MFRS 112) from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences arising from certain transactions such as the recognition of a lease.

Previously, the Group had recognised any resulting deferred tax asset or liability in respect of leases on a net basis. In view of the said amendment, the Group has recognised the deferred tax asset in respect of lease liabilities and deferred tax liabilities in respect of the Right-of-Use Assets separately. There was, however, no impact on the Statement of Financial Position as the balances of the deferred tax asset and deferred tax liabilities qualify for offset under MFRS 112 Para 74. There was also no impact on the opening retained earnings as at 1 January 2022. The key impact for the Group is on the disclosure of the deferred tax assets and liabilities as shown in Note 19.

2.3 Standards issued but not yet effective

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

Effective for financial periods beginning on or after 1 January 2024

Amendments to MFRS 7	Financial Instruments: Disclosures - <i>Supplier Finance Arrangements</i>
Amendments to MFRS 16	Leases - <i>Lease liability in a Sale and Leaseback</i>
Amendments to MFRS 101	Presentation of Financial Statements - <i>Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-Current</i>
Amendments to MFRS 107	Statement of Cash Flows - <i>Supplier Finance Arrangements</i>

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates - <i>Lack of Exchangeability</i>
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (continued)

2.3 Standards issued but not yet effective (continued)

Effective date to be determined by Malaysian Accounting Standards Board

Amendments to MFRS 10
and MFRS 128

Consolidated Financial Statements and
Investment in Associates and Joint Ventures -
*Sale or Contribution of Assets between an
Investor and its Associate or Joint Venture*

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

2.4 Basis of measurement

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

2.5 Functional and presentation currency

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

2.6 Going concern

The Group's and the Company's management have made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Group's and the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial year presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2023.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

3.1.1 Subsidiaries and business combination

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group has power over the entity, has exposure to or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4 below. On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised in profit or loss.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

3.1.1 Subsidiaries and business combination (continued)

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.4.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.1 Basis of consolidation (continued)

3.1.1 Subsidiaries and business combination (continued)

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

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

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

3.1.2 Non-controlling interests

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

3.1.3 Transactions eliminated on consolidation

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.2 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

When an asset is revalued, the accumulated depreciation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset. When an asset's carrying amount is increased as a result of a revaluation, the increase is recognised in other comprehensive income as a revaluation surplus reserve. When the asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in profit or loss. However, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus reserve of that asset.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.2 Property, plant and equipment (continued)

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

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

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

At each reporting date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy Note 3.4 on impairment of non-financial assets.

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

3.3 Investment properties carried at fair value

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.3 Investment properties carried at fair value (continued)

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

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

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

3.4 Impairment of non-financial assets

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

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

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. For the purpose of impairment test, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGU").

In assessing value in use, the estimated future cash flows expected to be generated by the assets are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.4 Impairment of non-financial assets (continued)

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

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

3.5 Inventories

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

3.6 Cash and cash equivalents

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.7 Financial assets

3.7.1 Classification

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

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

3.7.2 Initial recognition and measurement

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

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

3.7.3 Subsequent measurement

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

(i) Financial assets at amortised cost

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.7 Financial assets (continued)

3.7.3 Subsequent measurement (continued)

(i) Financial assets at amortised cost (continued)

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

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

(ii) Financial assets at FVOCI

Debt instruments

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

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

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.7 Financial assets (continued)

3.7.3 Subsequent measurement (continued)

(ii) Financial assets at FVOCI (continued)

Equity instruments

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

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

(iii) Financial assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets categorised as fair value through profit or loss are measured in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.7 Financial assets (continued)

3.7.3 Subsequent measurement (continued)

(iii) Financial assets at FVTPL (continued)

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

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

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

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

3.7.4 Derecognition

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.7 Financial assets (continued)

3.7.4 Derecognition (continued)

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

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

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

3.8 Impairment of financial assets

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

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

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

In determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.8 Impairment of financial assets (continued)

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

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities carried at fair value through other comprehensive income are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

3.8.1 Simplified approach for trade receivables

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

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The assessment considers available, reasonable and supportable forward-looking information such as:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.8 Impairment of financial assets (continued)

3.8.1 Simplified approach for trade receivables (continued)

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

Grouping of instruments for ECL measured on collective basis

Collective assessment

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

Individual assessment

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

Note 11 sets out the measurement details of ECL.

3.8.2 General 3-stages approach for other receivables and advances to subsidiaries

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

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

Note 12 sets out the measurement details of ECL.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial liabilities

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

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

3.9.1 Financial liabilities at FVTPL

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial liabilities (continued)

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

3.9.2 Amortised cost

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

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

3.9.3 Financial guarantee contracts

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

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

- (a) the amount of the loss allowance; and
- (b) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.9 Financial liabilities (continued)

Derecognition

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

3.10 Share capital

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

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

3.11 Leases

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.11 Leases (continued)

3.11.1 Group as a lessee

Right-Of-Use Assets

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

Leasehold land	96 years
Building	2 years
Motor vehicles	5 years

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

Lease Liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.11 Leases (continued)

3.11.1 Group as a lessee (continued)

Lease Liabilities (continued)

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

Short-term leases and leases of low-value assets

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

Lease term

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.11 Leases (continued)

3.11.2 Group as a lessor

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

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

Operating lease

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

3.12 Borrowings

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.12 Borrowings (continued)

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

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

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

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

3.13 Income tax

3.13.1 Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

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

3.13.2 Deferred tax

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.13 Income tax (continued)

3.13.2 Deferred tax (continued)

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

- (a) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- (a) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- (b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.13 Income tax (continued)

3.13.2 Deferred tax (continued)

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

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

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

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

3.14 Provisions

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.15 Revenue recognition and other income

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

- (a) Identify contracts with a customer;
- (b) Identify performance obligations in the contract;
- (c) Determine the transaction price;
- (d) Allocate the transaction price to the performance obligation in the contract; and
- (e) Recognise revenue when the Group satisfies a performance obligation.

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

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

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

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

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

3.15.1 Sale of goods and services

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.15 Revenue recognition and other income (continued)

3.15.2 Contract income

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

3.15.3 Dividend income

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

3.15.4 Interest income

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

3.15.5 Management fee

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

3.15.6 Rental income

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

3.16 Employee benefits

3.16.1 Short term employee benefits

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.16 Employee benefits (continued)

3.16.2 Defined contribution plans

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

3.17 Segment reporting

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

3.18 Foreign currencies

3.18.1 Functional and presentation currency

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.18 Foreign currencies (continued)

3.18.2 Translation of foreign currency transactions

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

3.19 Contingent liabilities

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

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

3.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.20 Fair value measurement (continued)

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

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

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

3.21 Related parties

A party is related to an entity if:-

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

3.22 Earnings per ordinary share

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

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

4.1 Revaluation of properties

The Group carries its properties at fair value, with changes in fair value being recognised in the statement of profit or loss and other comprehensive income. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2023 for all properties. A valuation methodology based on comparison method of valuation (open market value) was used, which entails comparing recorded transaction of similar properties in the vicinity and/or investment method of valuation, which entails the capitalisation of net income of the properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.2 Depreciation of property, plant and equipment

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

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

4.3 Classification between investment properties and owner-occupied properties

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

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

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

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

The Group uses a provision matrix to calculate ECLs for trade and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geographical region, product type, customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

4.4 Provision for expected credit losses of trade receivables and other receivables (continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and other receivables are disclosed in Note 11 and Note 12.

4.5 Impairment of goodwill

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

4.6 Income tax

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and buildings (at valuation) RM	Leasehold buildings (at valuation) RM	Motor vehicles RM	Furniture and fittings, laboratory, signboard, demo, store, office, equipment and machinery RM	Electrical fittings RM	Renovation RM	Total RM
2023							
At cost, unless otherwise stated							
Balance as at 1 January 2023	15,139,218	899,999	2,299,116	16,608,826	279,681	895,706	36,122,546
Additions (Note 32)	-	-	-	935,649	-	-	935,649
Revaluation surplus (Note 17)	390,909	-	-	-	-	-	390,909
Written off/Disposal	-	(450,000)	(180,908)	(212,081)	(1,500)	(114,567)	(959,056)
Reclassification from right-of-use assets (Note 6)	-	-	690,731	-	-	-	690,731
Balance as at 31 December 2023	15,530,127	449,999	2,808,939	17,332,394	278,181	781,139	37,180,779

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land and buildings (at valuation) RM	Leasehold buildings (at valuation) RM	Motor vehicles RM	Furniture and fittings, laboratory, signboard, demo, store, office, equipment and machinery RM	Electrical fittings RM	Renovation RM	Total RM
2023							
Accumulated depreciation							
Balance as at 1 January 2023	100,712	-	2,066,195	11,390,011	196,245	834,602	14,587,765
Charge for the financial year	523,468	16,500	65,127	1,056,160	8,575	32,945	1,702,775
Elimination of accumulated depreciation (Note 17)	(212,559)	-	-	-	-	-	(212,559)
Written off/Disposal	-	(7,500)	(175,041)	(202,342)	(1,500)	(113,731)	(500,114)
Reclassification from right-of-use assets (Note 6)	-	-	372,423	-	-	-	372,423
Balance as at 31 December 2023	<u>411,621</u>	<u>9,000</u>	<u>2,328,704</u>	<u>12,243,829</u>	<u>203,320</u>	<u>753,816</u>	<u>15,950,290</u>
Net carrying amounts							
Balance as at 31 December 2023	<u>15,118,506</u>	<u>440,999</u>	<u>480,235</u>	<u>5,088,565</u>	<u>74,861</u>	<u>27,323</u>	<u>21,230,489</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land and buildings (at valuation) RM	Leasehold buildings (at valuation) RM	Motor vehicles RM	Furniture and fittings, laboratory, signboard, demo, store, office, equipment and machinery RM	Electrical fittings RM	Renovation RM	Total RM
2022							
At cost, unless otherwise stated							
Balance as at 1 January 2022	14,589,075	899,999	2,622,013	16,065,899	279,776	883,706	35,340,468
Additions (Note 32)	-	-	-	594,592	135	12,000	606,727
Revaluation surplus (Note 17)	550,143	-	-	-	-	-	550,143
Written off/Disposal	-	-	(601,196)	(51,665)	(230)	-	(653,091)
Reclassification from right-of-use assets (Note 6)	-	-	278,299	-	-	-	278,299
Balance as at 31 December 2022	15,139,218	899,999	2,299,116	16,608,826	279,681	895,706	36,122,546

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	Freehold land and buildings (at valuation) RM	Leasehold buildings (at valuation) RM	Motor vehicles RM	Furniture and fittings, laboratory, signboard, demo, store, office, equipment and machinery RM	Electrical fittings RM	Renovation RM	Total RM
2022							
Accumulated depreciation							
Balance as at 1 January 2022	95,558	18,000	2,406,976	10,425,602	165,116	798,181	13,909,433
Charge for the financial year	85,304	36,000	87,009	1,011,955	31,359	36,421	1,288,048
Elimination of accumulated depreciation (Note 17)	(80,150)	(54,000)	-	-	-	-	(134,150)
Written off/Disposal	-	-	(593,524)	(47,546)	(230)	-	(641,300)
Reclassification from right-of-use assets (Note 6)	-	-	165,734	-	-	-	165,734
Balance as at 31 December 2022	<u>100,712</u>	<u>-</u>	<u>2,066,195</u>	<u>11,390,011</u>	<u>196,245</u>	<u>834,602</u>	<u>14,587,765</u>
Net carrying amounts							
Balance as at 31 December 2022	<u>15,038,506</u>	<u>899,999</u>	<u>232,921</u>	<u>5,218,815</u>	<u>83,436</u>	<u>61,104</u>	<u>21,534,781</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Motor vehicles RM	Furniture and fittings, and office equipments RM	Renovation RM	Total RM
2023				
Cost				
Balance as at 1 January 2023	28,300	64,319	64,382	157,001
Additions	-	4,450	-	4,450
Balance as at 31 December 2023	<u>28,300</u>	<u>68,769</u>	<u>64,382</u>	<u>161,451</u>
Accumulated depreciation				
Balance as at 1 January 2023	-	51,521	64,379	115,900
Charge for the financial year	-	1,992	-	1,992
Balance as at 31 December 2023	<u>-</u>	<u>53,513</u>	<u>64,379</u>	<u>117,892</u>
2022				
Cost				
Balance as at 1 January 2022	28,300	58,747	64,382	151,429
Additions	-	5,572	-	5,572
Balance as at 31 December 2022	<u>28,300</u>	<u>64,319</u>	<u>64,382</u>	<u>157,001</u>
Accumulated depreciation				
Balance as at 1 January 2022	-	49,976	64,379	114,355
Charge for the financial year	-	1,545	-	1,545
Balance as at 31 December 2022	<u>-</u>	<u>51,521</u>	<u>64,379</u>	<u>115,900</u>
Net carrying amounts				
Balance as at 31 December 2023	<u>28,300</u>	<u>15,256</u>	<u>3</u>	<u>43,559</u>
Balance as at 31 December 2022	<u>28,300</u>	<u>12,798</u>	<u>3</u>	<u>41,101</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	2023 RM	2022 RM
Net carrying value		
Freehold land and buildings	2,300,001	2,280,000
Leasehold land and buildings	440,999	864,000
	2,741,000	3,144,000

Revaluation of land and buildings

On 31 December 2023, the entire land and buildings of the Group were revalued by an independent qualified valuer, Nasir, Sabaruddin & Associates, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was arrived at based on the Comparison Method of Valuation. A revaluation surplus of RM535,557 (2022: RM605,124) (net of deferred taxation) had been recognised as other comprehensive income.

Had the revalued properties been carried at cost less accumulated depreciation, the carrying amount of the properties would have been RM6,286,848 (2022: RM7,279,888).

6. LEASES

Group as lessee

Right-of-use assets

	Leasehold Land (at valuation) RM	Building RM	Motor Vehicles RM	Total RM
2023				
At cost				
Balance as at 1 January 2023	1,350,000	17,070	1,626,873	2,993,943
Disposal	(800,000)	-	-	(800,000)
Reclassification to property, plant and equipment (Note 5)	-	-	(690,731)	(690,731)
Balance as at 31 December 2023	550,000	17,070	936,142	1,503,212

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

6. LEASES (continued)

Group as lessee (continued)

Right-of-use assets (continued)

2023	Leasehold			Total RM
	Land (at valuation) RM	Building RM	Motor Vehicles RM	
Less: Accumulated depreciation				
Balance as at 1 January 2023	-	7,113	504,878	511,991
Charge for the financial year	12,514	5,689	160,338	178,541
Disposal	(6,844)	-	-	(6,844)
Reclassification to property, plant and equipment (Note 5)	-	-	(372,423)	(372,423)
Balance as at 31 December 2023	<u>5,670</u>	<u>12,802</u>	<u>292,793</u>	<u>311,265</u>
2022				
At cost				
Balance as at 1 January 2022	1,200,000	17,070	1,411,580	2,628,650
Additions	-	-	493,592	493,592
Revaluation surplus (Note 17)	150,000	-	-	150,000
Reclassification to property, plant and equipment (Note 5)	-	-	(278,299)	(278,299)
Balance as at 31 December 2022	<u>1,350,000</u>	<u>17,070</u>	<u>1,626,873</u>	<u>2,993,943</u>
Less: Accumulated depreciation				
Balance as at 1 January 2022	12,371	1,424	523,759	537,554
Charge for the financial year	24,742	5,689	146,853	177,284
Elimination of accumulated depreciation (Note 17)	(37,113)	-	-	(37,113)
Reclassification to property, plant and equipment (Note 5)	-	-	(165,734)	(165,734)
Balance as at 31 December 2022	<u>-</u>	<u>7,113</u>	<u>504,878</u>	<u>511,991</u>
Net carrying amount				
Balance as at 31 December 2023	<u>544,330</u>	<u>4,268</u>	<u>643,349</u>	<u>1,191,947</u>
Balance as at 31 December 2022	<u>1,350,000</u>	<u>9,957</u>	<u>1,121,995</u>	<u>2,481,952</u>

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

The motor vehicles are acquired under finance lease arrangement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

6. LEASES (continued)

Group as lessee (continued)

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

On 31 December 2023, the leasehold land of the Group was revalued by an independent qualified valuer, Nasir, Sabaruddin & Associates, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was arrived at based on the Comparison Method of Valuation. No revaluation surplus (2022: RM129,246) (net of deferred taxation) had been recognised as other comprehensive income.

Lease liabilities

	Building RM	Motor Vehicles RM	Total RM
2023			
Carrying amount			
Balance as at 1 January 2023	10,767	600,620	611,387
Lease payment	(6,000)	(259,874)	(265,874)
Interest expense (Note 25)	260	23,344	23,604
Balance as at 31 December 2023	<u>5,027</u>	<u>364,090</u>	<u>369,117</u>
2022			
Carrying amount			
Balance as at 1 January 2022	16,305	432,203	448,508
New lease entered during the financial year	-	399,700	399,700
Lease payment	(6,000)	(249,663)	(255,663)
Interest expense (Note 25)	462	18,380	18,842
Balance as at 31 December 2022	<u>10,767</u>	<u>600,620</u>	<u>611,387</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

6. LEASES (continued)

Group as lessee (continued)

Lease liabilities (continued)

	2023	2022
	RM	RM
Represented by:		
Current liabilities		
- Secured	111,780	238,783
- Unsecured	4,437	5,740
	<u>116,217</u>	<u>244,523</u>
Non-current liabilities		
- Secured	252,900	362,427
- Unsecured	-	4,437
	<u>252,900</u>	<u>366,864</u>
Total lease liabilities		
- Secured	364,680	601,210
- Unsecured	4,437	10,177
	<u>369,117</u>	<u>611,387</u>

Rates of interest charged per annum:

	2023	2022
	%	%
Lease liabilities owing to financial institutions	2.12 - 3.43	2.12 - 3.43
Lease liabilities owing to non-financial institutions	<u>5.56</u>	<u>5.56</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

6. LEASES (continued)

Group as lessee (continued)

Lease liabilities (continued)

	2023	2022
	RM	RM
Minimum lease payment		
- Not later than one year	129,853	268,642
- Later than one year and not later than five years	270,985	398,584
	400,838	667,226
Future finance charges on lease liabilities	(31,721)	(55,839)
Present value of finance lease liabilities	369,117	611,387

Present value of lease is analysed as follows:

	2023	2022
	RM	RM
Current liabilities		
- Not later than one year	116,217	244,523
Non-current liabilities		
- Later than one year and not later than five years	252,900	366,864
	369,117	611,387

(a) The Group has certain low value leases of office equipment of RM20,000 and below. The Group applies the "lease of low-value assets" exemptions for these leases.

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

	2023	2022
	RM	RM
Depreciation of right-of-use assets (included in other operating expenses)	178,541	177,284
Interest on lease liabilities (included in finance costs)	23,604	18,842
Expense relating to lease of low-value assets (included in administrative expenses)	49,935	28,003
	252,080	224,129

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

6. LEASES (continued)

Group as lessee (continued)

- (c) At the end of the financial year, the Group had total cash outflow for leases of RM265,874 (2022: RM255,663).
- (d) At the end of the financial year, the Group had total cash outflow for lease of low value assets of RM49,935 (2022: RM28,003).
- (e) In cases in which the Group is not reasonably certain to exercise extension and termination options, payments associated with the optional period are not included within lease liabilities.

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

	Within five years RM	More than five years RM	Total RM
2023			
Extension options expected not to be exercised	-	-	-
2022			
Extension options expected not to be exercised	6,000	-	6,000
	6,000	-	6,000

Group as lessor

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

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

	2023 RM	2022 RM
Within one year	1,923,132	1,918,628
One to two years	434,580	410,568
	<u>2,357,712</u>	<u>2,329,196</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

7. INVESTMENT PROPERTIES

Group

2023	Note	Freehold	Leasehold	Under construction		Total
		land and buildings (at valuation) RM	land and buildings (at valuation) RM	Building (at cost) RM	Land RM	
As at 1 January 2023		62,385,002	8,510,000	4,025,647	8,396,916	83,317,565
Additions		-	-	7,543,174	5,438,992	12,982,166
Reclassification	(a)	11,568,821	-	(11,568,821)	-	-
Fair value measurement		1,810,665	10,000	-	-	1,820,665
As at 31 December 2023		75,764,488	8,520,000	-	13,835,908	98,120,396
2022						
As at 1 January 2022		59,390,002	8,462,500	-	-	67,852,502
Additions		-	-	4,025,647	8,396,916	12,422,563
Fair value measurement		2,995,000	47,500	-	-	3,042,500
As at 31 December 2022		62,385,002	8,510,000	4,025,647	8,396,916	83,317,565

(a) During the financial year, a total of RM11,568,821 of building under construction in Mukim Kapar, Daerah Klang was completed and transferred to freehold land and building.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

7. INVESTMENT PROPERTIES (continued)

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

	Group	
	2023	2022
	RM	RM
Rental income	2,793,011	2,592,800
Direct operating expenses that generated rental income	(186,914)	(144,097)
	2,606,097	2,448,703

The Group has pledged investment properties with carrying amount of RM79,256,573 (2022: RM72,046,916) to licensed banks to secure banking facilities granted to the Group as referred to Note 20.

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

Revaluation of investment properties

On 31 December 2023, the investment properties of the Group were revalued by an independent qualified valuer, Nasir, Sabaruddin & Associates, registered with Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia. The valuation was arrived at based on the Comparison Method of Valuation.

Fair value hierarchy information

	Group			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
2023				
Land	-	44,604,487	-	44,604,487
Building	-	39,680,001	-	39,680,001
	-	84,284,488	-	84,284,488
2022				
Land	-	42,215,000	-	42,215,000
Building	-	28,680,002	-	28,680,002
	-	70,895,002	-	70,895,002

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

7. INVESTMENT PROPERTIES (continued)

Policy on transfer between levels

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

Level 1 fair value

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

Level 2 fair value

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

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

Level 3 fair value

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Note	Company	
		2023	2022
		RM	RM
Unquoted shares, at cost			
Balance as at beginning and end of the financial year		30,034,358	30,034,358
Less: Accumulated impairment losses			
Balance as at beginning of the financial year		8,518,797	7,995,070
Impairment losses recognised during the financial year	(b)	-	523,727
Balance as at end of the financial year		8,518,797	8,518,797
Net carrying amount			
Balance as at end of the financial year		21,515,561	21,515,561

Details of subsidiary companies are as follows:-

Name of subsidiaries	Effective equity interest		Country of incorporation and principal place of business	Principal activities
	2023	2022		
Brite-Tech Corporation Sdn. Berhad	100%	100%	Malaysia	To provide a complete range of services and products in the field of water treatment, pollution control and fuel treatment as well as engineered and formulated chemical products for water clarification, wastewater treatment, minimizing wastewater sludge generation, steam generation system and cooling water system, and involved in property investment and rental of properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

8. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Details of subsidiary companies are as follows:- (continued)

Name of subsidiaries	Effective equity interest		Country of incorporation and principal place of business	Principal activities
	2023	2022		
Hooker Chemical Sdn. Berhad	100%	100%	Malaysia	To provide consultation, environmental impact studies, engineering design, construction, installation and commissioning of water purification, recycling and wastewater treatment systems.
Rank Chemical Sdn. Berhad	100%	100%	Malaysia	To provide rental of portable ion-exchange resin columns and supply of institutional housekeeping chemicals, industrial maintenance chemicals and hotel amenities.
Spectrum Laboratories Sdn. Berhad	100%	100%	Malaysia	To provide analytical laboratory services such as effluent analysis, air and water quality analysis, soil analysis, food analysis and organics analysis; and to provide environmental monitoring services such as air and water quality monitoring, noise level monitoring, air emission monitoring and wastewater characteristic studies.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

8. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Details of subsidiary companies are as follows:- (continued)

Name of subsidiaries	Effective equity interest		Country of incorporation and principal place of business	Principal activities
	2023	2022		
Spectrum Laboratories (Johore) Sdn. Berhad	100%	100%	Malaysia	To provide analytical laboratory services such as effluent analysis, air and water quality analysis, soil analysis, food analysis and organics analysis; and to provide environmental monitoring services such as air and water quality monitoring, noise level monitoring, air emission monitoring and wastewater characteristic studies.
Spectrum Laboratories (Penang) Sdn. Berhad	100%	100%	Malaysia	To provide analytical laboratory services such as effluent analysis, air and water quality analysis, soil analysis, food analysis and organics analysis; and to provide environmental monitoring services such as air and water quality monitoring, noise level monitoring, air emission monitoring and wastewater characteristic studies.
Sincere United Sdn. Bhd.	70%	70%	Malaysia	To import and export chemical and other raw materials.
Tan Tech-Polymer Sdn. Bhd. (1)	60%	60%	Malaysia	To provide consultancy services and manufacturing of polymers and its related products.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

8. INVESTMENT IN SUBSIDIARY COMPANIES (continued)

Details of subsidiary companies are as follows:- (continued)

Name of subsidiaries	Effective equity interest		Country of incorporation and principal place of business	Principal activities
	2023	2022		
<u>Subsidiary company of Hooker Chemical Sdn. Berhad</u>				
Akva-Tek Sdn. Bhd.	51%	51%	Malaysia	Ceased operation.

(1) Not audited by CAS Malaysia PLT.

(a) Non-controlling interest

Proportion of equity interest held by non-controlling interests:

	2023	2022
	%	%
Sincere United Sdn. Bhd.	30	30
Tan Tech-Polymer Sdn. Bhd.	40	40
Akva-Tek Sdn. Bhd.	49	49

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

	2023	2022
	RM	RM
Sincere United Sdn. Bhd.	140,612	136,880
Tan Tech-Polymer Sdn. Bhd.	858,420	668,797
Akva-Tek Sdn. Bhd.	2,946	5,539
	<u>1,001,978</u>	<u>811,216</u>

The summarised financial information of non-controlling interest is not presented as the non-controlling interest of the subsidiaries are not individually material to the Group.

(b) Impairment on investment in subsidiary companies

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

9. GOODWILL

	Group	
	2023	2022
	RM	RM
At cost		
Balance as at beginning and end of the financial year	5,678,772	5,678,772
Less: Accumulated impairment losses		
Balance as at beginning of the financial year	(5,678,772)	(5,038,058)
Impairment losses recognised during the financial year	-	(640,714)
At end of the financial year	(5,678,772)	(5,678,772)
Carrying amount	<u>-</u>	<u>-</u>

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

10. INVENTORIES

	Group	
	2023	2022
	RM	RM
At cost		
Laboratory supplies	115,353	113,034
Raw materials	414,052	453,253
Work-in-progress	1,408	7,975
Finished goods	283,585	199,904
	<u>814,398</u>	<u>774,166</u>
<u>Recognised in profit or loss</u>		
Inventories recognised as cost of sales	<u>2,568,951</u>	<u>4,448,777</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

11. TRADE RECEIVABLES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade receivables - gross	6,406,132	6,164,220	790,898	716,501
Less: Allowance for impairment losses	(279,236)	(327,475)	-	-
Trade receivables - net	<u>6,126,896</u>	<u>5,836,745</u>	<u>790,898</u>	<u>716,501</u>

The Group's and the Company's normal trade credit term range from 30 to 120 days (2022: 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

Movement in the allowance for impairment losses

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

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

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

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

Group

2023	Lifetime ECL	Credit	Total
	RM	impaired	RM
		RM	
Balance as at beginning of the financial year	172,891	154,584	327,475
Provision for impairment losses	62,648	-	62,648
Written off	(11,949)	(11,531)	(23,480)
Reversal of allowance for impairment losses	(46,217)	(41,190)	(87,407)
Balance as at end of the financial year	<u>177,373</u>	<u>101,863</u>	<u>279,236</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

11. TRADE RECEIVABLES (continued)

Movement in the allowance for impairment losses (continued)

Group

2022

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

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

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

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

Group

2023

	Gross carrying amount RM	Provision for impairment losses		Net balance RM
		ECL (Collectively assessed) RM	ECL (Individually assessed) RM	
Neither past due nor impaired	1,321,853	-	-	1,321,853
Past due 1 - 30 days	1,803,648	-	-	1,803,648
Past due 31 - 60 days	1,169,978	-	-	1,169,978
More than 60 days past due	2,110,653	(177,373)	(101,863)	1,831,417
	<u>6,406,132</u>	<u>(177,373)</u>	<u>(101,863)</u>	<u>6,126,896</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

11. TRADE RECEIVABLES (continued)

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

Group

2022

	Gross carrying amount RM	Provision for impairment losses		Net balance RM
		ECL (Collectively assessed) RM	ECL (Individually assessed) RM	
Neither past due nor impaired	1,194,331	-	-	1,194,331
Past due 1 - 30 days	1,630,108	-	-	1,630,108
Past due 31 - 60 days	1,084,711	-	-	1,084,711
More than 60 days past due	2,255,070	(172,891)	(154,584)	1,927,595
	<u>6,164,220</u>	<u>(172,891)</u>	<u>(154,584)</u>	<u>5,836,745</u>

Company

2023

Neither past due nor impaired	88,301	-	-	88,301
Past due 1 - 30 days	88,301	-	-	88,301
Past due 31 - 60 days	41,360	-	-	41,360
More than 60 days past due	572,936	-	-	572,936
	<u>790,898</u>	<u>-</u>	<u>-</u>	<u>790,898</u>

2022

Neither past due nor impaired	96,020	-	-	96,020
Past due 1 - 30 days	96,020	-	-	96,020
Past due 31 - 60 days	84,934	-	-	84,934
More than 60 days past due	439,527	-	-	439,527
	<u>716,501</u>	<u>-</u>	<u>-</u>	<u>716,501</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

12. OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Other receivables	36,908	40,772	3,000	423
Less: Allowance for impairment losses	(15,100)	(17,000)	-	-
Other receivables - net	21,808	23,772	3,000	423
Deposits	335,690	296,229	21,200	21,200
Prepayments	81,750	48,958	-	-
Dividend receivable from subsidiary companies	-	-	2,522,000	2,022,000
	439,248	368,959	2,546,200	2,043,623

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

	Group	
	2023 RM	2022 RM
Balance as at beginning of the financial year	17,000	20,600
Provision for impairment losses	15,100	17,000
Reversal of impairment losses *	(17,000)	(20,600)
Balance as at end of the financial year	15,100	17,000

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

13. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

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

14. SHORT-TERM INVESTMENTS

Short-term investments represent deposits placement with investment fund management companies. The average effective interest rates of the short-term investments range from 0.17% to 3.76% (2022: 0.85% to 3.41%) on daily basis and are readily convertible to cash with insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

15. FIXED DEPOSITS WITH LICENSED BANKS

The effective interest rates of the fixed deposits with licensed banks at the reporting date range from 1.75% to 4.50% (2022: 1.50% to 1.75%) per annum and with maturity period of 1 to 12 months (2022: 1 month).

16. SHARE CAPITAL

	Group and Company			
	2023	2022	2023	2022
	Number of shares (units)		RM	
Issued and paid up:				
Ordinary shares with no par value:				
Balance at the beginning and end of the financial year	252,000,000	252,000,000	25,200,000	25,200,000

17. REVALUATION RESERVE

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

The following are the movements of revaluation reserve:

	Group	
	2023	2022
	RM	RM
At beginning of the financial year	25,520,751	24,859,680
Less: Disposal of property	(228,111)	-
<u>Recognised in other comprehensive income:</u>		
Revaluation surplus (Note 5 and Note 6)	603,468	871,406
Less: Other comprehensive income attributable to non-controlling interest	(31,153)	(73,299)
Less: Deferred tax liability on revaluation surplus (Note 19)	(67,911)	(137,036)
Revaluation surplus, net of tax	504,404	661,071
At end of the financial year	25,797,044	25,520,751
Revaluation surplus recognised in other comprehensive income attributable to:		
- Owners of the Company	504,404	661,071
- Non controlling interest	31,153	73,299
	535,557	734,370

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

18. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 December 2023 and 31 December 2022 may be distributed as dividends under the single tier system.

19. DEFERRED TAXATION

Deferred tax liabilities, net

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
As at beginning of the financial year	5,323,221	4,724,430	1,221	1,221
Recognised in profit or loss (Note 27)	127,822	461,755	165	-
Recognised in other comprehensive income (Note 17)	67,911	137,036	-	-
Derecognition upon disposal of property	(72,034)	-	-	-
As at end of the financial year	<u>5,446,920</u>	<u>5,323,221</u>	<u>1,386</u>	<u>1,221</u>

Deferred tax liabilities comprise of:

Revaluation surplus arise from properties	1,370,668	1,417,694	-	-
Fair value adjustment of investment properties	2,903,743	2,721,676	-	-
Excess of capital allowances over corresponding depreciation	1,172,509	1,183,851	1,386	1,221
	<u>5,446,920</u>	<u>5,323,221</u>	<u>1,386</u>	<u>1,221</u>

Unrecognised deferred tax assets

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

	Group	
	2023 RM	2022 RM
Temporary difference	69,352	14,457
Unabsorbed capital allowances	113,035	5,500
Unutilised tax losses	1,658,544	1,660,863
	<u>1,840,931</u>	<u>1,680,820</u>
Unrecognised deferred tax assets at 24% (2022: 24%)	<u>441,823</u>	<u>403,397</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

19. DEFERRED TAXATION (continued)

Unrecognised deferred tax assets (continued)

The unabsorbed capital allowances can be carried forward indefinitely, and unutilised tax losses can be carried forward for a maximum period of seven (7) consecutive years of assessment ("YA") effective from year 2019 and it can only be utilised against income from the same business source. Pursuant to Section 8 of the Finance Act 2021, the unutilised tax losses is allowed to be carried forward for a period of maximum of ten (10) consecutive years of assessment. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits will be available against which the Group and the Company can utilise the benefits. The availability of unabsorbed capital allowances and unutilised tax losses for offsetting against future taxable profits of the respective companies within the Group and the Company are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority, as follows:

	Group	
	2023	2022
	RM	RM
Utilisation period		
Indefinite	182,387	19,957
Expired by YA 2028	1,447,682	1,450,001
Expired by YA 2029	150,764	150,764
Expired by YA 2031	41,216	41,216
Expired by YA 2032	18,882	18,882
	1,840,931	1,680,820

20. LOAN AND BORROWINGS

	Group	
	2023	2022
	RM	RM
Current		
Islamic term financing		
- Term loans (secured)	1,259,777	1,432,447
Conventional financing		
- Bank overdrafts (secured)	416,310	365,925
- Term loans (secured)	340,094	133,730
	2,016,181	1,932,102

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

20. LOAN AND BORROWINGS (continued)

		Group	
		2023	2022
		RM	RM
Non-current			
Islamic term financing			
- Term loans (secured)		33,665,456	27,235,192
Conventional financing			
- Term loans (secured)		12,114,637	8,222,063
		<u>45,780,093</u>	<u>35,457,255</u>
Total			
Islamic term financing			
- Term loans (secured)	(b)	34,925,233	28,667,639
Conventional financing			
- Bank overdrafts (secured)	(a)	416,310	365,925
- Term loans (secured)	(b)	12,454,731	8,355,793
		<u>47,796,274</u>	<u>37,389,357</u>

Rates of interest charged per annum:

		Group	
		2023	2022
		%	%
Conventional financing			
- Bank overdrafts	BLR + 1.50%		BLR + 1.50%
- Term loans	BLR - 2.00% p.a to 2.30% p.a		BLR - 2.00% p.a to 2.30% p.a
Islamic term financing			
- Term loans	<u>IFR - 2.10% p.a to 2.30% p.a</u>		<u>IFR - 2.10% p.a to 2.20% p.a</u>

(a) Bank overdrafts

These facilities are secured by the following:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

20. LOAN AND BORROWINGS (continued)

(b) Term loans

Term loans are repayable as follows:

	Group	
	2023	2022
	RM	RM
- Less than one year	1,599,871	1,566,177
- Later than one year and not later than five years	9,386,846	7,973,349
- More than five years	36,393,247	27,483,906
	<u>47,379,964</u>	<u>37,023,432</u>

These facilities are secured by the following:

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

21. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade payables	841,424	816,932	-	-
Add:				
Other payables	865,133	791,637	30,896	20,085
Accruals	1,173,875	995,525	145,653	131,257
Deposits received	1,466,268	874,335	-	-
	<u>3,505,276</u>	<u>2,661,497</u>	<u>176,549</u>	<u>151,342</u>
Total trade and other payables	<u>4,346,700</u>	<u>3,478,429</u>	<u>176,549</u>	<u>151,342</u>
Total financial liabilities carrying at amortised costs	<u>4,346,700</u>	<u>3,478,429</u>	<u>176,549</u>	<u>151,342</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

22. AMOUNT DUE TO DIRECTORS

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

23. REVENUE

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trading sales and services	22,761,582	23,446,184	-	-
Dividend income from subsidiaries	-	-	2,822,000	2,022,000
Management fee income	-	-	1,690,083	1,625,130
Rental of properties	2,347,130	2,217,060	-	-
	<u>25,108,712</u>	<u>25,663,244</u>	<u>4,512,083</u>	<u>3,647,130</u>
Timing and recognition:				
- At a point in time	22,761,582	23,446,184	2,822,000	2,022,000
- Over time	2,347,130	2,217,060	1,690,083	1,625,130
	<u>25,108,712</u>	<u>25,663,244</u>	<u>4,512,083</u>	<u>3,647,130</u>

The following is a description of the principal activities - separated by reportable segments - from which the Group generates its revenue. For more detailed information about reportable segments, refer Note 36, as disclosed in the financial statements.

i. Environmental products and services

Revenue for environmental products are recognised at point in time when the products are delivered and accepted by the customers at their premise. For environmental services, revenue is recognised upon services performed. Credit period of 30 to 120 days from invoice date is given for both environmental products and services.

ii. System equipment and ancillary products

Revenue is recognised at point in time when the products are delivered and accepted by the customer at its premise. The term of payment is generally within 30 to 120 days from invoice date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

23. REVENUE (continued)

iii. Investments

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

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

24. FINANCE INCOME

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Interest income on:				
Bank interest	930	415	63	47
Short-term investments	443,110	385,968	6,804	20,968
Fixed deposit interest	4,261	5,170	-	-
	<u>448,301</u>	<u>391,553</u>	<u>6,867</u>	<u>21,015</u>

25. FINANCE COSTS

	Group	
	2023	2022
	RM	RM
Profit on Islamic term financing:		
- Term loans	1,787,685	1,145,822
Interest expenses on conventional financing:		
- Lease liabilities	23,604	18,842
- Overdrafts	8,200	7,428
- Term loans	180,166	96,681
- Bankers' acceptance	-	7,284
	<u>1,999,655</u>	<u>1,276,057</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

26. PROFIT BEFORE TAXATION

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):					
Auditors' remuneration:					
- statutory audit		94,000	89,000	35,000	30,000
- other auditors		7,000	6,900	-	-
- non-audit services		11,000	11,000	11,000	11,000
- overprovision in previous year		(600)	-	-	-
Depreciation on:					
- property, plant and equipment	5	1,702,775	1,288,048	1,992	1,545
- right-of-use assets	6	178,541	177,284	-	-
Directors' fee	29	351,500	317,000	337,500	297,000
Directors' non-fee emoluments	29	1,040,231	1,034,093	945,940	878,491
Impairment losses on:					
- investment in subsidiary companies	8	-	-	-	523,727
- goodwill	9	-	640,714	-	-
- trade receivables	11	62,648	302,301	-	-
- other receivables	12	15,100	17,000	-	-
Property, plant and equipment written off		4,323	11,787	-	-
Rental of equipment	6	49,935	28,003	-	-
Bad debts recovered		-	(23,631)	-	-
Fair value gain on investment properties	7	(1,820,665)	(3,042,500)	-	-
Reversal of allowance for impairment losses on:					
- trade receivables	11	(87,407)	(393,093)	-	-
- other receivables	12	(17,000)	(20,600)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

26. PROFIT BEFORE TAXATION (continued)

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting) (continued):					
Dividend income from subsidiary companies	23	-	-	(2,822,000)	(2,022,000)
(Gain)/loss on foreign exchange:					
- realised		-	32,502	-	-
- unrealised		(883)	-	-	-
Gain on disposal of:					
- leasehold land and building		(964,275)	-	-	-
- other property, plant and equipment		(3,599)	(11,496)	-	-
Management fee income	23	-	-	(1,690,083)	(1,625,130)
Rental income		(445,880)	(375,740)	-	-

27. TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Current income tax:</u>				
Provision for current financial year	1,928,164	1,835,126	2,755	20,838
Underprovision in prior year	97,731	8,267	11,197	6,701
	<u>2,025,895</u>	<u>1,843,393</u>	<u>13,952</u>	<u>27,539</u>
<u>Deferred taxation (Note 19):</u>				
Recognised in profit or loss	123,979	334,860	165	-
Underprovision in prior year	3,843	126,895	-	-
	<u>127,822</u>	<u>461,755</u>	<u>165</u>	<u>-</u>
Real property gain tax	<u>87,730</u>	-	-	-
Tax expenses for the current financial year	<u>2,241,447</u>	<u>2,305,148</u>	<u>14,117</u>	<u>27,539</u>

Domestic current income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

27. TAXATION (continued)

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	9,476,835	9,713,769	2,766,297	1,528,111
At statutory income tax rate of 24% (2022: 24%)	2,274,440	2,331,305	663,911	366,747
Non-deductible expenses for tax purposes	961,526	349,687	17,946	144,404
Non-taxable income	(1,401,713)	(811,823)	(678,937)	(490,313)
Deferred tax assets not recognised	42,246	6,178	-	-
Utilisation of deferred tax assets not recognised previously	(3,820)	(3,495)	-	-
Deferred tax arising from gain on fair value adjustment of investment properties	182,067	304,250	-	-
Crystallisation of deferred tax liabilities arose from revaluation surplus	(2,603)	(6,116)	-	-
Underprovision in prior year:				
- Current tax	97,731	8,267	11,197	6,701
- Deferred tax	3,843	126,895	-	-
Real property gain tax	87,730	-	-	-
Tax expenses for the current financial year	2,241,447	2,305,148	14,117	27,539

28. EMPLOYEES BENEFIT EXPENSES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, bonuses, incentives, overtime, commissions and allowances	6,541,794	6,221,461	1,322,896	1,212,282
Pension costs: defined contribution plans	758,720	682,163	118,246	110,214
Social security costs	86,008	75,661	3,346	3,077
	7,386,522	6,979,285	1,444,488	1,325,573

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

29. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company				
<u>Executive Directors:</u>				
Remuneration	706,800	670,800	706,800	670,800
Pension costs: defined contribution plans	101,112	93,912	101,112	93,912
Social security costs	2,228	1,979	2,228	1,979
Bonus	135,800	111,800	135,800	111,800
Fees	261,000	261,000	261,000	261,000
<u>Non-executive Directors:</u>				
Fees	76,500	36,000	76,500	36,000
	<u>1,283,440</u>	<u>1,175,491</u>	<u>1,283,440</u>	<u>1,175,491</u>
Directors of a subsidiary company				
<u>Executive Directors:</u>				
Remuneration	83,148	138,794	-	-
Pension costs: defined contribution plans	9,984	15,401	-	-
Social security costs	1,159	1,407	-	-
Fees	14,000	20,000	-	-
	<u>108,291</u>	<u>175,602</u>	<u>-</u>	<u>-</u>
Total directors' remuneration	<u>1,391,731</u>	<u>1,351,093</u>	<u>1,283,440</u>	<u>1,175,491</u>

The estimated money value of benefits-in-kind received by the directors of the Group amounted to RM39,600 (2022: RM39,600).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

30. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2023	2022
	RM	RM
Profit attributable to the owners of the Company (RM)	<u>6,967,023</u>	<u>7,454,887</u>
Weighted average number of shares in issue	<u>252,000,000</u>	<u>252,000,000</u>
Basic earnings per share (sen)	<u>2.76</u>	<u>2.96</u>

(b) Diluted earnings per share

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

31. DIVIDENDS

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

	Group and Company	
	2023	2022
	RM	RM
Paid		
In respect of the financial year ended 31 December 2022:		
Final single tier dividend of 0.80 sen per ordinary share	2,016,068	-
In respect of the financial year ended 31 December 2021:		
Final single tier dividend of 0.80 sen per ordinary share	<u>-</u>	<u>2,016,000</u>
	<u>2,016,068</u>	<u>2,016,000</u>

The final ordinary dividend recommended by the Directors in respect of the financial year ended 31 December 2023 is 1.00 sen per ordinary share totalling RM2,520,000, is subject to shareholders' approval at the forth coming Annual General Meeting of the Company. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

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

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cost of property, plant and equipment purchased	935,649	606,727	4,450	5,572
Cost of right-of-use asset purchased	-	493,592	-	-
Cost of investment properties purchased	12,982,166	12,422,563	-	-
Amount financed through loan and borrowings/lease liabilities	(12,334,987)	(8,796,616)	-	-
Cash disbursed for purchase of property, plant and equipment, right-of-use assets and investment properties	<u>1,582,828</u>	<u>4,726,266</u>	<u>4,450</u>	<u>5,572</u>

33. RELATED PARTY DISCLOSURES

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

	Company	
	2023	2022
	RM	RM
<u>Subsidiaries</u>		
Dividend income received/receivable (Note 23)	2,822,000	2,022,000
Management fees (Note 23)	<u>1,690,083</u>	<u>1,625,130</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

34. CAPITAL COMMITMENT

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

	Group	
	2023	2022
	RM	RM
Approved and contracted for:		
Investment properties	<u>14,570,000</u>	<u>24,604,000</u>
Approved but not contracted for:		
Investment properties	<u>33,170,000</u>	<u>33,170,000</u>

35. FINANCIAL GUARANTEE CONTRACTS

	Company	
	2023	2022
	RM	RM
Unsecured:-		
Corporate guarantee given to financial institutions for loan and borrowings facilities granted to subsidiary companies	<u>47,796,274</u>	<u>37,389,357</u>

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

36. SEGMENT INFORMATION

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

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

Segment assets principally comprise all assets and segment liabilities principally comprise all liabilities.

The Group comprises the following main business segments:

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

36. SEGMENT INFORMATION (continued)

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

Group 2023	Environmental Products and Services RM	System Equipment and Ancillary Products RM	Investments RM	Eliminations RM	Total RM
Revenue					
External customers	19,805,927	2,955,654	2,347,131	-	25,108,712
Inter-segment	386,123	5,726	1,843,683	(2,235,532)	-
Total revenue	<u>20,192,050</u>	<u>2,961,380</u>	<u>4,190,814</u>	<u>(2,235,532)</u>	<u>25,108,712</u>
Results					
Segment results					
(external)	8,192,036	765,315	5,109,905	(3,039,067)	11,028,189
Finance income	361,510	79,924	6,867	-	448,301
Finance costs	(253,821)	(56,577)	(1,689,257)	-	(1,999,655)
Profit before taxation	8,299,725	788,662	3,427,515	(3,039,067)	9,476,835
Tax expense	(1,539,936)	(357,626)	(344,481)	596	(2,241,447)
Profit after taxation	6,759,789	431,036	3,083,034	(3,038,471)	7,235,388
Non-controlling interests	(268,365)	-	-	-	(268,365)
Net profit attributable to owners of the Company	<u>6,491,424</u>	<u>431,036</u>	<u>3,083,034</u>	<u>(3,038,471)</u>	<u>6,967,023</u>
Other information					
Segment assets	44,648,973	8,111,069	95,126,038	(150,860)	147,735,220
Segment liabilities	10,649,138	1,720,387	45,918,105	184,311	58,471,941
Capital expenditure	898,947	32,250	12,986,618	-	13,917,815
Depreciation	1,500,238	71,586	1,992	307,500	1,881,316
Non-cash income other than depreciation	1,239,271	59,502	1,650,665	2,701	2,952,139

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

36. SEGMENT INFORMATION (continued)

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

Group 2022	Environmental Products and Services RM	System Equipment and Ancillary Products RM	Investments RM	Eliminations RM	Total RM
Revenue					
External customers	20,186,688	3,259,496	2,217,060	-	25,663,244
Inter-segment	374,991	4,710	1,778,730	(2,158,431)	-
Total revenue	20,561,679	3,264,206	3,995,790	(2,158,431)	25,663,244
Results					
Segment results (external)	5,309,388	713,742	6,877,885	(1,662,028)	11,238,987
Impairment of goodwill (Note 9)	-	-	-	(640,714)	(640,714)
Finance income	313,121	57,417	21,015	-	391,553
Finance costs	(230,202)	(51,173)	(994,682)	-	(1,276,057)
Profit before taxation	5,392,307	719,986	5,904,218	(2,302,742)	9,713,769
Tax expense	(1,228,495)	(128,382)	(757,184)	(191,087)	(2,305,148)
Profit after taxation	4,163,812	591,604	5,147,034	(2,493,829)	7,408,621
Non-controlling interests	46,266	-	-	-	46,266
Net profit attributable to owners of the Company	4,210,078	591,604	5,147,034	(2,493,829)	7,454,887
Other information					
Segment assets	42,912,632	8,008,456	80,211,988	(150,860)	130,982,216
Segment liabilities	12,100,128	1,803,025	33,402,695	(32,034)	47,273,814
Capital expenditure	1,021,057	73,690	12,428,135	-	13,522,882
Depreciation	1,328,595	69,678	1,545	65,514	1,465,332
Non-cash income other than depreciation	141,161	51,041	3,152,500	(845,714)	2,498,988

Major customer

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

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

37.1 Credit risk

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

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

37.1.1 Collective approach

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

The Group has identified (i) internal credit rating and (ii) actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation to be the most relevant factors, and accordingly adjust the historical loss rates based on expected changes in these factors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.1 Credit risk (continued)

37.1.2 Individual debtor assessment

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

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

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

(a) Trade receivables

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

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

(b) Other receivables

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.1 Credit risk (continued)

(c) Cash and cash equivalents (including fixed deposits)

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

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

(d) Advances to subsidiary companies

The Company provides unsecured advances to its subsidiary companies and monitors the results of the related companies regularly. The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. As at 31 December 2023, the Company had not provided allowance for impairment loss in the view that the subsidiary companies will be able to pay back the advances in the future.

(e) Financial guarantees contracts

The Company provides unsecured financial guarantees to financial institutions in respect of banking facilities granted to certain subsidiaries and the default is remote. The maximum exposure to credit risk and the liquidity and cash flow risk is disclosed in Note 35 and Note 37.3 respectively, representing the outstanding banking facilities of the subsidiaries as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.2 Market risk

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

37.2.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of the changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. Interest-bearing financial assets includes fixed deposits with licensed banks and short-term investments. Interest-bearing liabilities includes term loans, lease liabilities and bank overdrafts.

The excess funds of the Group and of the Company are invested in bank deposits and other short term instruments. The Group and the Company manage their liquidity risks by placing such excess funds on short term maturities to match its cash flow needs. If interest deposit rates increased/decreased by 50 basis points, interest income of the Group and of the Company for the financial year would increase/decrease by RM81,491 (2022: RM71,267) and Nil (2022: RM446), respectively, and the Group's and Company's equity would increase/decrease by RM61,933 (2022: RM54,163) and Nil (2022: RM339).

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

The interest rates per annum on the lease liabilities, term loans and bank overdrafts are disclosed in Note 6 and Note 20 respectively.

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

Sensitivity analysis for interest rate risk

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's profit before taxation would decrease/increase by approximately RM477,963 (2022: RM373,894) as a result of exposure to floating rate borrowings.

If the interest rate had been 100 basis point higher/lower and all other variables held constant, the Group's equity would decrease/increase by approximately RM363,252 (2022: RM284,159) as a result of exposure to floating rate borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.2 Market risk (continued)

37.2.2 Foreign currency risk

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

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

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

Group

	USD RM	EURO RM	Others RM	Total RM
2023				
Cash and bank balances	1,282	10,182	10,058	21,522
Trade payables	(40,922)	-	-	(40,922)
	<u>(39,640)</u>	<u>10,182</u>	<u>10,058</u>	<u>(19,400)</u>
2022				
Cash and bank balances	1,282	10,182	10,058	21,522
	<u>1,282</u>	<u>10,182</u>	<u>10,058</u>	<u>21,522</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.2 Market risk (continued)

37.2.2 Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

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

Group		Impact to profit or loss	2023 RM	2022 RM
USD/RM	- strengthen 1%	Increase	(3,964)	128
	- weakened 1%	Decrease	3,964	(128)
EURO/RM	- strengthen 1%	Increase	1,018	1,018
	- weakened 1%	Decrease	(1,018)	(1,018)
Others/RM	- strengthen 1%	Increase	1,006	1,006
	- weakened 1%	Decrease	<u>(1,006)</u>	<u>(1,006)</u>
Group		Impact to equity	2023 RM	2022 RM
USD/RM	- strengthen 1%	Increase	(3,964)	128
	- weakened 1%	Decrease	3,964	(128)
EURO/RM	- strengthen 1%	Increase	1,018	1,018
	- weakened 1%	Decrease	(1,018)	(1,018)
Others/RM	- strengthen 1%	Increase	1,006	1,006
	- weakened 1%	Decrease	<u>(1,006)</u>	<u>(1,006)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.3 Liquidity and cash flow risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.3 Liquidity and cash flow risk (continued)

Group	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	More than 5 years RM
2023						
Trade and other payables	4,346,700	-	4,346,700	4,346,700	-	-
Amount due to Directors	1,717	-	1,717	1,717	-	-
Bank overdrafts	416,310	8.32	416,310	416,310	-	-
Conventional term loans	12,454,731	4.37 - 4.89	19,496,509	884,438	3,537,751	15,074,320
Islamic term financing	34,925,233	4.42 - 4.79	46,768,301	2,998,116	11,992,464	31,777,721
Lease liabilities	369,117	2.12 - 5.56	400,838	129,853	270,985	-
	<u>52,513,808</u>		<u>71,430,375</u>	<u>8,777,134</u>	<u>15,801,200</u>	<u>46,852,041</u>
2022						
Trade and other payables	3,478,429	-	3,478,429	3,478,429	-	-
Bank overdraft	365,925	7.43	365,925	365,925	-	-
Conventional term loans	8,355,793	3.27 - 4.64	9,596,451	258,408	2,133,087	7,204,956
Islamic term financing	28,667,639	4.17 - 4.54	38,082,904	2,471,988	9,887,952	25,722,964
Lease liabilities	611,387	2.12 - 5.56	667,226	268,642	398,584	-
	<u>41,479,173</u>		<u>52,190,935</u>	<u>6,843,392</u>	<u>12,419,623</u>	<u>32,927,920</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.3 Liquidity and cash flow risk (continued)

Company	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	Not later than 1 year RM	Later than 1 year but not later than 5 years RM	
					More than 5 years RM	More than 5 years RM
2023						
Other payables	176,549	-	176,549	176,549	-	-
Amount due to Directors	1,717	-	1,717	1,717	-	-
Amount due to a subsidiary company	551,876	-	551,876	551,876	-	-
Financial guarantee contracts	47,796,274	-	47,796,274	47,796,274	-	-
	<u>48,526,416</u>		<u>48,526,416</u>	<u>48,526,416</u>	-	-
2022						
Other payables	151,342	-	151,342	151,342	-	-
Amount due to a subsidiary company	192,772	-	192,772	192,772	-	-
Financial guarantee contracts	37,389,357	-	37,389,357	37,389,357	-	-
	<u>37,733,471</u>		<u>37,733,471</u>	<u>37,733,471</u>	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.4 Classification of financial instruments

Financial assets	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>At fair value through profit or loss</u>				
Short-term investments	14,320,308	14,018,605	3	89,264
<u>At amortised costs</u>				
Trade receivables	6,126,896	5,836,745	790,898	716,501
Other receivables #	357,498	320,001	2,546,200	2,043,623
Amount due from a subsidiary company	-	-	1,754,540	1,444,540
Fixed deposits with licensed banks	1,977,937	234,839	-	-
Cash and bank balances	3,136,729	2,176,553	302,091	10,130
	<u>11,599,060</u>	<u>8,568,138</u>	<u>5,393,729</u>	<u>4,214,794</u>
Financial liabilities				
<u>At amortised costs</u>				
Trade payables	841,424	816,932	-	-
Other payables	3,505,276	2,661,497	176,549	151,342
Amount due to Directors	1,717	-	1,717	-
Amount due to a subsidiary company	-	-	551,876	192,772
Bank overdrafts	416,310	365,925	-	-
Term loans	12,454,731	8,355,793	-	-
Islamic term financing	34,925,233	28,667,639	-	-
Lease liabilities	369,117	611,387	-	-
	<u>52,513,808</u>	<u>41,479,173</u>	<u>730,142</u>	<u>344,114</u>

excluding prepayments

37.5 Fair value of financial instruments

The carrying amounts of cash and cash equivalents, short term receivables and payables approximate fair values due to the relatively short term nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.5 Fair value of financial instruments (continued)

The table below analyses financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

Group 2023	Financial instruments that are carried at fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial asset				
Short-term investments	14,320,308	-	-	14,320,308
	<u>14,320,308</u>	<u>-</u>	<u>-</u>	<u>14,320,308</u>
2022				
Financial asset				
Short-term investments	14,018,605	-	-	14,018,605
	<u>14,018,605</u>	<u>-</u>	<u>-</u>	<u>14,018,605</u>
Company 2023				
Financial asset				
Short-term investments	3	-	-	3
	<u>3</u>	<u>-</u>	<u>-</u>	<u>3</u>
2022				
Financial asset				
Short-term investments	89,264	-	-	89,264
	<u>89,264</u>	<u>-</u>	<u>-</u>	<u>89,264</u>
	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
Group 2023	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Financial liabilities				
Amount due to Directors	-	-	1,717	1,717
Loan and borrowings	-	-	47,796,274	47,796,274
Lease liabilities	-	-	369,117	369,117
	<u>-</u>	<u>-</u>	<u>48,167,108</u>	<u>48,167,108</u>
2022				
Financial liabilities				
Loan and borrowings	-	-	37,389,357	37,389,357
Lease liabilities	-	-	611,387	611,387
	<u>-</u>	<u>-</u>	<u>38,000,744</u>	<u>38,000,744</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.5 Fair value of financial instruments (continued)

	Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Company				
2023				
Financial asset				
Amount due from a subsidiary company	-	-	1,754,540	1,754,540
	-	-	1,754,540	1,754,540
Financial liabilities				
Amount due to Directors	-	-	1,717	1,717
Amount due to a subsidiary company	-	-	551,876	551,876
	-	-	553,593	553,593
2022				
Financial asset				
Amount due from a subsidiary company	-	-	1,444,540	1,444,540
	-	-	1,444,540	1,444,540
Financial liability				
Amount due to a subsidiary company	-	-	192,772	192,772
	-	-	192,772	192,772

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

37.5 Fair value of financial instruments (continued)

Policy on transfer between levels

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

Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

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

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2022: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets or liabilities.

Amount due from/(to) subsidiary companies, loan and borrowings, amount due to Directors and lease liabilities

The fair value of these financial instruments which is determine for disclosure purposes, are estimated by discounting expected future cash flows at market increment lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

The responsibility for managing the above risks is vested in the directors.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONT'D)

38. CAPITAL MANAGEMENT

The primary objective of the Group's and of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manage the capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2023.

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

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade payables	841,424	816,932	-	-
Other payables	3,505,276	2,661,497	176,549	151,342
Amount due to Directors	1,717	-	1,717	-
Amount due to a subsidiary company	-	-	551,876	192,772
Lease liabilities	369,117	611,387	-	-
Loan and borrowings	47,796,274	37,389,357	-	-
Less: Cash and bank balances	(3,136,729)	(2,176,553)	(302,091)	(10,130)
Fixed deposits with maturity within 3 months	(977,937)	(234,839)	-	-
Net debt	<u>48,399,142</u>	<u>39,067,781</u>	<u>428,051</u>	<u>333,984</u>
Equity attributable to owners of the Company	<u>88,261,301</u>	<u>82,897,186</u>	<u>26,373,178</u>	<u>25,637,066</u>
Capital and net debt	<u>136,660,443</u>	<u>121,964,967</u>	<u>26,801,229</u>	<u>25,971,050</u>
Gearing ratio	<u>35%</u>	<u>32%</u>	<u>2%</u>	<u>1%</u>

STATISTIC OF SHAREHOLDINGS

AS AT 02 APRIL 2024

Authorised Share Capital	-	RM50,000,000
Issued and Fully Paid-Up Share Capital	-	RM25,200,000
Class of Shares	-	Ordinary Share
Voting Rights	-	One vote per ordinary share
No. of Shareholders	-	1,694

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholders	% of shareholders	No. of shares held	% of Issued share capital
Less than 100	94	5.55	3,803	0.00
100 - 1,000	236	13.93	107,801	0.04
1,001 - 10,000	629	37.13	3,648,284	1.45
10,001 - 100,000	600	35.42	21,246,182	8.43
100,001 to less than 5% of issued shares	133	7.85	89,019,106	35.33
5% and above of issued shares	2	0.12	137,974,824	54.75
	1,694	100.00	252,000,000	100.00

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	No. of shares	% of shareholdings
1 Pang Wee See	113,152,861	44.90
2 Tan Boon Kok	24,821,963	9.85
	137,974,824	54.75

DIRECTORS' SHAREHOLDINGS

Name	Direct	No. of ordinary shares held		%
		%	Indirect	
1 Pang Wee See	113,152,861	44.90	8,361,520*	3.32
2 Tan Boon Kok	24,821,963	9.85	2,825,800**	1.12
3 Kan King Choy	10,215,841	4.05	90,552#	0.04
4 Ir. Koh Thong How	337,200	0.13	113,152,861+	44.90
5 Ng Kok Ann	-	-	-	-
6 Wee Swee Cheng	-	-	-	-
7 Yee Oii Pah @ Yee Ooi Wah	8,024,320	3.18	113,152,861^	44.90

* Deemed interested by virtue of the shareholdings of 8,024,320 shares, of his spouse, Yee Oii Pah @ Yee Ooi Wah and 337,200 shares, of his brother-in-law, Ir. Koh Thong How

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

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

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

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

LIST OF 30 LARGEST SHAREHOLDERS

AS AT 02 APRIL 2024

Name of Shareholders	No. of Shares	%
1 PANG WEE SEE	113,152,861	44.90
2 TAN BOON KOK	24,821,963	9.85
3 KAN KING CHOY	10,215,841	4.05
4 YEE OII PAH @ YEE OOI WAH	7,537,120	2.99
5 PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PEARLY SAW CHEW HONG (E-SPG)	5,000,000	1.98
6 LEE WAI SUM	4,487,000	1.78
7 CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SAM YIN THING (MY4178)	2,971,100	1.18
8 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAMESH KUMAR A/L NADASON (7005613)	2,967,200	1.18
9 TAN SHERN TZER	2,809,000	1.11
10 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE WAI SUM	2,800,000	1.11
11 LEE CHONG LENG	1,800,100	0.71
12 KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHEE SENG	1,700,428	0.68
13 MAH LAI SEIN	1,700,000	0.67
14 LIM HONG SAN @ LIM HUN SOO	1,642,000	0.65
15 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHENG LING (7002620)	1,527,900	0.61
16 LOW KHAR MING	1,280,000	0.51
17 OON LAY KIM	1,230,000	0.49
18 WEE KA SIONG	1,210,800	0.48
19 CHEN CHAW MIN	1,150,000	0.46
20 LIM TIONG HOOI	1,000,800	0.40
21 HING FOH PAWNSHOP SDN. BHD.	1,000,000	0.40
22 LEE YEW FAI	1,000,000	0.40
23 HO KAT SIN	990,000	0.39
24 APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HO KAT ANN (STA 2)	943,900	0.37
25 YAP KOK LIM	900,000	0.36
26 TEO HWEE MIEN	814,800	0.32
27 NG WEI HANN	800,000	0.32
28 YEOH KEAN BENG	724,200	0.29
29 NG CHIN HENG	700,000	0.28
30 CHEAH YOKE THAI	698,904	0.28
	199,575,917	79.20

LIST OF PROPERTIES

AS AT 31 DECEMBER 2023

The following are the properties held by the Group as at 31 December 2023:

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

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2023 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S.(D) 29637, P.T. No. 5015, Mukim Damansara, Daerah Petaling, Selangor	Freehold Land & Building (Rented to related company)	42,880	16,500	Single storey detached factory with an annexed three storey office building	27	30,484
H.S.(M) 2273, P.T. No. 12144, Mukim Kapar, Daerah Klang, Selangor	Freehold Land & Building (Operational assets held for owner occupation)	4,220	960	Double storey semidetached factory	43	5,395
PM 60, Lot 20002, Pekan Nilai, Daerah Seremban Negeri Sembilan	Leasehold Land (99 years, expiring in 2/10/2085) (Assets held for investments)	49,869	7,750	Single storey detached factory with an integral three storey office building	5	42,996
H.S.(D) 153813, PT 74007, Mukim Kapar, Daerah Klang, Selangor	Freehold Land & Building (Assets held for investments)	65,326	17,500	Single storey semi-detached warehouse with an annexed three and a half storey office building	4	46,482
H.S.(D) 153814, PT 74008, Mukim Kapar, Daerah Klang, Selangor	Freehold Land & Building (Assets held for investments)	65,326	17,500	Single storey semi-detached warehouse with an annexed three and a half storey office building	4	46,482
H.S.(D) 153071, PT 72817, Mukim Kapar, Daerah Klang, Selangor	Freehold land & Building (Assets held for investments)	47,512	12,600	Single storey semi-detached warehouse with an annexed three and a half storey office building (under construction)	1	39,471
H.S.(D) 153072, PT 72818, Mukim Kapar, Daerah Klang, Selangor	Freehold land (Assets held for investments)	47,512	12,600	Single storey semi-detached warehouse with an annexed three and a half storey office building (under construction)	1	39,471
Lot No. B12-A @ KIIP Kapar 2, Mukim Jeram, Daerah Kuala Langat, Selangor	Freehold land (Assets held for investments)	141,393	8,500	Vacant land (under construction)	-	-
Lot No. BBR3-i10/06, Mukim Kapar, Daerah Klang, Selangor	Freehold land (Assets held for investments)	125,292	16,540	Vacant land (under construction)	-	-

LIST OF PROPERTIES

AS AT 31 DECEMBER 2023 (CONT'D)

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

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2023 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
GRN 284628, Lot 37098, Pekan Subang Jaya, Daerah Petaling, Selangor	Freehold Building (Assets held for investments)	1,765	4,000	Triple storey shophouse	30	5,161

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

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2023 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S.(D) 31573, PTD 42295, Mukim and District of Kluang, Johor.	Freehold Building (Operational assets held for owner occupation)	9,375	600	1½ storey Shophouse	23	7,040
H.S.(D) 23144, PTD 38519, Mukim and District of Kluang, Johor.	Freehold Building (Assets held for investments)	1,540	250	1½ storey Shophouse	25	2,156
H.S.(D) 14153, PTD 32881, Mukim and District of Kluang, Johor.	Freehold Building (Assets held for investments)	1,540	500	Double storey shophouse	28	3,080
PTD 42334, Mukim and District of Kluang, Johor.*	Freehold Building (Operational assets held for owner occupation)	7,700	340	Double storey semidetached factory	21	4,675
PTD 42336, Mukim and District of Kluang, Johor.*	Freehold Building (Operational assets held for owner occupation)	7,700	340	Double storey semidetached factory	21	4,675
H.S.(D) 299221, PTD 78237, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	530	Double storey shop office	19	3,080
H.S.(D) 299222, PTD 78238, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	530	Double storey shop office	19	3,080
H.S.(D) 299223, PTD 78239, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	530	Double storey shop office	19	3,080
H.S.(D) 299224, PTD 78240, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,540	530	Double storey shop office	19	3,080

LIST OF PROPERTIES

AS AT 31 DECEMBER 2023 (CONT'D)

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

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2023 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
H.S. (D) 97263 P.T. No. 27732 Mukim and District of Petaling, State of Selangor	Leasehold Land & Building (87 years, expiring in 14/11/2090) (Asset held for investments)	1,604	770	Single storey terrace factory	34	1,600

A summary of the land and building owned by Spectrum Laboratories (Penang) Sdn. Bhd. is set out below: -

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2023 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
GM 8217, Lot No. 4567, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang	Freehold Building (Operational assets held for owner occupation)	1,540	550	Double storey shophouse	30	2,640
GM 8218, Lot No. 4568, Mukim 14, Daerah Seberang Perai Tengah, Pulau Pinang.	Freehold Building (Operational assets held for owner occupation)	1,540	550	Double storey shophouse	30	2,640

LIST OF PROPERTIES

AS AT 31 DECEMBER 2023 (CONT'D)

A summary of the land and building owned by Spectrum Laboratories (Johore) Sdn. Bhd. is set out below: -

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2023 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
GRN 370208, Lot 122667, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	580	Double storey shop office	11	3,740
GRN 370209, Lot 122668, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	580	Double storey shop office	11	3,740
GRN 370210, Lot 122669, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	580	Double storey shop office	11	3,740
GRN 370211, Lot 122670, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	580	Double storey shop office	11	3,740
GRN 370212, Lot 122671, Mukim Tebrau, Daerah Johor Bahru, Johor	Freehold Building (Assets held for investments)	1,870	580	Double storey shop office	11	3,740
GRN 178731, Lot 57697, Mukim Pelentong, Daerah Johor Bahru, Johor.	Freehold Building (Operational assets held for owner occupation)	2,400	1,200	Double storey shop office	31	4,800

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

Location	Tenure and Existing Use	Land Area (sq ft)	Net Book Value as at 31.12.2023 RM'000	Type of Property	Approximate Age of Building	Built Up Area (sq ft)
PN 57351, Lot 63492, Mukim Durian Tunggal, Daerah Alor Gajah, Melaka.	Leasehold Land & Building (99 years, expiring in 25/03/2113) (Operational assets held for owner occupation)	5,005	1,000	One and a half storey semidetached factory	7	3,400

Note:-

The properties were revalued in November and December 2023. The valuations were carried out by Messrs. Nasir, Sabarudin & Associates, an independent qualified valuer registered with the Board of Valuers, Appraisers and Estate Agents Malaysia based on the Comparison Method of Valuation

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PROXY FORM



BRITE-TECH BERHAD

Registration No. 200101014455 (550212-U)

No. of shares held	CDS Account No.
Shareholder's Mobile No.	Email Address

I/We

of

being member/members of BRITE-TECH BERHAD hereby appoint:

1) Name of proxy: NRIC No:
(Full Name in Block Capitals)

Address:

No. of shares Represented:

Proxy's Mobile No.	Email Address

2) Name of proxy: NRIC No:

Address:

No. of shares Represented:

Proxy's Mobile No.	Email Address

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-Third Annual General Meeting of the Company, to be conducted fully virtual via Online Meeting Platform at <https://rb.gy/w55o31> provided by Niche & Milestones International Sdn Bhd on Friday, 7 June 2024 at 12.00 noon and any adjournment thereof.

My/Our Proxy(ies) is/are to vote as indicated below:

No.	Resolution	For	Against
1.	To declare a final single tier dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 December 2023		
2.	To approve the payment of Directors' fees of RM337,500.00 and benefits of RM39,600.00 for the financial year ended 31 December 2023		
3.	To approve the payment of Directors' fees and benefits up to RM560,000.00 from 1 January 2024 until the next Annual General Meeting.		
	To re-elect the following Directors who are retiring by rotation, pursuant to Clause 104 of the Constitution of the Company, and being eligible, offer themselves for re-election :-		
4.	Mr. Pang Wee See		
5.	Ir. Koh Thong How		
6.	To re-appoint Messrs CAS Malaysia PLT as Auditors of the Company until the conclusion of the next Annual		
	Special Business		
7.	Ordinary Resolution - To authorise the Directors to allot and issue shares pursuant to Section 75 and 76 of the Companies Act, 2016.		
8.	Special Resolution - To approve the Proposed Renewal of Authority for Purchase of Own Shares by the Company		

(Please indicate with an "X" how you wish your vote to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain at his/their discretion)

Signed this day of 2024

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

Notes:

- The Company's Twenty-Third Annual General Meeting ("23rd AGM") will be conducted fully virtual via Online Meeting Platform provided by Niche & Milestones International Sdn Bhd, as the safety of the members, Directors, staff and other stakeholders of the Company who will attend the 23rd AGM is of paramount importance to the Company. As guided by the Securities Commission Malaysia's Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers, an online meeting platform can be recognised as the meeting venue or place under Section 327(2) of the Companies Act, 2016 provided that the online platform is located in Malaysia.
- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint more than two (2) proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
- Where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- The instrument of appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing in that behalf.
- The instrument appointing a proxy must be deposited at the Registered Office at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time for holding the Meeting or adjourned Meeting at which the person named in the instrument proposes to vote.
- Only a depositor whose name appears on the Record of Depositors as at 30 May 2024 shall be entitled to attend the said meeting and to appoint a proxy or proxies to attend, speak and/or vote on his/her behalf.
- According to Clause 64 of the Constitution of the Company and pursuant to Paragraph 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

PERSONAL DATA PRIVACY :

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

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

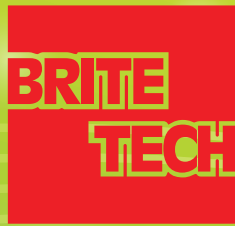
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AFFIX
STAMP

The Company Secretary
BRITE-TECH BERHAD
Registration No. 200101014455 (550212-U)
B-25-2, Block B, Jaya One
No. 72A, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor Darul Ehsan
Malaysia

2nd FOld Here

Fold This Flap For Sealing



BRITE-TECH BERHAD

Registration No. 200101014455 (550212-U)